YOAKUM
INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2024

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ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2024

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Introductory Section

CERTIFICATE OF BOARD

Yoakum Independent School District	Dewitt	062-903
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 __X__ disapproved for the year ended August 31, 2024, at a meeting of the board of trustees of such school district on the 22nd day of January, 2025.

/Darlene Renken/		/Glen Kusak/	
Signature of Board Secretary		Signature of Board President	

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

Financial Section

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Independent Auditors' Report

Board of Trustees
Yoakum Independent School District
P.O. Box 737
Yoakum, Texas 77995

Members of the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Yoakum Independent School District as of and for the year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Yoakum Independent School District, as of August 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Yoakum 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 Yoakum 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**.**

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance, but it 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 Yoakum 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 Yoakum 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 10 through 16, the budgetary comparison information on page 56, the information related to the District's pension plan on pages 57 through 60, and the information related to the District's other post-employment benefits on pages 61 through 64, 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 Yoakum Independent School District's basic financial statements. The accompanying supplementary information on pages 67 through 71 and the schedule of expenditures of federal awards on pages 80 through 81, 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Substantial Doubt about the District's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that Yoakum Independent School District will continue as a going concern. As discussed in Note M to the financial statements, Yoakum Independent School District's financial position has deteriorated over the past several years as indicated by the significant decrease in its fund balance. Management's evaluation of the events and conditions and management's plans regarding those matters are also described in Note M. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

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

Respectfully submitted,



Roloff, Hnatek & Co., L.L.P.
January 16, 2025

Management's Discussion and Analysis (Unaudited)

As management of Yoakum Independent School District ("District"), we offer readers as an introduction to the District's financial statements, this narrative overview and analysis of the District's activities and financial performance for the year ended August 31, 2024. This discussion and analysis is designed to assist readers in concentrating on the significant financial issues and activities and to identify any significant changes in financial position. All amounts, unless otherwise indicated, are expressed in whole dollars.

FINANCIAL HIGHLIGHTS

- The net position of the District at August 31, 2024 was $29,448,547. Of this amount, $10,911,535 is unrestricted.
- The District's total net position increased by $2,848,046, or 11%, from the prior year.
- The general fund had a fund balance of $1,158,643 at August 31, 2024, a decrease of $1,608,696, or 58%, from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report of the District consists of three parts – management's discussion and analysis (this section), the basic financial statements, and supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in more detail than the government-wide statements.
- The *governmental funds* statements tell how the general government services were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund statements*, if any, offer *short-term* and *long-term* financial information about the activities the government operates like businesses.
- *Fiduciary fund statements* provide information about the financial relationships in which the District acts solely as a *trustee* or *custodian* for the benefit of others, to whom the resources in question belong.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

The table on the following page summarizes the major features of the District's financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Major Features of the District's Government-wide and Fund Financial Statements

Features	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District's government (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary	Activities the District operates similar to private businesses	Instances in which the District is the trustee or custodian for someone else's resources
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of net position Statement of revenues, expenses, and changes in fund net position Statement of cash flows	Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how it has changed. Net position is the difference between the District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, and is one way to measure the District's financial health or position.

- Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- To assess the overall health of the District, one needs to consider additional non-financial factors such as changes in the District's tax base.

The government-wide financial statements of the District include the *governmental activities*. Most of the District's basic services are included here, such as instruction, curriculum, staff development, general administration, extracurricular activities and health services. Property taxes, state-aid, and grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds* and not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for specific purposes.

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

The District has the following kinds of funds:

- *Governmental funds* - Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted into cash flow in and out, and (2) the balances left at year end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's operations. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the government funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Fiduciary funds* - The District is the trustee, or fiduciary, for certain funds such as club and class funds and payroll withholding funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

Other Supplementary Information

In addition to the financial statements and accompanying notes, this report also presents certain *other supplementary information* on property taxes, indirect costs, fund balance, budgetary information and other reports required by Texas Education Agency and/or *Government Auditing Standards.*

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

One fundamental question that is most asked of an entity is, as a whole "Are you better off or worse off as a result of the year's activities?" The statement of net position and the statement of activities report information about the District's activities in a way that should help answer this question. These two statements report the net position of the District and changes therein. The District's net position (the difference between assets and liabilities) can be thought of as a way to measure the financial health of the District. Over time, increases or decreases in the District's net position are indicators of whether its financial health is improving or deteriorating. However, you will need to consider other information that is non-financial in nature, such as changes in economic conditions, demographic information, mandated state and federal regulations, and new or changed government legislation.

Statement of Net Position

The statement of net position serves as a useful indicator over time of the District's financial position. It distinguishes assets plus deferred outflows of resources and liabilities plus deferred inflows of resources as to their expected use for current operations and capital investment. The District's assets plus deferred outflows of resources exceeded its liabilities plus deferred inflows of resources at the close of fiscal year 2024 by $29,448,547. The following condensed Statement of Net Position provides an overview of the District's net position as of August 31, 2024 and 2023.

	Governmental Activities		$ Change	% Change
	2024	2023	2024 - 2023	2024 - 2023
Assets:				
Other Assets	$ 30,095,679	$ 9,561,883	$ 20,533,796	215%
Capital Assets	75,173,358	69,835,571	5,337,787	8%
Total Assets	105,269,037	79,397,454	25,871,583	33%
Deferred Outflows of Resources	6,200,258	6,994,931	(794,673)	(11%)
Liabilities:				
Current Liabilities	3,277,092	3,223,937	53,155	2%
Non-Current Liabilities	70,756,478	48,039,896	22,716,582	47%
Total Liabilities	74,033,570	51,263,833	22,769,737	44%
Deferred Inflows of Resources	7,987,178	8,528,051	(540,873)	(6%)
Net Position:				
Net Investment in Capital Assets	16,305,533	34,163,512	(17,857,979)	(52%)
Restricted	2,231,479	2,758,946	(527,467)	(19%)
Unrestricted	10,911,535	(10,321,957)	21,233,492	206%
Total Net Position	$ 29,448,547	$ 26,600,501	$ 2,848,046	11%

A portion of the District's net position ($16,305,533) reflects its investment in capital assets (e.g., land, buildings, vehicles, and furniture and equipment) less the remaining balance of the related debt, if any, used to acquire those assets. The District uses these capital assets to provide services to its students and, consequently, these assets are not available for future spending. The restricted portion of the District's net position ($2,231,479) is for debt service, campus activities, cooperatives, and local grants. The remaining balance of unrestricted net position ($10,911,535) may be used to meet the District's ongoing obligations to employees and vendors.

Statement of Activities

The statement of activities serves as a measure to determine how successful the District was during the past year in recovering its costs through property taxes, state and federal grants, charges for services and other revenues. The following condensed statement of activities summarizes the operations of the District for the years ended August 31, 2024 and 2023.

	Governmental Activities		$ Change	% Change
	2024	2023	2024 - 2023	2024 - 2023
Program Revenues:				
Charges for Services	$ 4,420,400	$ 4,514,775	$ (94,375)	(2%)
Operating Grants and Contributions	5,710,190	7,804,463	(2,094,273)	(27%)
General Revenues:				
Property Taxes	17,662,195	17,394,837	267,358	2%
State Aid-Formula Grants	4,642,298	3,032,828	1,609,470	53%
Investment Earnings	1,841,219	196,568	1,644,651	837%
Miscellaneous Local and Intermediate	423,169	1,288,403	(865,234)	(67%)
Loss on Disposition of Capital Assets	-	(16,036)	16,036	100%
Total Revenues	34,699,471	34,215,838	483,633	1%
Expenses:				
Instruction	14,754,061	13,979,673	774,388	6%
Instructional Resources and Media Services	205,513	202,782	2,731	1%
Curriculum and Instructional Staff Dvlpmt.	111,553	147,650	(36,097)	(24%)
Instructional Leadership	368,411	466,674	(98,263)	(21%)
School Leadership	1,152,653	1,052,035	100,618	10%
Guidance, Counseling, and Evaluation Svcs.	2,017,408	1,883,741	133,667	7%
Health Services	473,117	456,451	16,666	4%
Student (Pupil) Transportation	638,578	573,041	65,537	11%
Food Services	1,679,197	1,683,557	(4,360)	(1%)
Extracurricular Activities	1,904,319	1,914,035	(9,716)	(1%)
General Administration	1,735,810	1,764,497	(28,687)	(2%)
Facilities Maintenance and Operations	2,748,521	2,690,731	57,790	2%
Security and Monitoring Services	119,959	102,937	17,022	17%
Data Processing Services	37,481	1,119	36,362	3,250%
Community Services	77,108	65,523	11,585	18%
Debt Service - Interest on Long-Term Debt	1,943,616	794,073	1,149,543	145%
Debt Service - Bond Issuance Cost Fees	157,552	45,410	112,142	247%
Payments Related to Shared Svcs. Arrang.	1,726,568	1,707,620	18,948	1%
Total Expenses	31,851,425	29,531,549	2,319,876	8%
Increase (Decrease) in Net Position	$ 2,848,046	$ 4,684,289	$ (1,836,243)	

The District's total revenues and expenses increased by 1% and 8%, respectively. There were significant increases in revenues from property taxes, state aid-formula grants, and investment earnings, while there were significant decreases in operating grants and contributions and miscellaneous local and intermediate revenues. There were significant increases in expenses in the functional categories of instruction, guidance, counseling, and evaluation services, and debt service - interest on long-term debt, while there were no significant decreases. The fiscal year operations resulted in an increase in net position of $2,848,046.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled $35,072,762, a decrease of approximately 1% from the preceding year. Local revenues increased by approximately 5% while state and federal revenues decreased in total by approximately 13%. Expenditures from governmental fund types totaled $42,266,006, an increase of approximately 16% from the preceding year. There were significant increases in revenues from local and intermediate sources and state program revenues, while there was a significant decrease in federal program revenues. There were significant increases in expenditures in the functional categories of facilities maintenance and operations, principal on long-term liabilities, interest on long-term liabilities, and facilities acquisition and construction, while there was a significant decrease in the functional category of instructional leadership.

General Fund Budgetary Highlights

Over the course of the year, the District revised its general fund budget several times. The District's budgeted revenues and expenditures were not significantly changed by budget amendments to accommodate unanticipated increases and decreases in revenues and expenditures subsequent to the adoption of the original budget.

Total actual revenues were $669,190 less than the final budgeted amount due primarily to local and intermediate sources being significantly less than anticipated combined with state program revenues being significantly more than anticipated. Total actual expenditures were $3,571,666 less than final budget amounts due primarily to significant favorable variances in functions 34 (Student (Pupil) Transportation) and 81 (Facilities Acquisition and Construction) combined with other less significant favorable variances.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets as of August 31, 2024 was $75,173,358 (net of accumulated depreciation). This investment in capital assets includes school facilities, machinery and equipment, furniture, and vehicles. This amount represents a net increase (including additions, deletions, and depreciation expense) of $5,337,787 from fiscal year 2023. Additional information regarding the District's capital assets can be found in Note C to the financial statements. The following table summarizes the District's capital assets (net of accumulated depreciation) as of August 31, 2024 and 2023.

	Governmental Activities		$ Change	% Change
	2024	2023	2024 - 2023	2024 - 2023
Land	$ 2,073,614	$ 1,753,461	$ 320,153	18%
Construction in Progress	6,275,390	3,347,483	2,927,907	87%
Buildings and Improvements	93,526,007	89,105,203	4,420,804	5%
Vehicles, Furniture and Equipment	3,940,097	3,828,973	111,124	3%
Totals at Historical Cost	105,815,108	98,035,120	7,779,988	8%
Total Accumulated Depreciation	(30,641,750)	(28,199,549)	(2,442,201)	9%
Net Capital Assets	$ 75,173,358	$ 69,835,571	$ 5,337,787	8%

Long-term Obligations

As of August 31, 2024, the District had long-term obligations outstanding of $58,867,825. This amount is comprised of general obligation bonds, maintenance tax notes, and a line of credit. Additional information regarding the District's long-term obligations can be found in Note E to the financial statements. The following table summarizes the District's long-term obligations outstanding at August 31, 2024 and 2023.

	Governmental Activities		$ Change	% Change
	2024	2023	2024 - 2023	2024 - 2023
General Obligation Bonds	$ 54,212,825	$ 30,722,059	$ 23,490,766	76%
Maintenance Tax Notes	3,955,000	4,100,000	(145,000)	(4%)
Line of Credit	700,000	850,000	(150,000)	(18%)
Total Governmental Activities	$ 58,867,825	$ 35,672,059	$ 23,195,766	65%

ECONOMIC OUTLOOK

The District has adopted a property tax rate of $1.00059 for the fiscal year ending 2025 based on its approved budget and total assessed taxable property values. Of the total tax rate, $0.69690 per $100 is for the purpose of maintenance and operations and $0.30360 per $100 is for the payment of principal and interest on obligations. The total assessed property tax value used for fiscal year ending 2025 budget increased by approximately 3% from the prior year. The District's average daily attendance is expected to be approximately 1,356 for the fiscal year ending 2025. These factors were taken into consideration when adopting the general fund budget for fiscal year ending 2025. The District has a balanced budget for fiscal year ending 2025.

REQUESTS FOR INFORMATION

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

Basic Financial Statements

YOAKUM INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2024

Data Control Codes		Primary Government Governmental Activities
ASSETS		
1110	Cash and Cash Equivalents	$ 990,600
1120	Current Investments	27,328,431
1220	Property Taxes - Delinquent	1,503,042
1230	Allowance for Uncollectible Taxes	(588,516)
1240	Due from Other Governments	861,940
1267	Due from Fiduciary Funds	182
	Capital Assets:	
1510	Land	2,073,614
1520	Buildings, Net	65,887,448
1530	Furniture and Equipment, Net	936,906
1580	Construction in Progress	6,275,390
1000	Total Assets	105,269,037
DEFERRED OUTFLOWS OF RESOURCES		
1701	Deferred Charge for Refunding	397,220
1702	Deferred Outflow - State Foundation Program	344,268
1705	Deferred Outflow Related to TRS Pension	3,655,718
1706	Deferred Outflow Related to TRS OPEB	1,803,052
1700	Total Deferred Outflows of Resources	6,200,258
LIABILITIES		
2110	Accounts Payable	1,906,723
2140	Interest Payable	114,021
2160	Accrued Wages Payable	1,200,636
2177	Due to Fiduciary Funds	4,000
2200	Accrued Expenses	49,335
2300	Unearned Revenue	2,377
	Noncurrent Liabilities:	
2501	Due Within One Year: Loans, Note, Leases, etc.	5,060,341
	Due in More than One Year:	
2502	Bonds, Notes, Loans, Leases, etc.	53,807,484
2540	Net Pension Liability (District's Share)	7,955,908
2545	Net OPEB Liability (District's Share)	3,932,745
2000	Total Liabilities	74,033,570
DEFERRED INFLOWS OF RESOURCES		
2605	Deferred Inflow Related to TRS Pension	971,814
2606	Deferred Inflow Related to TRS OPEB	7,015,364
2600	Total Deferred Inflows of Resources	7,987,178
NET POSITION		
3200	Net Investment in Capital Assets	16,305,533
	Restricted:	
3850	Restricted for Debt Service	1,803,157
3870	Restricted for Campus Activities	30,096
3890	Restricted for Other Purposes	398,226
3900	Unrestricted	10,911,535
3000	Total Net Position	$ 29,448,547

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

YOAKUM INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 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	$ 14,754,061	$ 4,045,473	$ 1,737,547	$ (8,971,041)
12	Instructional Resources and Media Services	205,513	-	8,617	(196,896)
13	Curriculum and Instructional Staff Development	111,553	-	66,487	(45,066)
21	Instructional Leadership	368,411	-	7,096	(361,315)
23	School Leadership	1,152,653	-	57,172	(1,095,481)
31	Guidance, Counseling, and Evaluation Services	2,017,408	-	895,623	(1,121,785)
33	Health Services	473,117	-	38,414	(434,703)
34	Student (Pupil) Transportation	638,578	-	24,963	(613,615)
35	Food Services	1,679,197	103,558	1,424,521	(151,118)
36	Extracurricular Activities	1,904,319	51,957	37,490	(1,814,872)
41	General Administration	1,735,810	219,412	251,532	(1,264,866)
51	Facilities Maintenance and Operations	2,748,521	-	662,154	(2,086,367)
52	Security and Monitoring Services	119,959	-	16,516	(103,443)
53	Data Processing Services	37,481	-	3,302	(34,179)
61	Community Services	77,108	-	71,231	(5,877)
72	Debt Service - Interest on Long-Term Debt	1,943,616	-	407,525	(1,536,091)
73	Debt Service - Bond Issuance Cost and Fees	157,552	-	-	(157,552)
93	Payments Related to Shared Services Arrangements	1,726,568	-	-	(1,726,568)
	[TP] TOTAL PRIMARY GOVERNMENT:	$ 31,851,425	$ 4,420,400	$ 5,710,190	(21,720,835)

Data Control Codes		
	General Revenues:	
	Taxes:	
MT	Property Taxes, Levied for General Purposes	11,710,765
DT	Property Taxes, Levied for Debt Service	5,951,430
SF	State Aid - Formula Grants	4,642,298
IE	Investment Earnings	1,841,219
MI	Miscellaneous Local and Intermediate Revenue	423,169
TR	Total General Revenues	24,568,881
CN	Change in Net Position	2,848,046
NB	Net Position - Beginning	26,600,501
NE	Net Position - Ending	$ 29,448,547

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

YOAKUM INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2024

Data Control Codes		10 General Fund	Special Education Coop. - SSA	50 Debt Service Fund
	ASSETS			
1110	Cash and Cash Equivalents	$ 75,951	$ 274,691	$ 293,003
1120	Investments - Current	1,160,379	-	1,775,531
1220	Property Taxes - Delinquent	1,022,157	-	480,885
1230	Allowance for Uncollectible Taxes	(394,971)	-	(193,545)
1240	Due from Other Governments	547,829	-	1,549
1260	Due from Other Funds	738,313	-	500,000
1000	Total Assets	$ 3,149,658	$ 274,691	$ 2,857,423
	LIABILITIES			
2110	Accounts Payable	$ 995	$ -	$ -
2160	Accrued Wages Payable	832,949	262,815	-
2170	Due to Other Funds	504,000	-	734,371
2200	Accrued Expenditures	25,885	11,876	-
2300	Unearned Revenue	-	-	-
2000	Total Liabilities	1,363,829	274,691	734,371
	DEFERRED INFLOWS OF RESOURCES			
2601	Unavailable Revenue - Property Taxes	627,186	-	287,340
2600	Total Deferred Inflows of Resources	627,186	-	287,340
	FUND BALANCES			
	Restricted Fund Balance:			
3480	Retirement of Long-Term Debt	-	-	1,835,712
3490	Other Restricted Fund Balance	-	-	-
	Committed Fund Balance:			
3510	Construction	-	-	-
3600	Unassigned Fund Balance	1,158,643	-	-
3000	Total Fund Balances	1,158,643	-	1,835,712
4000	Total Liabilities, Deferred Inflows & Fund Balances	$ 3,149,658	$ 274,691	$ 2,857,423

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

60 Capital Projects	Other Funds	Total Governmental Funds
$ 107,491	$ 239,464	$ 990,600
24,392,521	-	27,328,431
-	-	1,503,042
-	-	(588,516)
-	312,562	861,940
-	45,844	1,284,157
$ 24,500,012	$ 597,870	$ 31,379,654
$ 1,904,607	$ 1,121	$ 1,906,723
-	104,872	1,200,636
-	49,604	1,287,975
-	11,574	49,335
-	2,377	2,377
1,904,607	169,548	4,447,046
-	-	914,526
-	-	914,526
-	-	1,835,712
-	428,322	428,322
22,595,405	-	22,595,405
-	-	1,158,643
22,595,405	428,322	26,018,082
$ 24,500,012	$ 597,870	$ 31,379,654

	Total Fund Balances - Governmental Funds	$	26,018,082
1	Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		75,173,358
2	Long-term debt obligations are not due and payable in the current period, therefore, are not reported as liabilities in the governmental funds. Long-term obligations at year-end consist of: bonds payable of $51,550,000, the related unamortized premium on bonds payable of $2,662,825, a maintenance tax note of $3,955,000, and a line of credit of $700,000.		(58,867,825)
3	Accrued interest is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.		(114,021)
4	Property taxes are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the governmental funds.		914,526
5	State Foundation Program revenues receivable, but not yet available, are not financial resources and, therefore, are not reported in the governmental funds.		344,268
6	Deferred charge on refunding bonds does not require the use of current financial resources, and, therefore, is not reported as an asset in the governmental funds.		397,220
7	The District's proportionate share of the net pension liability of $7,955,908, deferred inflows of resources of $971,814, and deferred outflows of resources of $3,655,718 related to the net pension liability do not require the use of current financial resources; therefore, they are not reported as expenditures in the governmental funds.		(5,272,004)
8	The District's proportionate share of the net OPEB liability of $3,932,745, deferred inflows of resource of $7,015,364, and deferred outflows of resources of $1,803,052 related to the net OPEB liability do not require the use of current financial resources; therefore, are not reported as expenditures in the governmental funds.		(9,145,057)
29	**Net Position of Governmental Activities**	$	29,448,547

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

YOAKUM INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2024

Data Control Codes		10 General Fund	Special Education Coop. - SSA	50 Debt Service Fund
	REVENUES:			
5700	Total Local and Intermediate Sources	$ 12,816,215	$ 3,910,000	$ 5,937,641
5800	State Program Revenues	5,463,728	240,000	407,525
5900	Federal Program Revenues	9,129	-	-
5020	Total Revenues	18,289,072	4,150,000	6,345,166
	EXPENDITURES:			
	Current:			
0011	Instruction	9,225,444	2,845,756	-
0012	Instructional Resources and Media Services	206,414	-	-
0013	Curriculum and Instructional Staff Development	24,430	18,872	-
0021	Instructional Leadership	138,171	227,775	-
0023	School Leadership	1,063,814	98,870	-
0031	Guidance, Counseling, and Evaluation Services	442,527	599,699	-
0033	Health Services	153,350	248,100	-
0034	Student (Pupil) Transportation	630,908	-	-
0035	Food Services	-	-	-
0036	Extracurricular Activities	1,419,757	-	-
0041	General Administration	1,242,250	-	-
0051	Facilities Maintenance and Operations	2,475,611	107,689	-
0052	Security and Monitoring Services	80,516	-	-
0053	Data Processing Services	22,790	7,400	-
0061	Community Services	6,000	-	-
	Debt Service:			
0071	Principal on Long-Term Liabilities	150,000	-	3,800,000
0072	Interest on Long-Term Liabilities	44,434	-	2,403,700
0073	Bond Issuance Cost and Fees	300	-	850
	Capital Outlay:			
0081	Facilities Acquisition and Construction	758,508	-	-
	Intergovernmental:			
0093	Payments to Fiscal Agent/Member Districts of SSA	1,726,568	-	-
6030	Total Expenditures	19,811,792	4,154,161	6,204,550
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,522,720)	(4,161)	140,616
	OTHER FINANCING SOURCES (USES):			
7911	Capital Related Debt Issued	-	-	-
7912	Sale of Real and Personal Property	1,611	-	-
7915	Transfers In	-	-	-
7916	Premium or Discount on Issuance of Bonds	-	-	-
8911	Transfers Out (Use)	(87,587)	-	-
7080	Total Other Financing Sources (Uses)	(85,976)	-	-
1200	Net Change in Fund Balances	(1,608,696)	(4,161)	140,616
0100	Fund Balance - September 1 (Beginning)	2,767,339	4,161	1,695,096
3000	Fund Balance - August 31 (Ending)	$ 1,158,643	$ -	$ 1,835,712

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

60 Capital Projects	Other Funds	Total Governmental Funds
$ 1,413,781	$ 285,190	$ 24,362,827
-	889,721	7,000,974
-	3,699,832	3,708,961
1,413,781	4,874,743	35,072,762
-	1,266,911	13,338,111
-	-	206,414
-	68,307	111,609
-	13,795	379,741
-	21,686	1,184,370
-	1,038,338	2,080,564
-	81,573	483,023
-	3,125	634,033
-	1,688,606	1,688,606
-	90,817	1,510,574
-	484,385	1,726,635
-	686,617	3,269,917
-	16,239	96,755
-	7,291	37,481
-	73,035	79,035
-	-	3,950,000
-	-	2,448,134
156,402	-	157,552
6,398,376	-	7,156,884
-	-	1,726,568
6,554,778	5,540,725	42,266,006
(5,140,997)	(665,982)	(7,193,244)
27,465,000	-	27,465,000
-	-	1,611
-	87,587	87,587
271,402	-	271,402
-	-	(87,587)
27,736,402	87,587	27,738,013
22,595,405	(578,395)	20,544,769
-	1,006,717	5,473,313
$ 22,595,405	$ 428,322	$ 26,018,082

Total Net Change in Fund Balances - Governmental Funds	$	20,544,769
Governmental funds report capital outlay as expenditures; however, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. Current year capital outlay and depreciation expense totaled $7,792,533 and $2,454,746, respectively, for a net effect of $5,337,787.		5,337,787
Repayment of principal for long-term obligations is an expenditure in the governmental funds, but is reported as a reduction to the long-term liabilities in the Statement of Net Position.		3,950,000
The change in accrued interest payable is reported in the Statement of Activities, but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.		(46,396)
The amortization of bond premiums and the deferred charge on refunding are reported in the Statement of Activities, but do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		550,914
The change in deferred tax revenue is reported in the Statement of Activities, but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.		(17,455)
The change in State Foundation Program revenues receivable, but not yet available, is reported in the Statement of Activities, but does not require the use of current financial resources and, therefore, is not reported as revenues in the governmental funds.		14,608
The activity related to the issuance of the Series 2023 Unlimited Tax School Building Bonds are reported as other financing sources and uses in the governmental funds, but are reported as additions and reductions to the long-term liabilities in the Statement of Net Position.		(27,736,402)
The net change in the net pension liability, deferred inflows of resources and deferred outflows of resources related to the net pension liability are reported in the Statement of Activities, but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following: net pension liability increased by $224,255, deferred inflows of resources increased by $168,640, and deferred outflows of resources decreased by $370,170, for a net effect of $763,065.		(763,065)

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

The net change in the net OPEB liability, deferred inflows of resources and deferred outflows of resources related to the net OPEB liability are reported in the Statement of Activities, but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following: net OPEB liability decreased by $703,439, deferred inflow of resources decreased by $709,236, and deferred outflows of resources decreased by $399,389, for a net effect of $1,013,286.	1,013,286
Change in Net Position of Governmental Activities	$ 2,848,046

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

YOAKUM INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2024

	Private Purpose Trust Funds	Total Custodial Funds
ASSETS		
Cash and Cash Equivalents	$ 11,704	$ 134,921
Due from Other Funds	4,000	-
Total Assets	15,704	$ 134,921
LIABILITIES		
Due to Other Funds	-	182
Total Liabilities	-	182
NET POSITION		
Restricted for Scholarships	15,704	-
Restricted for Other Purposes	-	134,739
Total Net Position	$ 15,704	$ 134,739

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

YOAKUM INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2024

	Private Purpose Trust Funds	Total Custodial Funds
ADDITIONS:		
Cocurricular Services or Activities	$ -	$ 221,053
Earnings from Temporary Deposits	64	-
Miscellaneous Additions	3,250	-
Total Additions	3,314	221,053
DEDUCTIONS:		
Supplies and Materials	-	147,983
Total Deductions	-	147,983
Change in Fiduciary Net Position	3,314	73,070
Total Net Position - September 1 (Beginning)	12,390	61,669
Total Net Position - August 31 (Ending)	$ 15,704	$ 134,739

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

A. Summary of Significant Accounting Policies

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

Reporting Entity

The Board of School Trustees ("Board"), a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public and has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency ("TEA") or to the State Board of Education are reserved for the Board, and the TEA may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District receives funding from local, state and federal government sources and must comply with the requirements of those funding entities. However, the District is not included in any other governmental "reporting entity" as defined by the GASB in its Statement No. 14, "The Financial Reporting Entity," as revised by GASB Statement No. 39, and there are no component units included within the reporting entity.

Basis of Presentation, Basis of Accounting

a. Basis of Presentation

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

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

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

The District reports the following major governmental funds:

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

A. Summary of Significant Accounting Policies (Continued)

Special Education Cooperative - Shared Services Arrangement: This fund is used to account for revenues and expenditures associated with the District's special education cooperative with local member districts.

Debt Service Fund: This fund is used to account for the receipt of property tax revenues, and related penalties and interest, state facilities allotment grant revenues, and the payment of long-term debt financed by such revenues.

Capital Projects Fund: This fund is used to account for the expenditure of debt proceeds for construction and renovation projects on District facilities.

In addition, the District reports the following fund types:

Special Revenue Funds: These funds are used to account for resources restricted, committed, or assigned for specific purposes by a grantor or Board. 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. With respect to the food service and campus activity funds, funds are rolled over from year to year for use in the programs.

Fiduciary Funds: These funds are used to account for assets held by the District in a trustee capacity or as a custodian for individuals, private organizations and/or other funds.

- Private-Purpose Trust Funds - Private-purpose trust funds are used to account for resources legally held in trust under which the principal and income benefit individuals, private organizations or other governments. The District's private-purpose trust funds represent scholarship funds held in trust for students.

- Custodial Funds - The District accounts for resources held for students and other organizations in a custodial capacity in the custodial funds.

b. Measurement Focus, Basis of Accounting

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

Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District does not consider revenues collected after its year-end to be available in the current period. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

A. Summary of Significant Accounting Policies (Continued)

Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Other Post-Employment Benefits: The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net other post-employment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to the OPEB, 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 a pay-as-you-go plan and all cash is held in a cash account.

Financial Statement Amounts

a. Property Taxes

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

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. Property taxes receivable are presented in the accompanying statement of net position and balance sheet as of August 31, 2024.

b. Inventories and Prepaid Items

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

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

A. Summary of Significant Accounting Policies (Continued)

c. Capital Assets

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

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

Asset Class	Estimated Useful Lives
Land Improvements	10-30
Buildings	50
Building Improvements	5-30
Furniture and Equipment	6-20
Vehicles	10

d. Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

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

e. Interfund Activity

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

f. Use of Estimates

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

A. Summary of Significant Accounting Policies (Continued)

g. Data Control codes

Data Control Codes appear in the rows and above the columns of certain financial statements. The TEA requires the display of these codes in the financial statements filed with TEA in order to ensure accuracy in building a statewide database for policy development and funding plans.

Fund Balance Policy

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), the District reports fund balances for governmental funds in classifications based primarily on the extent to which the district is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The *nonspendable* classification represents assets that will be consumed or "must be maintained in tact" and therefore will never convert to cash, such as inventories of supplies and endowments. Provisions of laws, contracts, and grants specify how fund resources can be used in the *restricted* classification. The nature of these two classifications precludes a need for a policy from the Board of Trustees. However, the Board has adopted fund balance policies for the three unrestricted classifications – committed, assigned, and unassigned.

Committed fund balance includes amounts that can only be used for specific purposes, and is reported pursuant to resolutions passed by the Board of Trustees, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by Board of Trustees.

Assigned fund balance includes amounts that the District intends to use for specific purposes, but that do not meet the definition of restricted or committed fund balance. Under the District's adopted policy, amounts may be assigned by the Superintendent or Assistant Superintendent for Business and Operations.

Unassigned fund balance includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund.

From time to time, the Board of Trustees may commit fund balances by a majority vote in a scheduled meeting. The Board's commitment may be modified or rescinded by a majority vote in a scheduled meeting. Board commitments cannot exceed the amount of fund balance that is greater than the sum of nonspendable and restricted fund balances since that practice would commit funds that the district does not have. Commitments may be for facility expansion or renovation, program modifications, wage and salary adjustments, financial cushions (rainy day funds), and other purposes determined by the Board.

Restricted fund balances in the special revenue funds represent state and federal grants as well as amounts restricted by donors to include the special education coop, campus activity funds and foundation donations. Fund balance in the debt service fund is restricted for the retirement of long-term debt.

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

The District has also adopted a policy to strive to maintain a minimum fund balance in the General Fund equal to 25% of operating expenditures, with an unassigned fund balance of at least 20% of operating expenditures. See Note O for additional information regarding the District's fund balance.

B. 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.

Cash Deposits

At August 31, 2024, the carrying amount of the District's deposits was $2,912,756 (of which $1,775,531 was invested in a certificate of deposit and included in current investments) and the bank balance was $3,392,848 The District's cash deposits at August 31, 2024 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name. The District's depository institution allows the District to incur an overdraft position in one or more of its demand deposit accounts as long as the balance of the District's total deposits (demand, savings and certificate of deposit accounts) with the institution is greater than zero. Consequently, the demand deposit accounts in the general fund and other funds in the accompanying balance sheet reflect a negative balance as of August 31, 2024. However, the total cash balance for all the District's funds is a positive balance

Investments

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

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

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

Fair Value Measurements

The District categorizes the fair value measurements of its investments within the fair value hierarchy established by generally accepted accounting principles. Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application* provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities as follows:

- Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority,
- Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and
- Level 3 inputs which consist of other unobservable inputs and have the lowest priority.

B. Deposits and Investments (Continued)

The District uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the District measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are used only when Level 1 and Level 2 inputs are not available.

The District's investments as of August 31, 2024 consist entirely of a certificate of deposit that is not subject to fair value measurements as follows:

Investment or Investment Type	Reported Amount
Certificates of Deposit	$ 1,775,531
LOGIC	25,552,900
Total Investments	$ 27,328,431

Analysis of Specific Deposit and Investment Risks

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

a. Credit Risk

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

b. Custodial Credit Risk

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

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

At year end, the District was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the district was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

B. Deposits and Investments (Concluded)

Investment Accounting Policy

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

C. Capital Assets

Capital asset activity for the year ended August 31, 2024, was as follows:

Governmental Activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets Not Being Depreciated				
Land	$ 1,753,461	$ 320,153	$ -	$ 2,073,614
Construction in Progress	3,347,483	6,275,390	3,347,483	6,275,390
Capital Assets Being Depreciated				
Building and Improvements	89,105,203	4,420,804	-	93,526,007
Vehicles, Furniture and Equipment	3,828,973	123,669	12,545	3,940,097
Total Capital Assets at Historical Cost	98,035,120	11,140,016	3,360,028	105,815,108
Less Accumulated Depreciation for:				
Buildings and Improvements	25,376,158	2,262,401	-	27,638,559
Vehicles, Furniture and Equipment	2,823,391	192,345	12,545	3,003,191
Total Accumulated Depreciation	28,199,549	2,454,746	12,545	30,641,750
Governmental Activities Capital Assets, Net	$ 69,835,571	$ 8,685,270	$ 3,347,483	$ 75,173,358

Depreciation expense was charged to governmental functions as follows:

Instruction	$ 1,765,484
Instructional Resources and Media Services	4,382
School Leadership	4,382
Health Services	1,567
Student (Pupil) Transportation	99,766
Food Services	42,640
Extracurricular Activities	428,712
General Administration	42,700
Facilities Maintenance and Operations	41,697
Security and Monitoring Services	23,416
Total	$ 2,454,746

D. Interfund Balances and Activities

Due to and From Other Funds

Balances due to and due from other funds at August 31, 2024, consisted of the following:

Due to Fund	Due From Fund	Amount	Purpose
General Fund	Debt Service Fund	$ 500,000	Short-term Loans
General Fund	Private Purpose Trust	4,000	Short-term Loans
Debt Service Fund	General Fund	734,371	Short-term Loans
Other Funds	General Fund	3,760	Short-term Loans
Custodial Funds	General Fund	182	Short-term Loans
Other Funds	Other Funds	45,844	Short-term Loans
		$ 1,288,157	

All amounts are scheduled to be repaid within one year.

Transfers To and From Other Funds

Transfers to and from other funds at August 31, 2024, consisted of the following:

Transfers From	Transfers To	Amount	Reason
General Fund	Other Funds	$ 87,587	Supplement Other Funds

E. Long-Term Obligations

General Obligation Bonds

During the year ended August 31, 2014, the District called for a bond election in which voters approved the issuance of $45,050,000 of general obligation bonds (Series 2014). Proceeds from the sale of the bonds were used for the construction and improvement of District facilities. The proceeds of the bonds included a premium of $5,177,544, which was amortized through August 31, 2022 using the straight-line method, which did not differ significantly from the effective-interest method. A portion of these bonds were refunded during the year ended August 31, 2018. These bonds were paid in full during the year ended August 31, 2022.

During the year ended August 31, 2016, general obligation bonds (Series 2015) totaling $5,315,000 were issued for a current refunding of $5,505,000 of the series 2008 general obligation bonds. The proceeds of the refunding bonds included a premium of $346,318 to be amortized through August 31, 2028 using the straight-line method, which does not differ significantly from the effective-interest method. The refunding transaction resulted in an economic gain of $494,718 and a reduction of $564,998 in future debt service payments. The reacquisition price exceeded the net carrying value amount of the old debt by $23,040. This deferred charge on refunding was expensed entirely during the year ended August 31, 2016.

During the year ended August 31, 2018, general obligation bonds (Series 2017) totaling $12,565,762 were issued for an advanced refunding of $11,785,000 of the series 2014-A general obligation bonds. The proceeds of the refunding bonds included a premium of $1,255,762 to be amortized through August 31, 2034 using the straight-line method, which does not differ significantly from the effective-interest method. The refunding transaction resulted in an economic gain of $1,531,457 and a reduction of $1,918,673 in future debt service payments. The reacquisition price exceeded the net carrying value amount of the old debt by $661,059. This deferred loss was amortized through August 31, 2019 using the straight-line method.

E. Long-Term Obligations (Continued)

During the year ended August 31, 2022, general obligation bonds (Series 2022) totaling $19,395,000 were issued for a refunding of $21,500,000 of the series 2014 general obligation bonds. The proceeds of the refunding bonds included a premium of $2,719,467 to be amortized through August 31, 2034 using the effective-interest method. The refunding transaction resulted in an economic gain of $3,553,136 and a reduction of $3,932,484 in future debt service payments. The reacquisition price exceeded the net carrying value amount of the old debt by $498,612. This deferred charge on refunding will be amortized through August 31, 2034 using the straight-line method.

During the year ended August 31, 2023, the District called for a bond election in which voters approved the issuance of $27,465,000 of general obligation bonds (Series 2023). The bonds were issued during the year ended August 31, 2024. Proceeds from the sale of the bonds are being used for the construction and improvement of District facilities. The proceeds of the bonds included a premium of $271,402, which is being amortized through August 31, 2053 using the straight-line method, which does not differ significantly from the effective-interest method.

During the year ended August 31, 2024, the District's Board of Trustees approved the issuance of $4,100,000 in Maintenance tax notes for additional renovation of District facilities.

The District has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. This information is required under SEC Rule15c2-12 to enable investors to analyze the financial condition and operations of the District.

Line of Credit

The District entered into an agreement with Yoakum National Bank for a maximum revolving unsecured line of credit of $3,000,000 during the year ended August 31, 2018. The outstanding balance of $850,000 was due on October 5, 2023 with interest payable at a rate of 4.25%. The District paid $150,000 in principal plus accrued interest on October 5, 2023, and entered into an agreement to extend the due date to October 5, 2024 for the remaining outstanding balance of $700,000 with an interest rate of 7.5%.

Long-Term Obligations Activity

Changes in long-term obligations for the year ended August 31, 2024, are as follows:

Governmental Activities:	Beginning Balances	Increases	Decreases	Ending Balances	Due Within One Year
Tax Refunding Bonds:					
Series 2015	$ 2,310,000	$ -	$ 440,000	$ 1,870,000	$ 455,000
Series 2017	8,340,000	-	805,000	7,535,000	835,000
Series 2022	17,090,000	-	1,875,000	15,215,000	1,965,000
Series 2023	-	27,465,000	535,000	26,930,000	425,000
Unamortized Premium	2,982,059	271,402	590,636	2,662,825	530,341
Total Bonds	30,722,059	27,736,402	4,245,636	54,212,825	4,210,341
Maintenance Tax Notes	4,100,000	-	145,000	3,955,000	150,000
Line of Credit	850,000	-	150,000	700,000	700,000
Total	$ 35,672,059	$ 27,736,402	$ 4,540,636	$ 58,867,825	$ 5,060,341

E. Long-Term Obligations (Continued)

Debt service requirements on long-term obligations at August 31, 2024, are as follows:

	General Obligation Bonds		
Year Ending August 31,	Principal	Interest	Total
2025	$ 4,210,341	$ 1,668,372	$ 5,878,713
2026	4,315,326	1,565,962	5,881,288
2027	4,420,644	1,461,025	5,881,669
2028	4,508,445	1,365,193	5,873,638
2029	2,373,072	1,291,491	3,664,563
2030 - 2034	12,679,411	5,638,179	18,317,590
2035 - 2039	3,956,000	4,474,659	8,430,659
2040 - 2044	5,116,000	3,311,847	8,427,847
2045 - 2049	6,416,000	2,014,307	8,430,307
2050 - 2053	6,217,586	523,583	6,741,169
Total	$ 54,212,825	$ 23,314,618	$ 77,527,443

	Maintenance Tax Notes		
Year Ending August 31,	Principal	Interest	Total
2025	$ 150,000	$ 164,900	$ 314,900
2026	155,000	158,419	313,419
2027	165,000	151,618	316,618
2028	170,000	144,500	314,500
2029	175,000	137,169	312,169
2030 - 2034	1,010,000	563,550	1,573,550
2035 - 2039	1,250,000	324,063	1,574,063
2040 - 2042	880,000	57,162	937,162
Total	$ 3,955,000	$ 1,701,381	$ 5,656,381

	Line of Credit		
Year Ending August 31,	Principal	Interest	Total
2025	$ 700,000	$ -	$ 700,000

	Total Long-Term Obligations		
Year Ending August 31,	Principal	Interest	Total
2025	$ 5,060,341	$ 1,833,272	$ 6,893,613
2026	4,470,326	1,724,381	6,194,707
2027	4,585,644	1,612,643	6,198,287
2028	4,678,445	1,509,693	6,188,138
2029	2,548,072	1,428,660	3,976,732
2030 - 2034	13,689,411	6,201,729	19,891,140
2035 - 2039	5,206,000	4,798,722	10,004,722
2040 - 2044	5,996,000	3,369,009	9,365,009
2045 - 2049	6,416,000	2,014,307	8,430,307
2050 - 2053	6,217,586	523,583	6,741,169
Total	$ 58,867,825	$ 25,015,999	$ 83,883,824

Interest rates on general obligation bonds range from 2.15% to 5.25%. The interest rate on the maintenance tax notes and the line of credit was 4.25%. Total interest expense for the year ended August 31, 2024 on all debt for governmental activities was $1,943,616.

F. Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 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.

G. Pension Plan

Plan Description

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

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

Pension Plan Fiduciary Net Position

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

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3% (multiplier) times the average of the five-highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit.

There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs, can be granted by the Texas Legislature as noted in the Plan description above.

G. Pension Plan (Continued)

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

Contributions

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

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

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

Current Fiscal Year Employer Contributions	$ 598,718
Current Fiscal Year Member Contributions	$ 1,376,246
Measurement Year NECE On-Behalf Contributions	$ 936,267

Contributors to the Plan include members, employers, and the State of Texas as the only non-employer contributing entity. 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 are required to pay the employer contribution rate in the following instances:

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

G. Pension Plan (Continued)

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

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

Actuarial Assumptions

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

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

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

Discount Rate

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

G. Pension Plan (Continued)

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

The long-term rate of return on pension plan investments is 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2023 are summarized below:

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

* Absolute Return includes Credit Sensitive Investments.
** Target allocations are based on the FY2023 policy model.
*** Capital Market Assumptions come from Aon Hewitt (as of 06/30/2023).
**** The volatility drag results from the conversion between arithmetic and geometric mean returns.

G. Pension Plan (Continued)

Discount Rate Sensitivity Analysis

The following table presents the net pension liability of the plan using the discount rate of 7.00% and what the net pension liability would be if it were calculated using a discount rate that was 1% less (6.00%) or 1% greater (8.00%) than the current rate.

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Proportionate Share of the Net Pension Liability	$ 11,894,523	$ 7,955,908	$ 4,608,948

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

At August 31, 2024, the District reported a liability of $7,955,908 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's Proportionate Share of the Collective Net Pension Liability	$ 7,955,908
State's Proportionate Share that is Associated with the District	12,511,583
Total	$ 20,467,491

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

At August 31, 2023, the employer's proportionate share of the collective net pension liability was 0.0115822792%, which was a decrease of 0.0014411137% from its proportionate share measured as of August 31, 2022.

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

G. Pension Plan (Concluded)

For the year ended August 31, 2024, the District recognized pension expense of $3,250,924 and revenue of $1,889,141 for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experiences	$ 283,472	$ 96,337
Changes in Actuarial Assumptions	752,473	184,147
Difference Between Projected and Actual Investment Earnings	1,157,778	-
Changes in Proportion and Difference Between the Employer's Contributions and the Proportionate Share of Contributions	863,277	691,330
Contributions Paid to TRS Subsequent to the Measurement Date	598,718	-
Total	$ 3,655,718	$ 971,814

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

Year ended August 31:	Pension Expense Amount
2025	$ 471,678
2026	$ 340,574
2027	$ 1,024,909
2028	$ 296,342
2029	$ (48,317)
Thereafter	-

For the year ended August 31, 2024, the changes to the TRS net pension liability were as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Net Pension Liability	$ 7,731,653	$ 224,255	$ -	$ 7,955,908

H. Defined Other Post-Employment Benefit Plan

Plan Description

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

H. Defined Other Post-Employment Benefit Plan (Continued)

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

OPEB Plan Fiduciary Net Position

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

Benefits Provided

TRS-Care provides health insurance coverage to retirees from public 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 COLA's.

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

TRS-Care Monthly Premium Rates

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

Contributions

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

H. Defined Other Post-Employment Benefit Plan (Continued)

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

	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%

Current Fiscal Year Employer Contributions	$ 147,140
Current Fiscal Year Member Contributions	$ 108,431
Measurement Year NECE On-Behalf Contributions	$ 185,948

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

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

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 developed in the experience study performed for TRS for the period ending August 31, 2021. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2022 TRS pension actuarial valuation that was rolled forward to August 31, 2023: rates of mortality, rates of retirement, rates of termination, rates of disability, general inflation, and wage inflation.

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

H. Defined Other Post-Employment Benefit Plan (Continued)

Additional Actuarial Methods and Assumptions:

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

Discount Rate

A single discount rate of 4.13% 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 plan is essentially a "pay-as-you-go" plan, 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 in measuring the net OPEB liability.

	1% Decrease in Discount Rate (3.13%)	Discount Rate (4.13%)	1% Increase in Discount Rate (5.13%)
District's Proportionate Share of the Net OPEB Liability	$ 4,631,955	$ 3,932,745	$ 3,362,173

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

At August 31, 2024, the District reported a liability of $3,932,745 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's Proportionate Share of the Collective Net OPEB Liability	$ 3,932,745
State's Proportionate Share that is Associated with the District	4,745,461
Total	$ 8,678,206

H. Defined Other Post-Employment Benefit Plan (Continued)

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 proportionate share 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.

At August 31, 2023, the employer's proportion of the net OPEB liability was 0.0177644365%, which was a decrease of 0.0015981710% from its proportion measured as of August 31, 2022.

Healthcare Cost Trend Rates Sensitivity Analysis

The following schedule shows the impact of the net OPEB liability if a healthcare trend rate is 1% less than and 1% greater than the health trend rates assumed.

	1% Decrease in Healthcare Trend Rate	Current Single Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
Proportionate Share of the Net OPEB Liability	$ 3,238,419	$ 3,932,745	$ 4,825,998

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

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

For the year ended August 31, 2024, the District recognized OPEB expense of ($1,880,626) and revenue of ($1,014,480) for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Actuarial Experiences	$ 177,927	$ 3,308,660
Changes in Actuarial Assumptions	536,791	2,408,124
Difference Between Projected and Actual Investment Earnings	1,699	-
Changes in Proportion and Difference Between the Employer's Contributions and the Proportionate Share of Contributions	939,495	1,298,580
Contributions Paid to TRS Subsequent to the Measurement Date	147,140	-
Total	$1,803,052	$ 7,015,364

H. Defined Other Post-Employment Benefit Plan (Concluded)

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

Year ended August 31:	OPEB Expense Amount
2025	$ (1,194,416)
2026	$ (1,014,038)
2027	$ (769,837)
2028	$ (761,942)
2029	$ (635,203)
Thereafter	$ (984,016)

For the year ended August 31, 2024, the changes to the TRS net OPEB liability were as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Net OPEB Liability	$ 4,636,184	$ -	$ 703,439	$ 3,932,745

I. Health Care Coverage – Retirees and Active Employees

Retiree Health Care Coverage

Plan Description

The District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit postemployment health care plan administered by the Teacher Retirement System of Texas (TRS). TRS-Care provides health care coverage for certain persons (and their dependents) who have retired under the Teacher Retirement System of Texas.

The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. The report may be obtained by visiting the TRS website at www.trs.state.tx.us, by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701, or by calling (800) 223-8778.

Funding Policy

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The contribution rate for the active employees was 0.65% for the years ended August 31, 2024, 2023, and 2022. The contribution rate for the State was 1.25% for the years ended August 31, 2024, 2023, and 2022. The contribution rate for the District was 0.75% for the years ended August 31, 2024, 2023, and 2022. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school.

I. Health Care Coverage – Retirees and Active Employees (Concluded)

Contributions

Contributions made by the State on behalf of the District are recorded in the governmental funds financial statements as both revenue and expenditures. State contributions to TRS made on behalf of the District's employees as well as the Member's and District's required contributions for the years ended August 31, 2024, 2023, and 2022 are as follows:

Contribution Rates and Contribution Amounts

	Member		State		District	
Year	Rate	Amount	Rate	Amount	Rate	Amount
2024	0.65%	$ 108,479	1.25%	$ 156,675	0.75%	$ 125,169
2023	0.65%	$ 105,027	1.25%	$ 148,452	0.75%	$ 121,187
2022	0.65%	$ 99,771	1.25%	$ 160,909	0.75%	$ 115,120

Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which became effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended August 31, 2024, 2023, and 2022, the subsidy payments received by TRS-Care on behalf of the District were $ 89,357, $87,814, and $65,239, respectively.

Active Employee Health Care Coverage

Plan Description

The District participates in TRS Active Care sponsored by the Teacher Retirement System of Texas and administered through Aetna and Caremark (pharmacy). TRS Active Care provides health care coverage to employees (and their dependents) of participating public education entities. Optional life and long-term care insurance are also provided to active members and retirees. Authority for the plan can be found in the Texas Insurance Code, Title 8, Subtitle H, Chapter 1579 and in the Texas Administrative Code, Title 34, Part 3, Chapter 41. The plan began operations on September 1, 2002. This is a premium based plan. Payments are made on a monthly basis for all covered employees.

J. Commitments and Contingencies

Contingencies

The District participates in 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, refunds of any money received may be required and the collectability of any related receivable 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 basic financial statements for such contingencies.

K. Shared Services Arrangements

The District is the fiscal agent for a Shared Services Arrangement ("SSA") which provides speech therapy, diagnostic and other services for locally funded special education to the member districts listed below. All services are provided by the fiscal agent. The member districts provide the funds to the fiscal agent. According to guidance provided in TEA's Financial Accountability System Resource Guide ("the Guide"), the District has accounted for the fiscal agent's activities of the SSA in a special revenue fund using Model 3 in the SSA section of the Guide. Expenditures of the SSA are summarized below:

Member Districts	Expenditures
Ezzell	$ 68,110
Hallettsville	880,399
Moulton	274,584
Nordheim	52,335
Shiner	539,254
Sweet Home	70,126
Vysehrad	70,501
Yoakum	1,834,384
Yorktown	364,468
Total	$ 4,154,161

The District is the fiscal agent for a Shared Service Arrangement ("SSA") which provides speech therapy, diagnostic and other services using federal funds to the member districts listed below. A majority of the services are provided by the fiscal agent. All funds are passed through the state directly to the fiscal agent. According to guidance provided in the Guide, the District has accounted for the fiscal agent activities of the SSA in a special revenue fund using Model 2 in the SSA section of the Guide. Expenditures of the SSA are summarized below.

	IDEA B Grant Program	
Member Districts	Formula	Preschool
Ezzell	$ 19,675	$ 717
Hallettsville	240,771	4,841
Moulton	66,478	5,044
Nordheim	30,931	1,850
Shiner	144,691	2,906
Sweet Home	27,910	1,407
Vysehrad	23,803	762
Yoakum	355,396	13,893
Yorktown	124,671	4,641
Total	$ 1,034,326	$ 36,061

The District also participates in another SSA in which it serves as the fiscal agent. The SSA provides services to the member districts listed below. All services are provided by the fiscal agent. The member districts provide the funds to the fiscal agent. According to guidance provided in the Guide, the District has accounted for the activities of the SSA in a special revenue fund using Model 3 in the SSA section of the Guide. Expenditures of the SSA are summarized below:

K. Shared Services Arrangements (Concluded)

Member Districts	Amount
Ezzell I.S.D.	$ 1,681
Shiner I.S.D.	7,763
Yoakum I.S.D.	27,398
Total	$ 36,842

L. Local and Intermediate Revenue

During the year ended August 31, 2024, local and intermediate revenues consisted of the following:

Revenue Description	Fund	Amount
Property Taxes Including Penalties and Interest	General Fund	$ 11,742,061
Interest Income from Temporary Investments	General Fund	427,438
Athletic Activities	General Fund	51,957
Rents and Royalties	General Fund	48,828
Gifts and Bequests	General Fund	18,563
Tuition and Fees	General Fund	408,144
Rent	General Fund	97,759
Other Miscellaneous Revenues	General Fund	21,465
Total General Fund		12,816,215
Revenues from Member Districts	Special Ed. Coop.	3,910,000
Property Taxes Including Penalties and Interest	Debt Service Fund	5,937,590
Other Miscellaneous Revenues	Debt Service Fund	51
Total Debt Service Fund		5,937,641
Interest Income from Temporary Investments	Capital Projects Fund	1,413,781
Revenues from Meals Served	Special Revenue Fund	103,559
Revenues from Enterprising Services	Special Revenue Fund	121,653
Gifts and Bequests	Special Revenue Fund	46,650
Revenues from Member Districts	Special Revenue Fund	13,328
Total Other Funds		285,190
Total Governmental Funds		24,362,827
Revenues from Enterprising Services	Custodial Fund	221,053
Interest Income from Temporary Investments	Private Purpose Trust	64
Rent	Private Purpose Trust	3,250
Total Fiduciary Funds		224,367
Total Local and Intermediate Sources		$ 24,587,194

M. Going Concern Uncertainty

Over the six-year period ended August 31, 2020, the District experienced a decline of $9,123,365 in its fund balance resulting in a deficit fund balance of $1,895,264 in its General Fund as of August 31, 2020. The District's General Fund operations for the years ended August 31, 2021, 2022 and 2023 resulted in increases in its fund balance of $2,417,253, $389,845 and $1,855,505, respectively, resulting in a fund balance of $2,767,339 at August 31, 2023. As reported in the accompanying statement of revenues, expenditures, and changes in fund balance – governmental funds for the year ended August 31, 2024, the District incurred a net decrease of $1,608,696 resulting in a fund balance of $1,158,643 as of August 31, 2024. This amount approximates one month of operating expenditures. Consequently, there remains an uncertainty about the District's ability to continue as a going concern. As a result, the District's management is taking the following action in an attempt to alleviate this uncertainty:

- The District anticipates a continued reduction in future electrical and maintenance expenditures as a result of the installation of a new HVAC/chiller system and an upgraded energy savings plan with LED lighting across all campuses of the District completed during the year ended August 31, 2024. This project was funded through a combination of federal grant and bond proceeds.
- Revisions continue to be made to food service operations in an attempt to operate at a break-even level.
- The District's budget for the general fund for the year ending August 31, 2024 reflects in increase in fund balance of approximately $100,000.
- A private foundation has committed approximately $525,000 in donations to assist the District with operating costs.
- The District has a Maintenance Tax Note of approximately $1,160,000 to help cover an expected deficit budget due to decreases in state funding.
- The District does not intend to replace instructional staff retiring from the District to help reduce compensation and related costs.
- The District anticipates holding another VATRE in the Fall of 2025. The District plans to request three golden pennies. If passed, the VATRE would potentially generate over $800,000 for the District in new revenue not subject to recapture.

Required Supplementary Information

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

YOAKUM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 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	$ 13,933,087	$ 13,941,587	$ 12,816,215	$ (1,125,372)
5800	State Program Revenues	5,063,881	5,016,475	5,463,728	447,253
5900	Federal Program Revenues	200	200	9,129	8,929
5020	Total Revenues	18,997,168	18,958,262	18,289,072	(669,190)
	EXPENDITURES:				
	Current:				
0011	Instruction	9,181,483	9,218,741	9,225,444	(6,703)
0012	Instructional Resources and Media Services	210,248	210,248	206,414	3,834
0013	Curriculum and Instructional Staff Development	40,095	28,395	24,430	3,965
0021	Instructional Leadership	141,150	138,650	138,171	479
0023	School Leadership	1,073,148	1,067,700	1,063,814	3,886
0031	Guidance, Counseling, and Evaluation Services	489,226	455,101	442,527	12,574
0033	Health Services	157,375	155,677	153,350	2,327
0034	Student (Pupil) Transportation	855,450	753,450	630,908	122,542
0036	Extracurricular Activities	1,356,518	1,434,063	1,419,757	14,306
0041	General Administration	1,236,576	1,252,751	1,242,250	10,501
0051	Facilities Maintenance and Operations	2,471,295	2,497,281	2,475,611	21,670
0052	Security and Monitoring Services	41,600	83,395	80,516	2,879
0053	Data Processing Services	84,000	28,000	22,790	5,210
0061	Community Services	5,000	6,000	6,000	-
	Debt Service:				
0071	Principal on Long-Term Liabilities	150,000	150,000	150,000	-
0072	Interest on Long-Term Liabilities	35,000	44,450	44,434	16
0073	Bond Issuance Cost and Fees	44,560	44,560	300	44,260
	Capital Outlay:				
0081	Facilities Acquisition and Construction	4,069,040	4,087,996	758,508	3,329,488
	Intergovernmental:				
0093	Payments to Fiscal Agent/Member Districts of SSA	1,780,000	1,727,000	1,726,568	432
6030	Total Expenditures	23,421,764	23,383,458	19,811,792	3,571,666
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,424,596)	(4,425,196)	(1,522,720)	2,902,476
	OTHER FINANCING SOURCES (USES):				
7912	Sale of Real and Personal Property	-	-	1,611	1,611
7914	Non-Current Loans	-	4,100,000	-	(4,100,000)
7915	Transfers In	-	344,612	-	(344,612)
8911	Transfers Out (Use)	(344,712)	(442,712)	(87,587)	355,125
7080	Total Other Financing Sources (Uses)	(344,712)	4,001,900	(85,976)	(4,087,876)
1200	Net Change in Fund Balances	(4,769,308)	(423,296)	(1,608,696)	(1,185,400)
0100	Fund Balance - September 1 (Beginning)	27,673,339	2,767,339	2,767,339	-
3000	Fund Balance - August 31 (Ending)	$ 22,904,031	$ 2,344,043	$ 1,158,643	$ (1,185,400)

YOAKUM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 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)	0.011582279%	0.013023393%	0.010446418%
District's Proportionate Share of Net Pension Liability (Asset)	$ 7,955,908	$ 7,731,653	$ 2,660,333
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	12,511,583	10,298,956	5,469,182
Total	$ 20,467,491	$ 18,030,609	$ 8,129,515
District's Covered Payroll	$ 16,063,165	$ 15,337,041	$ 15,127,485
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	49.53%	50.41%	17.59%
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
0.010917572%	0.010071082%	0.01019195%	0.010904748%	0.0120833%	0.0118777%	0.0052947%
$ 5,847,229	$ 5,235,263	$ 5,609,896	$ 3,486,751	$ 4,566,087	$ 4,198,609	$ 1,414,288
11,397,256	10,267,015	11,450,858	6,849,438	7,977,668	7,475,974	5,339,677
$ 17,244,485	$ 15,502,278	$ 17,060,754	$ 10,336,189	$ 12,543,755	$ 11,674,583	$ 6,753,965
$ 14,880,838	$ 13,773,758	$ 13,624,686	$ 13,580,906	$ 13,466,444	$ 12,506,370	$ 9,334,551
39.29%	38.01%	41.17%	25.67%	33.91%	33.57%	15.15%
75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

YOAKUM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2024

	2024	2023	2022
Contractually Required Contribution	$ 598,718	$ 590,723	$ 529,503
Contribution in Relation to the Contractually Required Contribution	(598,718)	(590,723)	(529,503)
Contribution Deficiency (Excess)	$ -	$ -	$ -
District's Covered Payroll	$ 16,689,277	$ 16,063,165	$ 15,337,041
Contributions as a Percentage of Covered Payroll	3.59%	3.68%	3.45%

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
$ 447,522	$ 447,983	$ 357,182	$ 340,830	$ 347,233	$ 383,916	$ 351,702
(447,522)	(447,983)	(357,182)	(340,830)	(347,233)	(383,916)	(351,702)
$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 15,127,485	$ 14,880,838	$ 13,773,758	$ 13,624,686	$ 13,580,906	$ 13,466,444	$ 12,506,370
2.96%	3.01%	2.59%	2.50%	2.56%	2.85%	2.81%

YOAKUM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 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	0.017764437%	0.019362608%	0.017343484%
District's Proportionate Share of Net OPEB Liability (Asset)	$ 3,932,745	$ 4,636,184	$ 6,690,157
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	4,745,461	5,655,416	8,963,319
Total	$ 8,678,206	$ 10,291,600	$ 15,653,476
District's Covered Payroll	$ 16,063,165	$ 15,337,311	$ 15,127,485
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	24.48%	30.23%	44.23%
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
0.017665218%	0.017811028%	0.018022574%	0.019298285%
$ 6,715,347	$ 8,423,054	$ 8,998,836	$ 8,392,100
9,023,817	11,192,354	11,094,170	10,054,885
$ 15,739,164	$ 19,615,408	$ 20,093,006	$ 18,446,985
$ 14,880,838	$ 13,773,758	$ 13,624,686	$ 13,580,906
45.13%	61.15%	66.05%	61.79%
4.99%	2.66%	1.57%	0.91%

YOAKUM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2024

	2024	2023	2022
Contractually Required Contribution	$ 147,140	$ 155,030	$ 147,060
Contribution in Relation to the Contractually Required Contribution	(147,140)	(155,030)	(147,060)
Contribution Deficiency (Excess)	$ -	$ -	$ -
District's Covered Payroll	$ 16,689,277	$ 16,063,165	$ 15,337,311
Contributions as a Percentage of Covered Payroll	0.88%	0.97%	0.96%

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
$ 137,220	$ 135,855	$ 136,601	$ 132,428
(137,220)	(135,855)	(136,601)	(132,428)
$ -	$ -	$ -	$ -
$ 15,127,485	$ 14,880,838	$ 13,773,758	$ 13,624,686
0.91%	0.91%	0.99%	0.97%

Budgetary Data

The official budget was prepared for adoption for the General Fund, Debt Service Fund, and the Food Service Fund, which is included within the Special Revenue Funds. The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

a. Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.

b. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must be given.

c. Prior to September 1, the budget is legally enacted through passage of a resolution of the Board.

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

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

TRS Pension Plan

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

Changes of Assumptions

There were no changes in assumptions.

TRS OPEB Plan

Changes of Benefit Terms

There were no changes in benefit terms.

Changes of Assumptions

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

Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

YOAKUM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2024

Last 10 Years Ended August 31		(1) Tax Rates Maintenance	(2) Tax Rates Debt Service	(3) Assessed/Appraised Value for School Tax Purposes
2015	and prior years	Various	Various	$ Various
2016		1.040000	0.389870	950,192,475
2017		1.040000	0.449000	715,278,026
2018		1.040000	0.460010	705,811,610
2019		1.040000	0.440000	771,498,635
2020		0.970000	0.440000	854,794,961
2021		0.966400	0.470000	845,420,180
2022		0.963400	0.470000	827,034,575
2023		0.850000	0.340000	1,420,632,192
2024	(School year under audit)	0.669200	0.339840	1,765,674,182
1000	TOTALS			
8000	Total Taxes Refunded Under Section 26.1115, Tax Code			

(10) Beginning Balance 9/1/2023	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2024	(99) Taxes Refunded Under Section 26.1115c
$ 175,238	$ -	$ 6,331	$ 477	$ 1,405	$ 169,835	
45,790	-	297	111	-	45,382	
47,486	-	505	218	-	46,763	
22,399	-	856	378	-	21,165	
34,722	-	3,154	1,335	-	30,233	
48,017	-	5,564	2,524	-	39,929	
96,749	-	19,230	9,352	(359)	67,808	
134,000	-	27,060	13,202	(2,114)	91,624	
251,892	-	84,145	33,476	(12,853)	121,418	
-	17,816,359	11,502,917	5,841,528	(251,177)	220,737	
$ 856,293	$ 17,816,359	$ 11,650,059	$ 5,902,601	$ (265,098)	$ 854,894	

	$ 14,174

Reconciliation of Ending Balance per Exhibit J-1 to Balance per Exhibits A-1 and C-1:

Ending Balance per Exhibit J-1	$ 854,894
Accrued Penalties and Interest on Delinquent Property Taxes Receivable	648,148
Property Taxes - Delinquent per Exhibits A-1 and C-1	$ 1,503,042

YOAKUM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
FOR THE YEAR ENDED AUGUST 31, 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	$ 155,275	$ 155,275	$ 103,559	$ (51,716)
5800	State Program Revenues	60,125	60,125	57,950	(2,175)
5900	Federal Program Revenues	1,432,645	1,432,645	1,415,162	(17,483)
5020	Total Revenues	1,648,045	1,648,045	1,576,671	(71,374)
	EXPENDITURES:				
	Current:				
0035	Food Services	1,597,245	1,695,945	1,688,606	7,339
0051	Facilities Maintenance and Operations	33,000	32,300	32,071	229
6030	Total Expenditures	1,630,245	1,728,245	1,720,677	7,568
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	17,800	(80,200)	(144,006)	(63,806)
	OTHER FINANCING SOURCES (USES):				
7915	Transfers In	100	98,100	87,587	(10,513)
1200	Net Change in Fund Balances	17,900	17,900	(56,419)	(74,319)
0100	Fund Balance - September 1 (Beginning)	56,419	56,419	56,419	-
3000	Fund Balance - August 31 (Ending)	$ 74,319	$ 74,319	$ -	$ (74,319)

YOAKUM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED AUGUST 31, 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	$ 6,394,344	$ 6,395,344	$ 5,937,641	$ (457,703)
5800	State Program Revenues	338,229	388,229	407,525	19,296
5020	Total Revenues	6,732,573	6,783,573	6,345,166	(438,407)
	EXPENDITURES:				
	Debt Service:				
0071	Principal on Long-Term Liabilities	3,800,000	3,800,000	3,800,000	-
0072	Interest on Long-Term Liabilities	2,466,779	2,466,779	2,403,700	63,079
0073	Bond Issuance Cost and Fees	2,000	2,000	850	1,150
6030	Total Expenditures	6,268,779	6,268,779	6,204,550	64,229
1200	Net Change in Fund Balances	463,794	514,794	140,616	(374,178)
0100	Fund Balance - September 1 (Beginning)	1,695,096	1,695,096	1,695,096	-
3000	Fund Balance - August 31 (Ending)	$ 2,158,890	$ 2,209,890	$ 1,835,712	$ (374,178)

YOAKUM INDEPENDENT SCHOOL DISTRICT

STATE COMPENSATORY EDUCATION AND BILINGUAL EDUCATION PROGRAM EXPENDITURES

FOR THE YEAR ENDED AUGUST 31, 2024

Section A: Compensatory Education Programs

AP1	Did your district expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the district have written policies and procedures for its state compensatory education program?	Yes
AP3	Total state allotment funds received for state compensatory education programs during the district's fiscal year.	$1,719,636
AP4	Actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24,26,28,29,30)	$2,764,824

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.	$174,188
AP8	Actual direct program expenditures for bilingual education programs during the district's fiscal year. (PIC 25)	$201,897

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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*

Board of Trustees
Yoakum Independent School District
P. O. Box 737
Yoakum, Texas 77995

Members of the Board of Trustees:

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 Yoakum Independent School District as of and for the year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise Yoakum Independent School District's basic financial statements, and have issued our report thereon dated January 16, 2025.

Report on Internal Control Over Financial Reporting

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

/Roloff, Hnatek & Co,. LLP/

Roloff, Hnatek & Co., L.L.P.
January 16, 2025

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Independent Auditors' Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Trustees
Yoakum Independent School District
P. O. Box 737
Yoakum, Texas 77995

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Yoakum 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 Yoakum Independent School District's major federal programs for the year ended August 31, 2024. Yoakum Independent School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States; and the 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Yoakum 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 Yoakum 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 Yoakum Independent School District's federal programs.

Auditors' 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 Yoakum 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 Yoakum 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 Yoakum 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 Yoakum 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 Yoakum 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 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 Auditors' 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.

Respectfully submitted,



Roloff, Hnatek & Co., L.L.P.
January 16, 2025

YOAKUM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2024

A. Summary of Auditors' Results

* The auditors' report expresses an unmodified opinion on whether the financial statements of Yoakum Independent School District were prepared in accordance with U.S. general accepted accounting principles.

* No significant deficiencies in internal control were disclosed by the audit.

* No material instances of noncompliance were disclosed by the audit.

* No significant deficiencies or material weaknesses in internal control over major federal award programs were disclosed by the audit.

* The auditors' report on compliance for the major federal award programs for Yoakum Independent School District expresses an unmodified opinion on all major federal programs.

* No findings required to be reported in accordance with 2 CFR section 200.516(a) are reported in this schedule.

* Major Programs tested: Child Nutrition Program Cluster, ALN 10.553 and 10.555.

* The threshold used to distinguish between Type A and Type B programs was $750,000.

* Yoakum Independent School District was not determined to be a low-risk auditee.

B. Findings Related to the Financial Statements Which are Required to be Reported in Accordance with Generally Accepted Government Auditing Standards.

NONE

C. Findings and Questioned Costs for Federal Awards

NONE

YOAKUM INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2024

There were no findings and/or questioned costs noted during the prior year audit.

YOAKUM INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED AUGUST 31, 2024

No corrective action plan is required as there were no findings and/or questions costs noted.

YOAKUM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 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 State Department of Education and Region 10 E.S.C.:			
SPED Capacity Contracted Services Grant	84.325	062-903	$ 32,771
Passed Through State Department of Education:			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	24610101062903	491,317
ESEA, Title I, Part A - Improving Basic Programs	84.010A	25610101062903	43,119
Total Assistance Listing Number 84.010A			534,436
*SSA - IDEA - Part B, Formula	84.027A	246600010629036000	1,025,136
*SSA - IDEA - Part B, Formula	84.027A	256600010629036000	9,190
Total Assistance Listing Number 84.027A			1,034,326
*SSA - IDEA - Part B, Preschool	84.173A	246610010629036000	33,197
*SSA - IDEA - Part B, Preschool	84.173A	256610010629036000	2,864
Total Assistance Listing Number 84.173A			36,061
Total Special Education Cluster (IDEA)			1,070,387
SSA - Career and Technical - Basic Grant	84.048A	24420006062903	36,842
ESEA, Title VI, Part B - Rural & Low Income Program	84.358B	24696001062903	45,417
ESEA, Title III, Part A - English Language Acquisition	84.365A	24671001062903	25,533
ESEA, Title III, Part A - English Language Acquisition	84.365A	25671001062903	3,119
Total Assistance Listing Number 84.365A			28,652
ESEA, Title II, Part A, Teacher Principal Training	84.367A	24694501062903	77,165
LEP Summer School	84.369A	69552302	4,408
ESEA, Title IV, Part A, Subpart 1 - SSAE	84.424A	24680101062903	32,201
Total Passed Through State Department of Education			1,829,508
TOTAL U.S. DEPARTMENT OF EDUCATION			1,862,279

See accompanying Notes to the Schedule of Expenditures of Federal Awards

YOAKUM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 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 AGRICULTURE			
Passed Through State Department of Agriculture:			
*COVID-19 - CARES Act - Supply Chain Grant Reallocation	10.555	6TX300400	75,295
Total Passed Through State Department of Agriculture			75,295
Passed Through State Department of Education:			
*School Breakfast Program	10.553	71402401	422,304
*National School Lunch Program - Cash Assistance	10.555	71302401	828,212
*National School Lunch Program - Non-Cash Assistance	10.555	062-903	89,352
Total Assistance Listing Number 10.555			917,564
Total Passed Through State Department of Education			1,339,868
Total Child Nutrition Cluster			1,415,163
TOTAL U.S. DEPARTMENT OF AGRICULTURE			1,415,163
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 3,277,442

*Clustered Programs

See accompanying Notes to the Schedule of Expenditures of Federal Awards

- Because the schedule of expenditures of federal awards presents only a selected portion of the activities of the District, it is not intended to, and does not, present the financial position, or changes in net position, of the District.

- For all federal awards, the District uses the fund types specified in Texas Education Agency's *Financial Accountability System Resource Guide*. Special revenue funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance is generally accounted for in the special revenue funds.

- 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 special revenue funds, which are governmental fund types.

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

  Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

- The total non-cash federal awards expended during the year ended August 31, 2024, was $89,352, all of which received under the National School Lunch Program, CFDA No. 10.555.

- The District did not elect to use the 10% de minimus cost rate as covered in section 200.414 of the Uniform Guidance.

- Reconciliation of Federal Revenues:

Total Expenditures of Federal Awards - Exhibit K-1	$ 3,277,442
Plus: SHARS/Medicaid Reimbursements	431,519
Total Federal Program Revenues - Exhibit C-3	$ 3,708,961