

Year Ended
June 30, 2024

ANNUAL FINANCIAL REPORT

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
ODESSA, TEXAS



OUR students...THE future

**ECTOR COUNTY INDEPENDENT
SCHOOL DISTRICT**

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2024

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
Introductory Section		
Certificate of the Board	i	
Organization Chart	ii	
Board of Trustees, Consultants and Advisors	iii	
Financial Section		
Independent Auditor's Report	1	
Management's Discussion and Analysis	4	
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	12	A-1
Statement of Activities	13	B-1
Government Fund Financial Statements:		
Balance Sheet	14	C-1
Reconciliation of Balance Sheet for Governmental Funds to Statement of Net Position	16	C-1R
Statement of Revenues, Expenditures, and Changes in Fund Balance	17	C-2
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	19	C-2R
Proprietary Fund Financial Statements:		
Statement of Net Position	20	D-1
Statement of Revenues, Expenses, and Changes in Fund Net Position	21	D-2
Statement of Cash Flows	22	D-3
Fiduciary Fund Financial Statements:		
Statement of Fiduciary Net Position	23	E-1
Statement of Changes in Fiduciary Net Position	24	E-2
Notes to the Financial Statements	25	F-1
Required Supplementary Information:		
Budgetary Comparison Schedule - General Fund	57	G-1
Budgetary Comparison Schedule - Child Nutrition Program Fund	58	G-2
Schedule of the District's Proportionate Share of the Net Pension Liability - TRS	59	G-3
Schedule of District Pension Contributions - TRS	60	G-4
Schedule of the District's Proportionate Share of the Net OPEB Liability - TRS	61	G-5
Schedule of District OPEB Contributions - TRS	62	G-6
Notes to Required Supplementary Information	63	
Other Supplementary Information:		
Combining Fund Statements:		
Nonmajor Governmental Funds		
Combining Balance Sheet	65	H-1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	74	H-2
Internal Services Funds:		
Combining Statement of Net Position	83	H-3
Combining Statement of Revenues, Expenditures, and Changes in Fund Net Position	84	H-4
Combining Statement of Cash Flow	85	H-5
Required TEA Schedules:		
Schedule of Delinquent Taxes Receivable	86	J-1
Budgetary Comparison Schedule - Debt Service Fund	88	J-2
Compensatory Education Program and Bilingual Education Program Compliance Responses	89	J-4

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT

TABLE OF CONTENTS (continued)

	<u>Page</u>	<u>Exhibit</u>
Federal Awards Section		
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	90	
Independent Auditor's Report on Compliance for Each Major Program; Report on Internal Control over Compliance required by the Uniform Guidance	92	
Schedule of Findings and Questioned Costs	95	
Schedule of Expenditures of Federal Awards	97	K-1
Notes to Schedule of Expenditures of Federal Awards	99	K-2
Summary Schedule of Prior Audit Findings	101	
Corrective Action Plan	102	
Required Responses to Selected School FIRST Indicators	103	L-1

INTRODUCTORY SECTION

CERTIFICATE OF BOARD

Ector County Independent School District

Name of School District

Ector

County

068901

Co. - Dist. No.

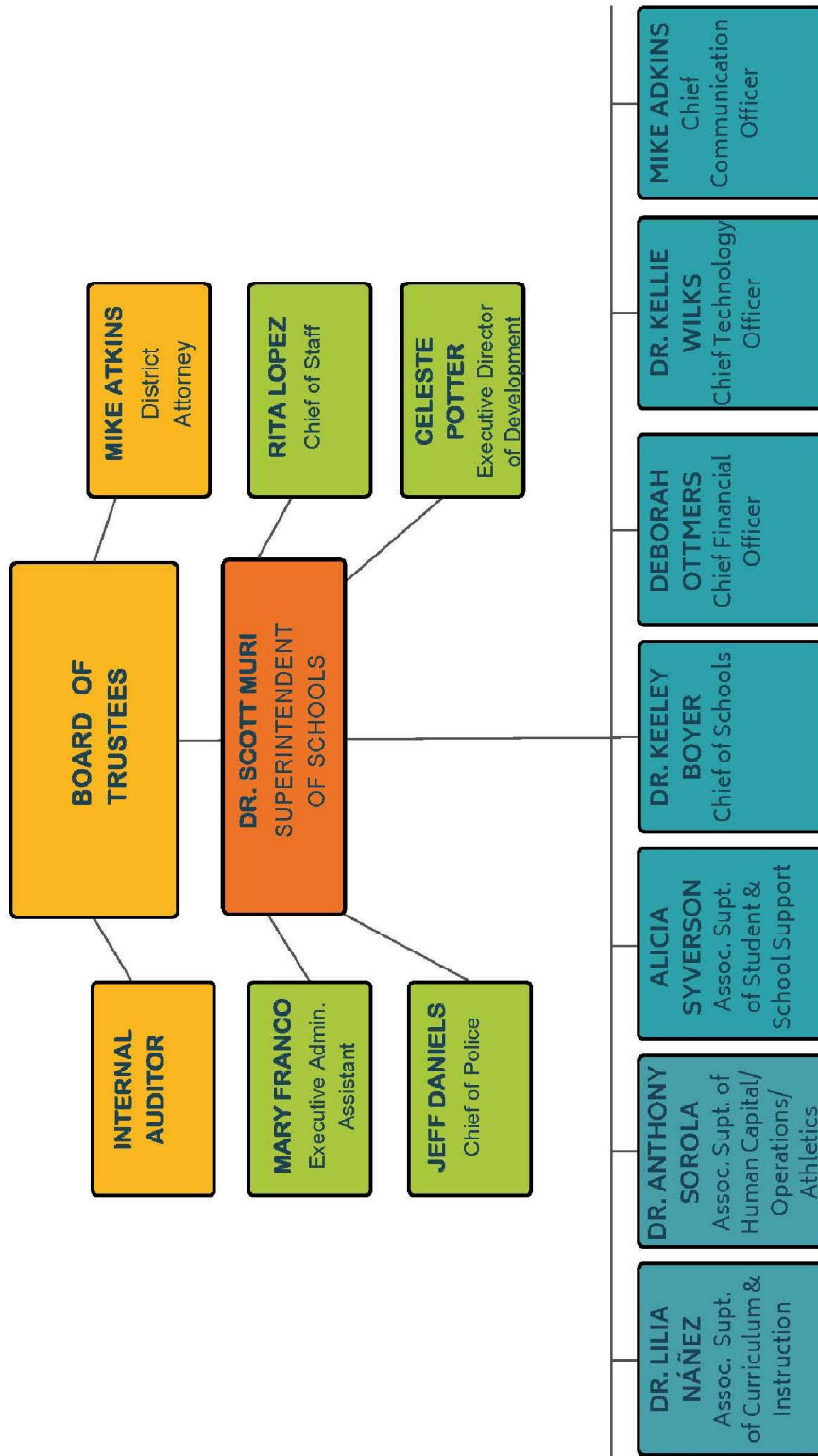
We, the undersigned, certify that the attached annual financial report of the above-named school district were reviewed and approved for the fiscal year ended June 30, 2024, at a meeting of the Board of Trustees of such school district on November 19, 2024.

Board Secretary

Board President

Superintendent of Schools

Organization Chart 2023-2024



ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES, CONSULTANTS, AND ADVISORS

Board of Trustees

Chris Stanley	President
Tammy Hawkins	Vice President
Steve Brown	Secretary
Bob Thayer	Member
Dawn Miller	Member
Wayne Woodall	Member
Delma Abalos	Member

Consultants and Advisors

Whitley Penn LLP	Independent Auditors
Atkins, Hollman, Jones, Peacock, Lewis, and Lyon	General Counsel
McCall, Parkhurst & Horton, LLP	Bond Counsel
BOK Financial Securities, Inc.	Bond Financial Advisor
Frost Bank	Official Depository
Underwood Law Firm, PC	Chapter 313 Counsel
CG Strategies, LLC	Chapter 313 Financial Advisor

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Ector County Independent School District

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

To the Board of Trustees
Ector County Independent School District

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Odessa, Texas
November 13, 2024



ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Ector County Independent School District's financial performance provides an overview of the District's financial activities for the year ended June 30, 2024. Please read it in conjunction with the District's financial statements, which begin on page 12.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources of the District at the close of the most recent fiscal year by \$216,250,160. Of this amount, \$250,894,783 is net investment in capital assets which represents the net value of the capital assets less the related debt. Restricted net position amounts of \$9,154,647, \$17,638,723, and \$393,165 are restricted for child nutrition, debt service, and other purposes, respectively. The remaining amount was a deficit unrestricted net position of (\$61,831,158).
- The District's total net position increased by \$69,697,366. This is primarily related to an overall increase in revenues including state aid formula grants, insurance recoveries and investment earnings.
- The District's governmental funds reported combined ending fund balances of \$442,489,933 as of June 30, 2024. Of this amount, \$1,525,430 is non-spendable in the form of (1) inventory in the amount of \$1,338,965 and (2) prepaid items in the amount of \$186,465. Fund balance of \$316,880,355 is restricted for (1) child nutrition services in the amount of \$9,154,647, (2) other purposes in the amount of \$393,165 and (3) debt service in the amount of \$17,302,609. Fund balance of \$9,344,204 is committed for (1) construction and capital equipment of \$2,828,191 and (2) self-insurance of \$1,000,000, and (3) other purposes of \$5,516,013. Fund balance of \$30,134,964 is assigned for (1) construction in the amount of \$22,457,262, and (2) other purposes in the amount of \$7,677,702. The remaining amount in fund balance of \$84,604,980 is classified as unassigned and is available for spending at the District's discretion. This is an increase of 8% as compared to the prior fiscal year. The unassigned fund balance represents 26 percent of total general fund expenditures.
- The District's bonded debt increased by \$254.9 million due to issuance of bonds during the current year netted with debt service principal payments for existing debt.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and (3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The analysis of the District's overall financial condition and operations begins on page 12. Its primary objective is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources while the Statement of Activities includes all the revenue and expenses generated by the District's operations during the year. These apply the accrual basis of accounting, which is the same method used by most private sector companies.

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

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

The District reports governmental activities in the Statement of Net Position and the Statement of Activities. Governmental activities report all of the District's basic services including instruction, counseling, co-curricular activities, food services, transportation, maintenance, community services, and general administration. Local property taxes, tuition, fees, state and federal grants finance most of these activities.

Expense activity is required to be recorded by districts who are participants in cost-sharing pension and OPEB benefit plans with a special funding situation where non-employer contributing entities (NECE) also participate in contributions to the plans. TRS-retirement and TRS-care benefit plans are both cost-sharing plans with special funding situations. Therefore, on-behalf expense activity of the NECE must be recorded at the government-wide level of reporting on the Statement of Activities in accordance with GASB 68 and 75.

Fund Financial Statements

The fund financial statements begin on page 14 and provide detailed information about the most significant funds-not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received under the Every Student Succeeds Act and the IDEA laws from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains individual governmental funds for general, special revenue, debt service, and capital projects funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the general fund, national school breakfast and lunch program, ESSER III, insurance recovery, debt service, and capital projects funds, each of which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in the financial statements. The District adopts an annual appropriated budget for its general fund, debt service fund, and National School Breakfast and Lunch Program special revenue fund.

Proprietary Funds

The District maintains internal service funds for housing, workers' compensation insurance coverage and medical trust. *Internal service funds*, one type of proprietary fund, are an accounting device used to accumulate and allocate costs internally among the District's various funds and functions. Because this service predominantly benefits governmental functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The nonmajor enterprise funds financial statements provide information for the internal service funds.

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

Fiduciary Funds

The fiduciary funds are used to account for resources held for the benefit of students and employees. The fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the District's own programs.

A *custodial fund* is a type of fiduciary fund used to report resources held by the District in a purely custodial capacity. The District accounts for the activities of student groups in a custodial fund.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The required supplementary information relates to comparison of the original adopted budget, the final amended budget, and the actual amounts for the fiscal year. This is required supplementary information for the general fund and any major special revenue funds. The general fund and National School Breakfast and Lunch Program is presented as required supplementary information. The required supplementary information also includes information related to the required pension system information and the required other post-employment benefit system information.

Other Information

The combining and individual fund statements and schedules and other supplementary information are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of the District, liabilities and deferred inflows exceeded assets and deferred outflows by \$216,250,160 at the close of the most recent fiscal year.

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

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

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

Table I
Ector County Independent School District
Net Position

	Governmental Activities	
	2024	2023
Assets:		
Current and other assets	\$ 514,538,454	\$ 200,383,792
Capital and non-current assets	327,388,613	310,056,552
Total Assets	841,927,067	510,440,344
Deferred Outflows of Resources:		
Deferred outflows of resources	78,890,693	74,979,359
Total Deferred Outflows of Resources	78,890,693	74,979,359
Liabilities:		
Current liabilities	43,109,263	34,213,198
Long term liabilities	565,352,076	291,632,252
Total Liabilities	608,461,339	325,845,450
Deferred Inflows of Resources:		
Deferred inflows of resources	96,106,261	113,021,459
Total Deferred Inflows of Resources	96,106,261	113,021,459
Net Position:		
Net investment in capital assets	250,894,783	198,194,985
Restricted	27,186,535	26,107,326
Unrestricted	(61,831,158)	(77,749,517)
Total Net Position	\$ 216,250,160	\$ 146,552,794

Net position of the District's governmental activities increased approximately 48% from \$146,552,794 to \$216,250,160. Significant changes in net position from the prior year are explained as follows:

Total assets increased mainly due to the unspent proceeds from the issuance of bonds during the current year.

Deferred outflows, net pension liability, net other post-employment liability, and deferred inflows changed due to assignment of pension liability and other post-employment benefits liability from the Teacher Retirement System.

Other current liabilities increased due to an increase in accounts payable and unearned revenue.

Long term liabilities increased mainly due to the issuance of bonds during the current fiscal year.

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

Table II
Ector County Independent School District
Changes in Net Position

	Governmental Activities	
	2024	2023
Program Revenues		
Charges for services	\$ 3,003,666	\$ 2,833,902
Operating grants and contributions	88,605,111	71,174,719
General Revenues		
Property taxes	180,327,366	196,108,617
State Aid - Formula Grants	177,132,222	129,656,820
Investment earnings	7,824,565	5,771,442
Other	14,001,003	12,693,004
Total Revenues	470,893,933	418,238,504
Expenses		
Instruction	220,611,655	219,262,208
Instructional resources and media services	2,234,646	2,167,047
Curriculum and staff development	14,421,976	14,050,608
Instructional leadership	5,550,138	5,466,793
School leadership	23,987,768	22,706,666
Guidance, counseling, and evaluation services	16,991,547	14,096,893
Social work services	2,273,896	2,186,898
Health services	3,196,650	3,102,399
Student transportation	9,534,015	9,224,678
Food service	21,079,986	20,137,115
Extracurricular activities	9,249,468	9,184,517
General administration	7,248,475	7,714,822
Facilities maintenance and operations	37,730,084	34,051,413
Security and monitoring services	5,316,661	3,833,369
Data processing services	10,588,299	10,924,176
Community services	1,728,774	1,838,733
Interest and fiscal charges for long term debt	4,319,286	4,864,349
Debt issuance costs and fees	1,925,680	-
Facilities acquisition and construction	1,148,001	486,494
Other governmental charges	2,059,562	1,983,849
Total Expenses	401,196,567	387,283,027
Increase in Net Position	69,697,366	30,955,477
Beginning Net Position	146,552,794	115,597,317
Ending Net Position	\$ 216,250,160	\$ 146,552,794

The District's total revenues increased by 13% – approximately \$52.7 million from prior year revenues. Significant changes in revenue from the prior year are explained as follows:

Program revenues increased approximately \$17.6 million, due to an increase in grant revenues. General revenues increased by \$35.1 million or 10.2% due to an increase in enrollment, average daily attendance, and special programs. Insurance recovery and investment earnings also contributed to the overall increase in revenues.

The District's total expenses increased by 4% – approximately \$14.8 million from prior year expenses. The increase is due in large part to the cost associated with the increase in the net pension liability plus increases in pay and other costs.

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

Governmental Funds Financial Analysis

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a District's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$442,489,933, an increase of \$305,981,721 in comparison with the prior year.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$84,604,980, while total fund balance reached \$120,093,565. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 26 percent of expenditures and total fund balance represents 37 percent of the same amount. During the current fiscal year, the total fund balance of the District's general fund increased by \$17,075,093.

The national school breakfast & lunch program fund balance decreased by \$559,693 due to a decrease in federal program revenues as well as planned spending on equipment to decrease excess fund balance. Fund balance at the end of the year was \$9,154,647 in the child nutrition fund.

The special revenue fund for ESSER III had a fund balance of \$0 at year end as revenues and expenditures equaled \$27.9 million for the year.

The insurance recovery fund had a decrease in fund balance of \$983,433 and had a fund balance of \$2,938,862 at June 30, 2024.

The debt service fund had a total fund balance of \$17,302,609, all of which is restricted for the payment of debt service. The net increase in the debt service fund balance during the current year was \$233,300.

The capital projects fund had a total fund balance of \$290,029,934, all of which is restricted for capital acquisitions and contractual obligations. The net increase in the capital projects fund balance during the current year was \$290,029,934.

General Fund Budgetary Highlights

The District amends the budget as needed throughout the year. Changes to the general fund budget are summarized below:

	Budget	
	Original	Final Amended
Total revenues and sources	\$ 332,253,451	\$ 342,856,114
Total expenditures and uses	346,173,500	368,886,141
Net Change in Fund Balance	\$ (13,920,049)	\$ (26,030,027)

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

Capital Asset and Debt Administration

Capital Assets

At the end of 2024, the District had approximately \$327.4 million invested in a broad range of capital assets, (net of accumulated depreciation and amortization) including right to use assets, facilities and equipment for instruction, transportation, athletics, administration, maintenance, and computer technology. This amount represents a net increase of approximately \$17.3 million, due to completed projects and new furniture and equipment.

	2024	2023
Land	\$ 20,677,504	\$ 13,277,999
Construction in progress	10,910,355	11,070,542
Buildings and land improvements	486,434,869	474,687,029
Furniture and equipment	44,987,209	38,762,133
Vehicles and other assets	33,350,023	31,132,643
Subscription based IT assets	357,000	1,745,387
Right to use assets	2,376,533	2,228,890
Total Capital Assets	599,093,493	572,904,623
Accumulated depreciation	(269,671,497)	(261,409,858)
Accumulated amortization	(2,033,383)	(1,438,213)
Net Capital Assets	\$ 327,388,613	\$ 310,056,552

Debt Administration

At year-end, the District's bonded debt is as follow:

	Outstanding 06/30/23	Additions	Retirements	Outstanding 06/30/24
Bonds payable	\$ 107,635,000	\$ 279,175,000	\$ (41,275,000)	\$ 345,535,000
Premium on bonds	9,799,242	18,980,680	(1,961,995)	26,817,927
Accreted interest on capital appreciation bonds	73,016	29,537	-	102,553
	\$ 117,507,258	\$ 298,185,217	\$ (43,236,995)	\$ 372,455,480

Economic Factors and Next Year's Budgets and Rates

The District's elected and appointed officials considered many factors when preparing the fiscal year 2025 budget: (1) the need to staff and operate campuses; (2) the anticipated change of student population within the campuses.

These factors were considered when adopting the General Fund budget for fiscal year 2025. Estimated revenues and other financing sources in the General Fund are \$337.7 million, and estimated appropriations and other uses total \$349.7 million. Budgeted appropriations have been increased over the prior year actual expenditures by approximately \$20.9 million for retention stipend, staff development, security and transportation.

The oil and gas economy continues to fluctuate, but the overall economy is relatively stable. Student enrollment is slowly rising by several hundred a year.

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

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office, at Ector County Independent School District, 802 N. Sam Houston, Odessa, Texas.

BASIC FINANCIAL STATEMENTS

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION

June 30, 2024

Exhibit A-1

Data Control Codes		Governmental Activities
	Assets	
1110	Cash and cash equivalents	\$ 9,190,239
1120	Current investments	413,307,075
1225	Property taxes receivables, net	15,562,955
1240	Due from other governments	72,284,881
1290	Other receivables, net	331,389
1300	Inventories	2,828,181
1410	Prepaid items	1,033,734
	Capital assets not subject to depreciation:	
1510	Land	20,677,504
1580	Construction in Progress	10,910,355
	Capital assets net of depreciation:	
1520	Buildings and improvements, net	265,863,034
1530	Furniture and equipment, net	19,448,892
1540	Other Capital Assets, net	9,788,678
1550	Right-to-use assets, net	700,150
1000	Total Assets	841,927,067
	Deferred Outflows of Resources	
	Deferred charge on refunding	6,234,183
	Deferred outflows - pension	57,776,965
	Deferred outflows - OPEB	14,879,545
1700	Total Deferred Outflows of Resources	78,890,693
	Liabilities	
2110	Accounts payable	9,455,093
2140	Interest payable	2,084,311
2150	Payroll deductions and withholdings	5,821,466
2160	Accrued wages payable	17,277,823
2177	Due to fiduciary funds	4,810
2180	Due to other governments	80,181
2200	Accrued expenses	471,881
2300	Unearned revenue	7,913,698
	Noncurrent Liabilities:	
2501	Due within one year	9,568,803
2502	Due in more than one year	372,291,419
2540	Net Pension Liability	130,911,861
2545	Net Other Post-Employment Benefits (OPEB) Obligation	52,579,993
2000	Total Liabilities	608,461,339
	Deferred Inflows of Resources	
	Deferred inflows - pension	8,732,284
	Deferred inflows - OPEB	87,373,977
2600	Deferred Inflows of Resources	96,106,261
	Net Position	
3200	Net investment in capital assets	250,894,783
	Restricted for:	
3840	Child nutrition	9,154,647
3850	Debt service	17,638,723
3890	Other purposes	393,165
3900	Unrestricted	(61,831,158)
3000	Total Net Position	\$ 216,250,160

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT

Exhibit B-1

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2024

Data Control Codes	Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position
		Expenses	Charges for Services	Operating Grants and Contributions	Primary Governmental Activities
Governmental activities:					
11	Instruction	\$ 220,611,655	\$ 859,932	\$ 38,077,509	\$ (181,674,214)
12	Instructional resources and media services	2,234,646	1,020	130,464	(2,103,162)
13	Curriculum and staff development	14,421,976	146,850	9,445,895	(4,829,231)
21	Instructional leadership	5,550,138	-	890,516	(4,659,622)
23	School leadership	23,987,768	816,112	2,344,164	(20,827,492)
31	Guidance, counseling, and evaluation services	16,991,547	-	3,290,039	(13,701,508)
32	Social work services	2,273,896	-	1,018,300	(1,255,596)
33	Health services	3,196,650	-	1,289,265	(1,907,385)
34	Student transportation	9,534,015	-	165,797	(9,368,218)
35	Food service	21,079,986	692,171	18,687,065	(1,700,750)
36	Extracurricular activities	9,249,468	487,581	73,984	(8,687,903)
41	General administration	7,248,475	-	700,749	(6,547,726)
51	Facilities maintenance and operations	37,730,084	-	6,128,131	(31,601,953)
52	Security and monitoring services	5,316,661	-	676,751	(4,639,910)
53	Data processing services	10,588,299	-	4,225,761	(6,362,538)
61	Community services	1,728,774	-	169,136	(1,559,638)
72	Interest and fiscal charges for long term debt	4,319,286	-	1,291,390	(3,027,896)
73	Debt issuance costs and fees	1,925,680	-	-	(1,925,680)
81	Facilities acquisition and construction	1,148,001	-	195	(1,147,806)
99	Other intergovernmental charges	2,059,562	-	-	(2,059,562)
TG	Total Governmental Activities	<u>\$ 401,196,567</u>	<u>\$ 3,003,666</u>	<u>\$ 88,605,111</u>	<u>(309,587,790)</u>

Data Control Codes		
General revenues:		
Taxes:		
MT	Property taxes, levied for general purposes	134,802,912
DT	Property taxes, levied for debt service	45,524,454
SF	State-aid formula grants	177,132,222
IE	Investment earnings	7,824,565
MI	Miscellaneous	14,001,003
TR	Total General Revenues	<u>379,285,156</u>
CN	Change in net position	69,697,366
NB	Net Position - Beginning	<u>146,552,794</u>
NE	Net Position - Ending	<u>\$ 216,250,160</u>



GOVERNMENTAL FUND FINANCIAL STATEMENTS

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT

Exhibit C-1

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024**

Data Control Codes		National School			
		General Fund	Breakfast & Lunch Program	ESSER III	Insurance Recovery
Assets					
1110	Cash and cash equivalents	\$ 6,113,514	\$ 9,092	\$ 3,750	\$ -
1120	Current investments	67,205,286	9,608,867	-	10,855,750
	Receivables:				
1220	Property taxes - delinquent	20,369,195	-	-	-
1230	Allowance for uncollectible taxes (credit)	(7,226,664)	-	-	-
1240	Due from other governments	55,537,974	191,861	9,008,782	-
1260	Due from other funds	14,235,599	708,461	-	-
1290	Other receivables	81,485	-	-	-
1300	Inventories	1,338,965	1,489,216	-	-
1410	Prepaid items	186,465	-	-	-
1000	Total Assets	<u>\$ 157,841,819</u>	<u>\$ 12,007,497</u>	<u>\$ 9,012,532</u>	<u>\$ 10,855,750</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
2110	Accounts payable	\$ 3,762,321	\$ 417,763	\$ 511,707	\$ -
2150	Payroll deduction and withholdings	5,239,771	30,737	111,647	-
2160	Accrued wages payable	13,760,366	158,762	533,803	-
2170	Due to other funds	1,597,861	-	7,855,375	7,663,270
2180	Due to other governments	-	-	-	-
2200	Accrued expenditures	203,404	14,859	-	253,618
2300	Unearned revenue	42,000	2,230,729	-	-
2000	Total Liabilities	<u>24,605,723</u>	<u>2,852,850</u>	<u>9,012,532</u>	<u>7,916,888</u>
Deferred Inflows of Resources					
	Unavailable revenues - property taxes	13,142,531	-	-	-
2600	Total Deferred Inflows of Resources	<u>13,142,531</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Non-Spendable:					
3410	Inventories	1,338,965	-	-	-
3430	Prepaid items	186,465	-	-	-
Restricted:					
3450	Federal/State funds grant restrictions	-	9,154,647	-	-
3470	Capital acquisitions & contractual obligations	-	-	-	-
3480	Retirement of long-term debt	-	-	-	-
3490	Other purposes	-	-	-	-
Committed:					
3510	Construction	1,759,526	-	-	-
3530	Capital expenditures for equipment	1,068,665	-	-	-
3540	Self Insurance	1,000,000	-	-	-
3545	Other purposes	-	-	-	2,938,862
Assigned:					
3550	Construction	22,457,262	-	-	-
3590	Other purposes	7,677,702	-	-	-
3600	Unassigned	84,604,980	-	-	-
3000	Total Fund Balances	<u>120,093,565</u>	<u>9,154,647</u>	<u>-</u>	<u>2,938,862</u>
4000	Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 157,841,819</u>	<u>\$ 12,007,497</u>	<u>\$ 9,012,532</u>	<u>\$ 10,855,750</u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT

Exhibit C-1

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024**

Data Control Codes		Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
1110	Cash and cash equivalents	\$ 5,395	\$ -	\$ 1,423,630	\$ 7,555,381
1120	Current investments	17,206,002	292,234,974	1,600,728	398,711,607
	Receivables:				
1220	Property taxes - delinquent	3,751,340	-	-	24,120,535
1230	Allowance for uncollectible taxes (credit)	(1,330,916)	-	-	(8,557,580)
1240	Due from other governments	-	-	7,546,264	72,284,881
1260	Due from other funds	172,394	-	6,358,318	21,474,772
1290	Other receivables	-	31,000	210,213	322,698
1300	Inventories	-	-	-	2,828,181
1410	Prepaid items	-	-	847,269	1,033,734
1000	Total Assets	<u>\$ 19,804,215</u>	<u>\$ 292,265,974</u>	<u>\$ 17,986,422</u>	<u>\$ 519,774,209</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
2110	Accounts payable	\$ 1,000	\$ 2,233,326	\$ 1,880,966	\$ 8,807,083
2150	Payroll deduction and withholdings	-	-	439,311	5,821,466
2160	Accrued wages payable	-	-	2,824,892	17,277,823
2170	Due to other funds	-	2,714	4,229,968	21,349,188
2190	Due to other governments	80,181	-	-	80,181
2200	Accrued expenditures	-	-	-	471,881
2300	Unearned revenue	-	-	5,640,969	7,913,698
2000	Total Liabilities	<u>81,181</u>	<u>2,236,040</u>	<u>15,016,106</u>	<u>61,721,320</u>
Deferred Inflows of Resources					
	Unavailable revenues - property taxes	2,420,425	-	-	15,562,956
2600	Total Deferred Inflows of Resources	<u>2,420,425</u>	<u>-</u>	<u>-</u>	<u>15,562,956</u>
Fund Balances					
Non-Spendable:					
3410	Inventories	-	-	-	1,338,965
3430	Prepaid items	-	-	-	186,465
Restricted:					
3450	Federal/State funds grant restrictions	-	-	-	9,154,647
3470	Capital acquisitions & contractual obligations	-	290,029,934	-	290,029,934
3480	Retirement of long-term debt	17,302,609	-	-	17,302,609
3490	Other purposes	-	-	393,165	393,165
Committed:					
3510	Construction	-	-	-	1,759,526
3530	Capital expenditures for equipment	-	-	-	1,068,665
3540	Self Insurance	-	-	-	1,000,000
3545	Other purposes	-	-	2,577,151	5,516,013
Assigned					
3550	Construction	-	-	-	22,457,262
3590	Other purposes	-	-	-	7,677,702
3600	Unassigned	-	-	-	84,604,980
3000	Total Fund Balances	<u>17,302,609</u>	<u>290,029,934</u>	<u>2,970,316</u>	<u>442,489,933</u>
4000	Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 19,804,215</u>	<u>\$ 292,265,974</u>	<u>\$ 17,986,422</u>	<u>\$ 519,774,209</u>



ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS TO
STATEMENT OF NET POSITION
June 30, 2024

Exhibit C-1R

<u>Data Control Codes</u>		
	Total Fund Balance, Governmental Funds (from C-1)	\$ 442,489,933
	Amounts reported for governmental activities in the statements of net position are different because:	
1	Capital assets used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds. Capital assets at historical cost, net of accumulated depreciation and amortization, where applicable.	324,419,481
2	The uncollected portion of the current year property tax levy is recognized as property taxes receivable and general revenue.	15,562,956
3	Deferred charge on refunding	6,234,183
4	Deferred outflows relating to pension activities	57,776,965
5	Deferred outflows relating to other post employment benefits	14,879,545
	Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
6	General obligation bonds	(345,535,000)
7	Premium/Discount on issuance	(26,817,927)
8	Accumulated accretion on capital appreciation bonds	(102,553)
9	Lease liabilities	(405,020)
10	Accrued compensated absences	(3,517,747)
11	Accrued interest payable	(2,084,311)
12	Net pension liability	(130,911,861)
13	Net other post-employment benefit liability	(52,579,993)
14	Deferred inflows relating to pension activities	(8,732,284)
15	Deferred inflows relating to other post-employment benefits	(87,373,977)
16	Addition of Internal Service fund net position (see D-1)	<u>12,947,770</u>
29	Total Net Position-Governmental Activities (See A-1)	<u>\$ 216,250,160</u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

Exhibit C-2

Data Control Codes		National School			
		General Fund	Breakfast & Lunch Program	ESSER III	Insurance Recovery
Revenues					
5700	Local, intermediate, and out-of-state	\$ 147,910,705	\$ 896,129	\$ -	\$ 5,659,067
5800	State program revenues	191,457,716	448,812	-	-
5900	Federal program revenues	6,403,285	18,446,688	27,887,592	-
5020	Total Revenues	345,771,706	19,791,629	27,887,592	5,659,067
Expenditures					
Current:					
0011	Instruction	189,027,110	-	16,663,465	-
0012	Instruction resources and media services	1,865,228	-	44,935	-
0013	Curriculum and instructional staff development	5,716,898	-	2,636,124	-
0021	Instructional leadership	4,855,587	-	343,583	-
0023	School leadership	21,173,257	-	1,477,612	-
0031	Guidance, counseling and evaluation services	14,418,651	-	2,007,757	-
0032	Social work services	1,362,871	-	41,469	-
0033	Health services	3,111,050	-	255	-
0034	Student transportation	9,915,661	-	35,271	-
0035	Food services	-	20,380,101	-	-
0036	Extracurricular activities	7,011,694	-	-	-
0041	General administration	7,436,762	-	324,313	-
0051	Facilities maintenance and operations	34,889,482	-	269,368	-
0052	Security and monitoring services	5,343,033	-	31,037	-
0053	Data processing services	6,085,923	-	4,007,855	-
0061	Community services	1,582,413	-	4,548	-
Debt Service:					
0071	Principal on long-term debt	1,042,125	-	-	-
0072	Interest on long-term debt	33,779	-	-	-
0073	Debt issuance costs and fees	-	-	-	-
Capital Outlay:					
0081	Facilities acquisition and construction	11,500,578	-	-	6,642,500
Intergovernmental:					
0099	Other intergovernmental charges	2,059,562	-	-	-
6030	Total Expenditures	328,431,664	20,380,101	27,887,592	6,642,500
1100	Excess (deficiency) of revenues over expenditures	17,340,042	(588,472)	-	(983,433)
Other Financing Sources (Uses)					
7911	Capital-related debt issued (regular bonds)	-	-	-	-
7912	Sale of real or personal property	142,149	28,779	-	-
7913	Leases issued	12,741	-	-	-
7915	Transfers in	-	-	-	-
7916	Premium or discount on issuance of bonds	-	-	-	-
8911	Transfers out	(419,839)	-	-	-
7080	Total Other Financing Sources (Uses)	(264,949)	28,779	-	-
1200	Net change in fund balances	17,075,093	(559,693)	-	(983,433)
0100	Fund Balance - July 1 (Beginning, as Previously Stated)	103,018,472	9,714,340	-	-
1300	Change with financial reporting entity (nonmajor to major)	-	-	-	3,922,295
0100	Fund Balance - July 1 (Beginning, as Restated)	103,018,472	9,714,340	-	3,922,295
3000	Fund Balance - June 30 (Ending)	\$ 120,093,565	\$ 9,154,647	\$ -	\$ 2,938,862

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

Exhibit C-2

Data Control Codes		Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
5700	Local, intermediate, and out-of-state	\$ 45,462,281	\$ 880,241	\$ 2,359,905	\$ 203,168,328
5800	State program revenues	1,291,390	-	3,465,451	196,663,369
5900	Federal program revenues	-	-	23,225,907	75,963,472
5020	Total Revenues	<u>46,753,671</u>	<u>880,241</u>	<u>29,051,263</u>	<u>475,795,169</u>
Expenditures					
Current:					
0011	Instruction	-	3,722,175	17,312,210	226,724,960
0012	Instruction resources and media services	-	-	206,682	2,116,845
0013	Curriculum and instructional staff development	-	-	6,529,533	14,882,555
0021	Instructional leadership	-	-	416,660	5,615,830
0023	School leadership	-	-	1,186,207	23,837,076
0031	Guidance, counseling and evaluation services	-	-	915,080	17,341,488
0032	Social work services	-	-	924,055	2,328,395
0033	Health services	-	-	156,720	3,268,025
0034	Student transportation	-	-	25,211	9,976,143
0035	Food services	-	-	-	20,380,101
0036	Extracurricular activities	-	-	332,147	7,343,841
0041	General administration	-	-	13,629	7,774,704
0051	Facilities maintenance and operations	-	-	420,797	35,579,647
0052	Security and monitoring services	-	-	580,780	5,954,850
0053	Data processing services	-	-	96,391	10,190,169
0061	Community services	-	-	168,480	1,755,441
Debt Service:					
0071	Principal on long-term debt	41,275,000	-	-	42,317,125
0072	Interest on long-term debt	5,245,371	-	-	5,279,150
0073	Debt issuance costs and fees	-	1,925,680	-	1,925,680
Capital Outlay:					
0081	Facilities acquisition and construction	-	3,358,132	-	21,501,210
Intergovernmental:					
0099	Other intergovernmental charges	-	-	-	2,059,562
6030	Total Expenditures	<u>46,520,371</u>	<u>9,005,987</u>	<u>29,284,582</u>	<u>468,152,797</u>
1100	Excess (deficiency) of revenues over expenditures	<u>233,300</u>	<u>(8,125,746)</u>	<u>(233,319)</u>	<u>7,642,372</u>
Other Financing Sources (Uses)					
7911	Capital-related debt issued (regular bonds)	-	279,175,000	-	279,175,000
7912	Sale of real or personal property	-	-	-	170,928
7913	Leases issued	-	-	-	12,741
7915	Transfers in	-	-	419,839	419,839
7916	Premium or discount on issuance of bonds	-	18,980,680	-	18,980,680
8911	Transfers out	-	-	-	(419,839)
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>298,155,680</u>	<u>419,839</u>	<u>298,339,349</u>
1200	Net change in fund balances	<u>233,300</u>	<u>290,029,934</u>	<u>186,520</u>	<u>305,981,721</u>
0100	Fund Balance - July 1 (Beginning, as Previously Stated)	17,069,309	-	6,706,091	136,508,212
1300	Change with financial reporting entity (nonmajor to major)	-	-	(3,922,295)	-
0100	Fund Balance - July 1 (Beginning, as Restated)	<u>17,069,309</u>	<u>-</u>	<u>2,783,796</u>	<u>136,508,212</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ 17,302,609</u>	<u>\$ 290,029,934</u>	<u>\$ 2,970,316</u>	<u>\$ 442,489,933</u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

Exhibit C-2R

<u>Data Control Codes</u>		
	Net Change in Fund Balances - Total Governmental Funds (from C-2)	\$ 305,981,721
	Amounts reported for <i>governmental activities</i> in the statement of activities (B-1) are different because:	
	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
1	Governmental funds capital outlays	33,674,193
2	Governmental funds depreciation expense	(16,214,202)
3	Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,044,667
4	Repayment of long-term debt principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position.	41,275,000
5	Repayment of lease liability is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position.	562,436
	Proceeds from issuance of long-term debt is reported as an other financing source in the governmental funds. In the government-wide financial statements, proceeds are treated as an increase in long-term liabilities and amounts paid to refunding agents are treated as a decrease in long-term liabilities.	
6	Proceeds from issuance of bonds	(279,175,000)
7	Premium on issuance of refunding bonds	(18,980,680)
8	Proceeds for lease liability	(12,741)
	Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:	
9	Increase in interest payable not recognized in fund statements	(308,869)
10	Net change in accrued compensated absences	849,771
11	Amortization of premium/discount	1,961,995
12	Increase in accumulated accretion on capital appreciation bonds	(29,537)
13	Amortization of deferred charge on refunding	(480,164)
14	Changes in net pension liabilities and related deferred outflows and inflows of resources	(12,730,437)
15	Changes in net OPEB liabilities and related deferred outflows and inflows of resources	13,587,808
16	Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities (see D-2).	(1,308,595)
	Change in Net Position of Governmental Activities (See B-1)	<u>\$ 69,697,366</u>

PROPRIETARY FUND FINANCIAL STATEMENTS

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT

Exhibit D-1

STATEMENT OF NET POSITION**PROPRIETARY FUNDS**

June 30, 2024

	Governmental Activities - Internal Service Fund
Assets	
Current Assets:	
Cash and cash equivalents	\$ 1,634,858
Current investments	14,595,468
Receivables:	
Other receivables	8,691
Total Current Assets	<u>16,239,017</u>
Noncurrent Assets:	
Land	54,012
Building and improvements	3,663,335
Accumulated depreciation - buildings	<u>(748,215)</u>
Total Noncurrent assets	<u>2,969,132</u>
Total Assets	<u><u>\$ 19,208,149</u></u>
Liabilities	
Current Liabilities:	
Accounts payable	\$ 648,010
Due to other funds	<u>130,394</u>
Total Current Liabilities	<u>778,404</u>
Noncurrent Liabilities:	
Claims and judgments due within one year	608,052
Claims and judgments due in more than one year	<u>4,873,923</u>
Total Noncurrent Liabilities	<u>5,481,975</u>
Total Liabilities	<u><u>\$ 6,260,379</u></u>
Net Position	
Net investment in capital assets	\$ 2,969,132
Unrestricted net position	<u>9,978,638</u>
Total Net Position	<u><u>\$ 12,947,770</u></u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2024

Exhibit D-2

	Governmental Activities - Internal Service Fund
Operating Revenues	
Rent Revenue	\$ 311,064
Employee and employer premiums	29,262,304
Stop Loss Reimbursement	474,465
Total Operating Revenues	<u>30,047,833</u>
Operating Expenses	
Claims and Prescriptions	29,279,154
Professional and contracted services	1,634,411
Supplies and materials	37,961
Claims expense and other operating expenses	1,077,834
Depreciation	87,004
Total Operating Expenses	<u>32,116,364</u>
Operating Income Loss	<u>(2,068,531)</u>
Non-Operating Revenues (Expenses)	
Investment earnings	759,936
Total Nonoperating Revenues (Expenses)	<u>759,936</u>
Change in Net Position	(1,308,595)
Net Position - July 1 (Beginning)	<u>14,256,365</u>
Net Position - June 30 (Ending)	<u>\$ 12,947,770</u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2024

Exhibit D-3

	Governmental Activities - Internal Service Fund
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows Provided by (Used for) Operating Activities:	
Cash received from rental receipts	\$ 311,064
Cash received from employees and employer	29,299,721
Cash payments for interfund services provided	(155,437)
Cash receipts for stop loss	474,465
Cash payments for claims	(29,098,593)
Cash payments for other operating expenses	(2,679,158)
Net Cash Provided by (Used for) Operating Activities	<u>(1,847,938)</u>
Cash Flows from Investing Activities:	
Interest on investments	759,936
Net Cash Provided by Investing Activities	<u>759,936</u>
Net change in Cash and Cash Equivalents	(1,088,002)
Cash and Cash Equivalents at Beginning of Year	<u>17,318,328</u>
Cash and Cash Equivalents at End of Year	<u>\$ 16,230,326</u>
Reconciliation to Balance Sheet	
Cash and Cash Equivalents Per Cash Flow	\$ 16,230,326
Cash and Cash Equivalents per Balance Sheet	<u>\$ 16,230,326</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	\$ (2,068,531)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	87,004
Change in Assets and Liabilities:	
Decrease (increase) in Receivables	31,163
Increase (decrease) in Accounts Payable	488,941
Increase (decrease) in Interfund Payables	(149,183)
Increase (decrease) in Claims Payable	(237,332)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (1,847,938)</u>

FIDUCIARY FUND FINANCIAL STATEMENTS

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2024

Exhibit E-1

	<u>Custodial Fund</u>
Assets	
Current Assets:	
Cash and cash equivalents	\$ 1,181,986
Receivables:	
Due from primary government	<u>4,810</u>
Total Assets	<u>\$ 1,186,796</u>
Net Position	
Restricted for Other Purposes	<u>\$ 1,500,649</u>
Total Net Position	<u>\$ 1,500,649</u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2024

Exhibit E-2

	<u>Custodial Fund</u>
Additions	
Revenues from student activities	\$ 671,621
Total Additions	<u>671,621</u>
Deductions	
Professional and Contracted Services	67,848
Supplies and Materials	7,392
Other Deductions	<u>228,736</u>
Total Deductions	<u>303,976</u>
Change in net position	367,645
Net Position Beginning of Year	<u>1,133,004</u>
Net Position - Ending	<u>\$ 1,500,649</u>



NOTES TO FINANCIAL STATEMENTS



Note 1 - Summary of Significant Accounting Policies

The Ector County Independent School District (the "District") is an independent public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven-member Board of Trustees (the "Board") elected by the registered voters of the District and has fiscal accountability over all activities within the jurisdiction of the District. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board ("GASB") in its Statement No. 14, "The Financial Reporting Entity." The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in the Statement of Auditing Standards of the American Institute of Certified Public Accountants; and it complies with the requirements of the appropriate version of Texas Education Agency's *Financial Accountability System Resource Guide* (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds. If you have questions about this report or need additional financial information, contact the District's business office, at Ector County Independent School District, 802 N. Sam Houston, Odessa, Texas.

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

A. Reporting Entity

The District's Board is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is considered an independent entity for financial reporting purposes, and is considered a primary government as defined by GASB. As the District is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other, type of reporting entity.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* include programs supported primarily by taxes, charges to school districts for services, state funds, grants, and other intergovernmental revenues.

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Note 1 - Summary of Significant Accounting Policies (continued)

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements while the agency funds have no measurement of focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

Revenues from local sources consist primarily of property taxes and are recorded as revenue when received. The District considers property tax revenue available if they expect the revenue to be collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. If balances have not been expended by the end of the project period, determination is made to record as unearned revenue, fund balance, or return the funds if the grantors stipulate that the District must refund all or part of the unused amount.

The District reports the following major governmental funds:

- **The General Fund** - The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- **National School Breakfast & Lunch Program Fund** – The District accounts for the expenditures and related revenues related to the operation of the child nutrition program.
- **ESSER III Fund** – This special revenue fund is used to account for revenues and expenditures related to ESSER III funding.
- **Insurance Recovery Fund** – This special revenue fund is used to account for insurance recovery proceeds for the repair or replacement of the insured property on assets as a result of insurance claims.
- **Debt Service Fund** - The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund. This is a budgeted fund and separate bank and investment accounts are maintained.
- **Capital Projects Fund** – This fund accounts for financial resources used for the acquisition or construction of major capital facilities and equipment purchases.

Note 1 - Summary of Significant Accounting Policies (continued)

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

The District reports the following nonmajor governmental funds:

- **Special Revenue Funds** - These funds account for resources restricted to or committed for specific purposes by a grantor, or for resources that are committed for specific purposes by the Board. Most federal and some state financial assistance is accounted for in a special revenue fund and sometimes unused balances must be returned to the grantor at the close of specified project periods.

Additionally, the District reports the following fund types:

- **Internal Service Funds** - These funds are used to account for financing of goods or services provided by one department to other departments of the District on a cost-reimbursement basis. The District operates the Housing Fund, Workers' Compensation fund and the Medical Trust fund internal service funds.
- **Fiduciary Funds** - The District accounts for resources held for others in custodial funds. This fund uses the economic resources measurement focus and accrual basis. The District's Custodial Fund is the Student Activity fund.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service fund are charges to the funds and/or employees for self-funded health services. Operating expenses for the internal service fund include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit, investment pools, and short-term investments with original maturities of one year or less from the date of acquisition.

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

The District's investment pools are valued and reported at amortized cost, which approximates fair value. The District categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's local government investment pools are recorded at amortized costs as permitted by GASB Statement No. 79, *Certain Investment Pools and Pool Participants*.

Note 1 - Summary of Significant Accounting Policies (continued)

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

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

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

F. Inventories and Prepaid Items

The District reports inventories of supplies at weighted average cost. Supplies are recorded as expenditures when they are consumed. Inventories of food commodities are recorded at market values supplied by the Texas Department of Agriculture. Although commodities are received at no cost, their fair value is supplied by the Texas Department of Agriculture and recorded as inventory and unearned revenue when received. When requisitioned, inventory and unearned revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount.

At year end, the commodities inventory is recorded to inventory. A portion of fund balance is classified as nonspendable to reflect minimum inventory quantities considered necessary for the District's continuing operations.

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

G. Capital Assets

Capital assets, which include land, buildings, furniture and equipment, right to use lease assets and subscription-based IT arrangements ("SBITA") are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value at the date of donation.

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

Note 1 - Summary of Significant Accounting Policies (continued)

G. Capital Assets (continued)

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	40
Furniture and Equipment	4-20
Vehicles	5-10
Software	5
Right to Use Equipment	Based on the Agreement
Subscription based IT assets	Subscription Term

H. Compensated Absences

Compensated absences are absences for which employees will be paid, such as local sick leave, state personal leave and vacation leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place.

The District’s policy for accumulated (DEC) and vacation leave (DED) is based on the following:

- Hourly position employees not working a scheduled 40-hour week are not eligible to be paid for accrued leave.
- Local sick leave and state personal leave: Any employee not mentioned above who retired after completing five consecutive years or resigns after completing 20 years of service with the District shall be paid for accrued state personal and/or local sick leave. Accrued sick leave shall be computed at one-half the daily rate at the time of retirement or resignation times the number of accrued leave days, which shall not exceed one-half the number of working days in an annual contract. In order to receive payment for unused sick leave, retirement must occur at the end of the employee’s contract period, or when retirement is necessitated by a medical disability as approved by the Teacher Retirement System. Exceptions to this provision were reviewed by the Board upon recommendation of the Superintendent. No benefits shall be calculated on a salary schedule exceeding that of a regular teacher’s salary schedule. Individuals who are retiring and have worked less than 85 days of the contract year shall have accrued sick leave paid based on the previous year’s salary schedule.
- Vacation leave: Any accrued vacation leave is paid upon separation at the employee’s current daily rate of pay.

I. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type Statement of Net Position. Premiums and discounts are presented as a component of liabilities while deferred charges on refundings are presented as deferred outflows of resources. Both items are deferred and amortized over the life of the related debt using the straight-line method. Long-term debt is reported net of the applicable premium or discount.

Note 1 - Summary of Significant Accounting Policies (continued)

I. Long-term Obligations (continued)

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

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of a government's net assets (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The District has three items that qualify for reporting in this category:

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

Note 1 - Summary of Significant Accounting Policies (continued)

J. Deferred Outflows/Inflows of Resources (continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets (an increase in assets in excess of any related increase in liabilities or a decrease in liabilities in excess of any related decrease in assets) by the government that is applicable to a future reporting period. The District has three items that qualify for reporting in this category:

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

K. 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.

L. Other Post-Employment Benefits (OPEB)

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

Note 1 - Summary of Significant Accounting Policies (continued)

M. Net Position

Net Position on the Statement of Net Position includes the following:

- Net investment in capital assets - this component of net position consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt will be included in this component of net position.
- Restricted for federal and state programs - this component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets, which are restricted by federal and state granting agencies.
- Restricted for Debt Service - this component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The assets arise from bond issuances which have constraints placed on them by the bond covenants for the purpose of future debt service payments.
- Unrestricted net position - this component of net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

N. Fund Balance

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

- *Non-spendable fund balance* - Represents amounts that are not in spendable form, such as inventory and prepaids, or are required to be maintained intact. If there is a constraint on how the eventual proceeds can be spent, the fund balance is classified to reflect that constraint (restricted, committed, or assigned), rather than included as part of nonspendable fund balance.
- *Restricted fund balance* - Represents amounts constrained to specific purposes by their providers, such as grantors, bondholders, and higher levels of government, through constitutional provisions, or by enabling legislation.
- *Committed fund balance* - Represents amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority, i.e., Board of Trustees. To be reported as committed, amounts cannot be used for any other purpose unless the District's Board of Trustees approves the changes by Board Resolution. Examples of committed fund balance include potential litigation, claims and judgements, campus activity funds, construction, capital expenditures for equipment and self-insurance.
- *Assigned fund balance* - Represents amounts the District intends to use for a specific purpose. Intent can be expressed by the District or by an official or body to which the Board of Trustees delegates the authority.
- *Unassigned fund balance* - Represents amounts that are available for any purpose. Positive amounts are reported only in the general fund.

Note 1 - Summary of Significant Accounting Policies (continued)

N. Fund Balance (continued)

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

When the District incurs an expense for which it may use either restricted or unrestricted resources, it uses the restricted resources first unless unrestricted resources will have to be returned because they were not used. Since Internal Service Funds support the operations of governmental funds, they are consolidated with the governmental funds in the government-wide financial statements. The expenditures of governmental funds that create the revenues of internal service funds are eliminated to avoid "grossing up" the revenues and expenses of the District as a whole.

The District sponsors self-insured plans to provide workers' compensation benefits to employees and a Medical Trust Fund to provide health care benefits to employees and dependents. Revenues of these Internal Service Funds are received from both the District's governmental funds and employees. Expenses are comprised of claims incurred during the fiscal year, professional and contracted services, and other miscellaneous expenses.

The General Fund is contingently liable for liabilities of these funds.

O. Data Control Codes

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

In accordance with the Resource Guide, the District has adopted and installed an accounting system which meets at least the minimum requirements prescribed by the Texas State Board of Education and approved by the State Auditor. Specifically, the District's accounting system uses codes and the code structure presented in the Resource Guide. Mandatory codes are recorded in the order provided in the Resource Guide.

P. Use of Estimates

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

Q. Implementation of New Accounting Standards

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

Note 2 - Deposits and Investments

Cash Deposits: The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank 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.

On June 30, 2024, the carrying amount of the District's cash deposits (cash and interest-bearing accounts) was \$9,190,239 (plus \$1,181,986 in fiduciary funds) and the bank balance was \$13,291,412. The District's cash deposits on June 30, 2024, were entirely covered by FDIC Insurance or by pledged collateral held by the District's agent bank in the District's name.

Investments: The District's investment policy is in accordance with the Public Funds Investment Act (Government Code Chapter 2256). Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers' acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds.

The State Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. It requires the District to adopt, implement, and publicize an investment policy. The investment 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. Statutes authorize the District to invest in (1) obligations of the United States Treasury, certain United States agencies, and obligations of the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers' acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. Management of the District believes it is in compliance with the requirements of the Act and with local policies. The District's temporary investments consist of balances held by the Texas Local Government Investment Pool (TexPool), TexStar and Lone Star Investment Pool (LSIP) and Texas CLASS.

TexPool is a public funds investment pool created by the Texas Treasury Safekeeping Trust Company (Trust Company) to provide a safe environment for the placement of local government funds in authorized short-term, fully collateralized investments, including direct obligations of, or obligations guaranteed by, the United States or State of Texas or their agencies; federally insured certificates of deposit issued by Texas banks or savings and loans; and fully collateralized direct repurchase agreements secured by United States Government agency securities and placed through a primary government securities dealer.

The Trust Company was incorporated by the State Treasurer by authority of the Texas Legislature as a special purpose trust company with direct access to the services of the Federal Reserve Bank to manage, disburse, transfer, safe keep, and invest public funds and securities more efficiently and economically. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. TexPool uses amortized cost rather than fair value to report net position to compute share prices. The fair value of the position in TexPool is the same as the value of TexPool shares. Accordingly, the District's investments in TexPool are stated at amortized cost, which approximates fair value. TexPool is currently rated AAAM by Standard and Poor's. This rating indicates excellent safety and a superior capacity to maintain principal value and limit exposure to loss.

Note 2 - Deposits and Investments (continued)

Lone Star Investment Pool is restricted to invest in obligations of the United States or its agencies and instrumentalities; other obligations insured by the United States; fully collateralized repurchase agreements having a defined termination date, secured by obligations described previously; and SEC-registered no-load money market mutual funds, the assets which consist exclusively of the obligations described above.

TexSTAR Investment Pool is duly chartered by the State of Texas Interlocal Cooperation Act, is administered and managed by JPMorgan Fleming Asset Management, Inc. and First Southwest Asset Management, Inc. JP Morgan Chase Bank and/or its subsidiary JP Morgan Investor Services Co. is the custodial bank. The primary objectives of TexSTAR are, in order of priority, on of principal, maintenance of sufficient liquidity to meet Participants’ needs, diversification to avoid unreasonable or avoidable risks, and yield.

The Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS) was created as a local government investment pool (LGIP) pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code (PFIA). Texas CLASS is overseen by the Texas CLASS Board of Trustees, comprised of active members of the pool and elected by the Participants, guided by the Advisory Board. The Board is responsible for selecting the Administrator and Investment Advisor. The Board retains the services of Public Trust Advisors, LLC (Public Trust).

At June 30, 2024, the District’s cash and investment balances, the weighted average maturity, and the credit ratings of these investments were as follows:

	Carrying Value	Weighted Average Maturity (Days)	Credit Rating
Governmental Activities			
Cash and deposits	\$ 9,190,239	N/A	N/A
Investments			
Local Government Investment Pools:			
TexPool	373,743,484	38	AAAm
LoneStar	967,495	38	AAA
TexasClass	7,842,620	25	AAA
TexStar	19,706,879	36	AAA
Total Local Government Investment Pools	402,260,478		
Short Term Investments:			
Money market	11,046,597	N/A	
Total Short Term Investments	11,046,597	38	
Total Investments	413,307,075		
Total Governmental Activities	422,497,314		
Fiduciary Funds			
Cash and Deposits	1,181,986	N/A	N/A
Total Fiduciary Funds	1,181,986		
Total	\$ 423,679,300		

Note 2 - Deposits and Investments (continued)

Due to the immediate availability of the funds, the District’s temporary investments at June 30, 2024 are included in cash and cash equivalents. Local government investment pools are recorded at amortized cost which approximates fair value. Texpool, Lone Star and TexStar do not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. The pools do not impose any liquidity fees or redemption gates.

Additional policies and contractual provisions governing deposits and investments for the District are specified below:

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates may adversely affect the value of investments. To limit the risk that changes in interest rates will adversely affect the fair value of the investments. The district monitors interest rate risk utilizing weighted average maturity (WAM) analysis. The District requires its investment portfolio to have maturities of less than one year on a WAM basis. However, specific to the District’s debt service funds, maturities longer than one year are authorized within legal limits and as long as sufficient investment liquidity to timely meet debt service payment obligations is maintained. The long-term investment the District currently holds, which has no call options, is due when the debt instrument is due and the District intends to hold the investment until maturity, thereby reducing its risk of loss due to changes in the fair value of the investment.

Credit Risk: To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations, the District limits investments in commercial paper, corporate bonds, mutual bond funds, public funds investment pools to those that have received top ratings issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2024, the District’s investments in Texas Pool and Lone Star were rated AAAM and AAA, respectively.

Custodial Credit Risk: State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The District’s policy regarding deposits is in accordance with this law.

Concentration of Credit Risk: For temporary investments, to limit the risk of loss attributed to the magnitude of a government’s investment in a single issuer, the District’s policy states that the portfolio must be diversified. Concentration of Credit Risk is not applicable to investment pools since the purpose of these pools is to diversify the District’s investment portfolio.

Note 3 - Receivables and Unearned Revenue

Receivables as of June 30, 2024, for the District's individual major and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	National School Breakfast & Lunch Program	ESSER III	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
	General Fund					
Property Taxes	\$ 20,369,195	\$ -	\$ -	\$ 3,751,340	\$ -	\$ 24,120,535
Due from other governments	55,537,974	191,861	9,008,782	-	7,546,264	72,284,881
Other	81,485	-	-	31,000	210,213	322,698
Gross Receivables	75,988,654	191,861	9,008,782	3,751,340	7,756,477	96,728,114
Less allowance for doubtful accounts	(7,226,664)	-	-	(1,330,916)	-	(8,557,580)
Net Total Receivables	<u>\$ 68,761,990</u>	<u>\$ 191,861</u>	<u>\$ 9,008,782</u>	<u>\$ 2,420,424</u>	<u>\$ 7,756,477</u>	<u>\$ 88,170,534</u>

Note 3 - Receivables and Unearned Revenue (continued)

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the fiscal year 2024, the various components of unearned revenues reported in the governmental funds were as follows:

	<u>Unearned</u>
Advanced collection of fees (food service)	\$ 2,230,729
Unearned federal revenue	31,775
Unearned state and local revenue	5,651,194
	<u>\$ 7,913,698</u>

Note 4 - Interfund Receivables, Payables, and Transfers

Interfund balances consist of short-term lending/borrowing arrangements that result from normal operations and are cleared out periodically. Additionally, some lending/borrowing may occur between two or more nonmajor governmental funds.

The composition of interfund balances and transfers as of June 30, 2024, is as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Net</u>
Governmental Activities:			
General Fund	\$ 14,235,599	\$ 1,597,861	\$ 12,637,738
National School Breakfast & Lunch Program	708,461	-	708,461
ESSER III	-	7,855,375	(7,855,375)
Insurance recovery	-	7,663,270	(7,663,270)
Debt Service Fund	172,394	-	172,394
Capital projects fund	-	2,714	(2,714)
Nonmajor Governmental Funds	6,358,318	4,229,968	2,128,350
Nonmajor Internal Service Funds	-	130,394	(130,394)
Total Governmental Activities	<u>21,474,772</u>	<u>21,479,582</u>	<u>(4,810)</u>
Fiduciary Funds	4,810	-	4,810
Total	<u>\$ 21,479,582</u>	<u>\$ 21,479,582</u>	<u>\$ -</u>
	<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
General Fund		Nonmajor Governmental Funds	\$ 419,839
Total			<u>\$ 419,839</u>

The purpose of the transfer from General Fund to the SSA Regional Day School State Deaf fund is for the District's portion of fund expenditures.

Note 5 - Capital Assets

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

Governmental Activities:

	Balance July 01, 2023	Additions	Transfers	(Retirements)	Balance June 30, 2024
Governmental Capital Assets					
Capital Assets, Not Being Depreciated:					
Land	\$ 13,277,999	\$ 7,399,505	\$ -	\$ -	\$ 20,677,504
Construction in progress	11,070,542	10,194,512	(10,354,699)	-	10,910,355
Total Capital Assets, Not Being Depreciated	24,348,541	17,594,017	(10,354,699)	-	31,587,859
Capital Assets, Being Depreciated:					
Buildings and improvements	474,687,029	1,766,279	9,981,561	-	486,434,869
Furniture and equipment	38,762,133	12,733,645	373,138	(6,881,707)	44,987,209
Vehicles	26,834,711	2,840,628	-	(623,249)	29,052,090
Software	4,297,932	-	-	-	4,297,932
Subscription based IT assets	1,745,387	-	(1,388,387)	-	357,000
Right to use assets - equipment	2,228,890	12,741	1,388,387	(1,253,485)	2,376,533
Total Capital Assets, Being Depreciated	548,556,082	17,353,293	10,354,699	(8,758,441)	567,505,633
Less Accumulated Depreciation for:					
Buildings and improvements	(210,741,163)	(9,830,672)	-	-	(220,571,835)
Furniture and equipment	(28,393,110)	(3,994,609)	-	6,849,402	(25,538,317)
Vehicles	(18,060,260)	(1,872,899)	-	594,997	(19,338,162)
Software	(4,215,325)	(7,857)	-	-	(4,223,182)
Subscription based IT assets	(44,625)	(44,625)	-	-	(89,250)
Right to use assets - equipment	(1,393,588)	(550,545)	-	-	(1,944,133)
Total Accumulated Depreciation	(262,848,071)	(16,301,207)	-	7,444,399	(271,704,879)
Governmental Capital Assets	\$ 310,056,552	\$ 18,646,103	\$ -	\$ (1,314,042)	\$ 327,388,613

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

Function	Depreciation/ Amortization Expense
Governmental Activities:	
Instruction	\$ 5,895,164
Instructional resources and media services	161,074
Curriculum and staff development	3,171
Instructional leadership	27,759
School leadership	470,534
Guidance, counseling and evaluation services	11,451
Health services	1,066
Student transportation	1,216,139
Food Services	1,594,098
Extracurricular activities	2,058,143
General administration	43,312
Plant maintenance and operations	3,116,305
Security and monitoring services	405,522
Data processing services	799,583
Community services	48,988
Facilities acquisition and construction	448,898
Total Governmental Activities	\$ 16,301,207

Note 5 - Capital Assets (continued)

Net investment in capital assets for governmental activities as of June 30, 2024 is calculated as follow:

Capital Assets	\$ 327,388,613
Bonds payable	(345,535,000)
Premiums	(26,817,927)
Deferred amount on refunding	6,234,183
Lease Liability	(405,020)
Unspent Bond Proceeds	290,029,934
Net Investment in Capital Assets	<u><u>\$ 250,894,783</u></u>

Construction commitments at June 30, 2024 are as follow:

<u>Project</u>	<u>Approved Construction Budget</u>	<u>Construction in Progress</u>	<u>Remaining Commitment</u>
CTE Center Building	\$ 80,023,122	\$ 375,000	\$ 79,648,122
New Middle School Building	120,794,898	1,689,255	119,105,643
Tennis Courts Surfacing	480,000	216,826	263,174
Roof Hail Damage	6,208,143	5,570,139	638,004
Fire Alarm Systems	1,994,550	167,826	1,826,724
HVAC Control & Energy Management Systems	3,142,452	2,891,309	251,143
	<u><u>\$ 212,643,165</u></u>	<u><u>\$ 10,910,355</u></u>	<u><u>\$ 201,732,810</u></u>

Note 6 - Long-term Liabilities

The District's long-term liabilities consist of bond indebtedness and compensated absences. The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund.

Changes in Long-term Liabilities

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

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2024</u>	<u>Due Within One Year</u>
General Obligation Bonds:	\$ 107,635,000	\$ 279,175,000	\$ (41,275,000)	\$ 345,535,000	\$ 5,965,000
Premiums on bonds	9,799,242	18,980,680	(1,961,995)	26,817,927	-
Accumulated accretion on capital appreciation bonds	73,016	29,537	-	102,553	-
Worker's compensation claims payable	2,755,767	-	(21,730)	2,734,037	608,052
Healthcare claims payable	2,963,540	-	(215,602)	2,747,938	2,747,938
Accrued compensated absences	4,367,518	-	(849,771)	3,517,747	-
Lease liabilities	995,640	12,741	(603,361)	405,020	247,813
Total Governmental Long-Term Liabilities	<u><u>\$ 128,589,723</u></u>	<u><u>\$ 298,197,958</u></u>	<u><u>\$ (44,927,459)</u></u>	<u><u>\$ 381,860,222</u></u>	<u><u>\$ 9,568,803</u></u>

Note 6 - Long-term Liabilities (continued)

General Obligation Bonds

General Obligation Bonds outstanding, at June 30, 2024, are comprised of the following:

Issue	Original Issuance		Maturity Date	Debt Outstanding
	Amount	Interest Rate (%)		
General Obligation Bonds:				
Unlimited Tax Refunding Bonds, Series 2016	\$ 49,235,000	3.00% to 5.00%	8/15/2027	\$ 11,990,000
Unlimited Tax Refunding Bonds, Series 2020B	56,150,000	1.75% to 5.00%	8/15/2036	54,370,000
Unlimited Tax School Building Bonds, Series 2024-A	179,630,000	4.00% - 5.00%	8/15/2045	179,630,000
Variable Rate Unlimited Tax School Building Bonds, Series 2024-B	99,545,000	4.00%	8/15/2049	99,545,000
				\$ 345,535,000

Debt service requirements to maturity for the General Obligation Bonds are as follows:

Year Ending June 30th	Principal	Interest	Totals
2025	\$ 5,965,000	\$ 11,046,973	\$ 17,011,973
2026	23,640,000	14,451,297	38,091,297
2027	15,070,000	14,556,547	29,626,547
2028	16,235,000	13,813,022	30,048,022
2029	17,605,000	12,873,122	30,478,122
2030 - 2034	57,705,000	55,328,684	113,033,684
2035 - 2039	58,470,000	44,327,473	102,797,473
2040 - 2044	39,640,000	31,951,000	71,591,000
2045 - 2049	88,560,000	18,095,225	106,655,225
2050	22,645,000	566,125	23,211,125
	\$ 345,535,000	\$ 217,009,468	\$ 562,544,468

In the current fiscal year, the District issued \$179,630,000 in Unlimited Tax School Building Bonds, Series 2024A with an interest rate ranging between 4.00% and 5.00%. The proceeds are to be used for the construction, renovation, acquisition and equipment of school buildings as well as purchase of new school buses. The bonds were issued at a premium in the amount of \$17,871,749 and mature in fiscal year 2046.

In the current fiscal year, the District issued \$99,545,000 in Variable Rate Unlimited Tax School Building Bonds, Series 2024B with an initial interest rate of 4.00%. The proceeds are to be used for the construction, renovation, acquisition and equipment of school buildings as well as purchase of new school buses. The bonds were issued at a premium in the amount of \$1,108,931 and mature in fiscal year 2050.

The District has also defeased general obligation bonds by placing the District's own resources into an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, that trust account assets and the liabilities for those defeased bonds are not included in the District's financial statements. On February 15, 2024, the District defeased \$13,370,000 of Series 2016 Refunding Bonds and \$8,775,000 of Series 2020A Refunding Bonds. As of June 30, 2024, \$22,145,000 defeased bonds remain outstanding.

Note 6 - Long-term Liabilities (continued)

Capital Appreciation Bonds

A portion of the bonds sold in the Series 2012 bond issues were capital appreciation bonds commonly referred to as “premium compound interest bonds.” The District annually records the appreciation of the bond principal for the accreted value of the bonds through maturity of the issue. The interest of these bond series will be paid upon maturity. The following table summarizes the significant features of the individual bonds, by issue:

Series	Accreted Value	Original Bond Principal	Accreted Interest	Maturity Value	Maturity Dates
2020B Refunding	\$ 142,553	\$ 40,000	\$ 102,553	\$ 2,115,000	2026 and 2027

Deferred charge on refunding

The balance of deferred charge on refunding at June 30, 2024 was and is presented as a deferred outflow of resources in the Statement of Net Position:

	Balance July 01, 2023	Deferred Charge on New Issues	Recognized Amortization	Balance June 30, 2024
Deferred charge on refunding	\$ 6,714,347	\$ -	\$ (480,164)	\$ 6,234,183

Right to Use Lease Liabilities and SBITAs

The District as several agreements to lease copiers and printers, postage machines and mailers and tablets for transportation vehicles. As of June 30, 2024, the values of the lease liabilities was \$405,020. Monthly lease payments range from \$215 to \$28,000 and mature in fiscal year 2025 through 2028. The leases qualify as other than short-term lease as defined by Government Accounting Standards Board (GASB) Statement No. 87 (“GASB 87”). Therefore the District has recorded right-to-use lease assets and the lease liability at an amount equal to the initial measurement of the related lease liability. The liability was measured at a discount rate of 5%. The rights to use assets are amortized on a straight-line basis over the life of the asset. At June 30, 2024, the right to use asset related to leases is \$2,376,533 and accumulated amortization is \$1,944,133.

The District recognizes a liability and corresponding right-to-use the information technology software in the government-wide and internal service fund financial statements. The District recognizes subscription liabilities with an initial, individual value of \$250,000 or more and a contact term of twelve months or more. The value of SBITAs will be amortized on a straight-line basis over the life of the asset. An asset was recognized as part of an SBITA for Quaver Texas Health and Physical Education Grades K-5. The right to use asset is carried at a cost of \$357,000 and accumulated amortization of \$89,250 as of June 30, 2024. As of June 30, 2024, the District did not have a liability for SBITAs as this was prepaid, and therefore does not present principal and interest requirements to maturity.

Debt service requirements to maturity for the right to use lease liabilities are as follows:

Year Ending June 30th	Principal	Interest	Totals
2025	\$ 247,813	\$ 14,207	\$ 262,020
2026	68,003	5,930	73,933
2027	47,417	3,369	50,786
2028	41,787	1,045	42,832
	<u>\$ 405,020</u>	<u>\$ 24,551</u>	<u>\$ 429,571</u>

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

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

	General Fund	National School Breakfast & Lunch Program	Insurance Recovery	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Property Taxes	\$ 134,495,684	\$ -	\$ -	\$ 44,787,015	\$ -	\$ -	\$ 179,282,699
Insurance Recovery	85,703	-	5,115,786	-	-	-	5,201,489
Campus Activity	-	-	-	-	-	1,303,693	1,303,693
Food Service Activity	-	690,495	-	-	-	-	690,495
Extracurricular Activities	597,218	-	-	-	-	-	597,218
Tuition and Fees	859,932	-	-	-	-	-	859,932
Investment Income	4,676,759	203,958	543,281	675,266	880,241	85,124	7,064,629
Gifts and bequests	5,842,216	-	-	-	-	369,873	6,212,089
Rent	33,240	-	-	-	-	-	33,240
Other	1,319,953	1,676	-	-	-	601,215	1,922,844
	<u>\$ 147,910,705</u>	<u>\$ 896,129</u>	<u>\$ 5,659,067</u>	<u>\$ 45,462,281</u>	<u>\$ 880,241</u>	<u>\$ 2,359,905</u>	<u>\$ 203,168,328</u>

Note 8 - Defined Benefit Pension Plan

A. Plan Description

The District participates in a multiple-employer, cost-sharing, 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 workload and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

B. 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 that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/Pages/about_publications.aspx, or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

C. Benefits Provided

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

Note 8 - Defined Benefit Pension Plan (continued)

C. Benefits Provided (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 TRS actuary.

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

	Current Fiscal Year Contributions	
Employer (District)	\$	11,167,086
Employee (Member)		18,223,846
Non-employer Contributing Entity		
On-behalf Contributions (State)		10,951,980

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

Note 8 - Defined Benefit Pension Plan (continued)

D. Contributions (continued)

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

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

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

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

E. Actuarial Assumptions

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

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

The actuarial assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2022. The actuarial methods and assumption were primarily based on a study of actual experience for the three-year ending August 31, 2017 and were adopted in July 2018. For a full description of these assumptions see the actuarial valuation report described the 2022 TRS ACFR, which includes actuarial valuation report dated November 22, 2022.

Note 8 - Defined Benefit Pension Plan (continued)

F. Discount Rate

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

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

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

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

Asset Class ¹	Target Allocation ¹	Long-Term Expected Arithmetic Real Rate of Return ²	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.00%	4.00%	1.00%
Non-U.S. Developed	13.00%	4.50%	0.90%
Emerging Markets	9.00%	4.80%	0.70%
Private Equity	14.00%	7.00%	1.50%
Stable Value			
Government Bonds	16.00%	2.50%	0.50%
Absolute Return (Including Credit Sensitive Investments)	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 and Infrastructure	6.00%	4.80%	0.40%
Commodities	0.00%	4.40%	0.00%
Risk Parity			
Risk Parity	8.00%	4.50%	0.40%
Leverage			
Cash	2.00%	3.70%	0.00%
Asset Allocation Leverage	-6.00%	4.40%	-0.10%
Inflation Expectation	0.00%	0.00%	2.30%
Volatility Drag ³	0.00%	0.00%	-0.90%
Expected Return	100.00%		8.00%

¹ Absolute Return includes Credit Sensitive Investments.

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

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

Note 8 - Defined Benefit Pension Plan (continued)

G. Discount Rate Sensitivity Analysis (continued)

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

	1% Decrease	Current Discount	1% Increase
	6.00%	Rate	8.00%
	6.00%	7.00%	8.00%
District's proportional share of the net pension liability	\$ 195,720,482	\$ 130,911,861	\$ 77,023,458

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

At June 30, 2024, the District reported a liability of \$130,911,861 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	\$ 130,911,861
State's proportionate share that is associated with the District	140,653,940
Total	\$ 271,565,801

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 District's proportion of the collective net pension liability was 0.1906% which was an increase of 0.00114% from its proportion measured as of August 31, 2022.

Changes in Assumptions and Benefits Since the Prior Actuarial Valuation

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

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

Note 8 - Defined Benefit Pension Plan (continued)

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

For the year ended June 30, 2024, the District recognized pension expense of \$23,754,609. The District also recognized an additional on-behalf revenue and expense of \$21,237,528 representing for support provided by the State.

At June 30, 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 4,664,434	\$ (1,585,199)
Changes of assumptions	12,381,698	(3,030,084)
Net difference between projected and actual earnings on pension plan investments	19,050,854	-
Changes in proportion and differences between District contributions and proportionate share of contributions	12,474,215	(4,117,001)
District contributions subsequent to the measurement date of the net pension liability	9,205,764	-
Total	<u>\$ 57,776,965</u>	<u>\$ (8,732,284)</u>

Deferred outflows of resources resulting from District contributions subsequent to the measurement date in the amount of \$9,205,764 will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. The net amounts of the District’s balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year</u>	<u>Pension Expense Amount</u>
2025	\$ 8,654,376
2026	5,685,242
2027	18,313,991
2028	6,088,310
2029	1,096,998
	<u>\$ 39,838,917</u>

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

Note 9 - Defined Other Post-Employment Benefit Plans

A. Plan Description

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

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

B. OPEB 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, or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

C. Benefits Provided

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

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

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

TRS-Care Monthly 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

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.

Note 9 - Defined Other Post-Employment Benefit Plans (continued)

D. Contributions

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

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

	Current Fiscal Year Contributions
Employer (District)	\$ 1,978,516
Employee (Member)	1,442,041
Non-employer Contributing Entity	
On-behalf Contributions (State)	3,767,383

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

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

E. Actuarial Assumptions

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

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

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.

Note 9 - Defined Other Post-Employment Benefit Plans (continued)

E. Actuarial Assumptions (continued)

The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2022 TRS pension actuarial valuation that was rolled forward to August 31, 2023: (a) Rates of Mortality, (b) Rates of Retirement, (c) Rates of Termination, (d) Rates of Disability, (e) General Inflation, (f) Wage Inflation, and (g) Expected Payroll Growth.

Component	Result
Valuation Date	August 31, 2022, rolled forward to August 31, 2023
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	4.13% as of August 31, 2023
Aging Factors	Based on plan specific experience
Election Rates	Normal Retirement: 65 percent participation rate prior to age 65 and 40 percent participation rate after age 65. Pre-65 retirees: 25 percent are assumed to discontinue coverage at age 65.
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
Healthcare Trend Rates	The initial medical trend rates were 7.75 percent for Medicare retirees and 7.00 percent for non-Medicare retirees. There was an initial prescription drug trend rate of 7.75 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 17 years.
Ad Hoc Post-Employment Benefit Changes	None

F. Discount Rate

A single discount rate of 4.13% was used to measure the total OPEB liability. There was an increase of 0.22% in the discount rate since the previous year

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

The source of the municipal bond rate is the Fidelity "20-year Municipal GO AA Index" as of August 31, 2023 using the Fixed Income Market Data/Yield Curve/ Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Note 9 - Defined Other Post-Employment Benefit Plans (continued)

G. Discount Rate Sensitivity Analysis

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

	Discount Rate		
	1% Decrease	Current Rate	1% Increase
	(3.13%)	(4.13%)	(5.13%)
District's proportionate share of the Net OPEB Liability:	\$ 61,928,282	\$ 52,579,993	\$ 44,951,567

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

On June 30, 2024, the District reported a liability of \$52,579,993 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	\$ 52,579,993
State's proportionate share that is associated with the District	<u>63,445,843</u>
Total	<u><u>\$ 116,025,836</u></u>

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

At August 31, 2023, the District's proportion of the collective Net OPEB Liability was 0.2375% which was an increase of 0.001% from its proportion measured as of August 31, 2022.

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

	Healthcare Cost Trend		
	1% Decrease	Current	1% Increase
	(1.00%)	(4.13%)	(1.00%)
District's proportionate share of the Net OPEB Liability:	\$ 43,296,992	\$ 52,579,993	\$ 64,522,604

Changes Since the Prior Actuarial Valuation

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

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

Note 9 - Defined Other Post-Employment Benefit Plans (continued)

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

Changes of Benefit Terms Since the Prior Measurement Date

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

For the year ended June 30, 2024, the District recognized negative OPEB expense of \$11,459,044. The District also recognized negative on-behalf expense and revenue of \$13,563,382 for support provided by the State.

On June 30, 2024, the District reported its proportionate share of the TRS’s deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actuarial economic experience	\$ 2,378,846	\$ (44,236,104)
Changes of assumptions	7,176,786	(32,196,124)
Net difference between projected and actual earnings on OPEB plan investments	22,717	-
Changes in proportion and difference between the District contributions and the proportionate share of contributions	3,659,885	(10,941,749)
District contributions subsequent to the measurement date of the net OPEB liability	1,641,311	-
Total	<u>\$ 14,879,545</u>	<u>\$ (87,373,977)</u>

The deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. 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:

<u>Fiscal Year</u>	<u>Amount</u>
2025	\$ (15,835,487)
2026	(13,423,888)
2027	(10,159,002)
2028	(10,468,160)
2029	(9,466,370)
Thereafter	(14,782,836)
	<u>\$ (74,135,743)</u>

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

Note 9 - Defined Other Post-Employment Benefit Plans (continued)

I. Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended June 30, 2024, 2023 and 2022, the subsidy payments received by TRS-Care on-behalf of the District are shown below. These payments are recorded as equal revenues and expenditures in the governmental funds' financial statements of the District.

<u>Fiscal Year</u>	<u>Medicare Part D</u>
June 30, 2024	\$ 1,234,049
June 30, 2023	1,059,266
June 30, 2022	646,719

Note 10 - Risk Management

Property/Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District's risk management program encompasses various means of protecting the District against loss by obtaining property, casualty, and liability coverage through commercial insurance carriers, and from participation in a risk pool. The District's participation in the risk pool is limited to payment of premiums.

Health Insurance

The District sponsors a self-funded plan to provide health care benefits to staff members and their dependents. Transactions related to the plan are accounted for in the Medical Trust Fund (the "Fund"), an internal service fund of the District. The District contributed \$380 per month per employee for the period of July 2023 through June 2024. Each employee contributed \$150 per month for the period of July 2023 through June 2024. Employees, at their option, authorized payroll withholding to pay contributions for dependents. Third party administrators paid all claims from the fund. The plan was authorized by Section 21.922, Texas Education Code, and was documented by contractual agreement. The District was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through Sirius America Insurance Company, commercial insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code. Stop loss coverage was in effect in 2023 for individual claims exceeding \$375,000 annually and aggregate coverage with an attachment point of \$33,519.56. Stop loss coverage was in effect in 2024, coverage was carried through Granular Insurance Company, commercial insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code, for individual claims exceeding \$375,000 annually and aggregate coverage with an attachment point of \$35,144.28 in 2024. Estimates of claims payable and of claims incurred, but not reported at June 30, 2024, are reflected as accounts and claims payable of the Fund. The plan is funded to discharge liabilities of the Fund as they become due.

Note 10 - Risk Management (continued)

Health Insurance (continued)

For the fiscal year July 2023-December 2023, five (5) claims exceeded the \$350,000 limit plus one one-time aggregating specific of \$200,000. January 2024-June 2024 five (5) claims exceeded the \$375,000 limit plus one one-time aggregating specific of \$200,000. Changes in the balances of claims liabilities during the past year are as follows:

Fiscal Year	Beginning of Year Unpaid Claims	Incurred Claims (IBNR)	Claims Payments	End of Year Accrual
June 30, 2024	\$ 2,963,540	\$ 27,738,602	\$ (27,954,204)	\$ 2,747,938
June 30, 2023	2,830,587	30,851,374	(30,718,421)	2,963,540
June 30, 2022	2,260,960	28,822,757	(28,253,130)	2,830,587

Workers' Compensation

The District sponsors a self-funded Worker's Compensation Fund. Claims exceeding \$500,000 up to the State of Texas statutory limits per occurrence are covered by a stop loss plan through the Texas Association of School Boards, whose carrier is Alliant Insurance Services.

For the school year 2023-2024, no claims exceeded the \$500,000 limit.

Estimates of claims payable and of claims incurred but not reported at June 30, 2024, are reflected as accrued expenses of the Fund. The liabilities include an amount for claims that have been incurred but were not reported until after June 30, 2024. Liability for claims is reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing the liabilities is an estimate. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors.

Changes in the balances of claims liabilities are as follows:

Fiscal Year	Beginning of Year Unpaid Claims	Incurred Claims (IBNR)	Claims Payments	End of Year Accrual
June 30, 2024	\$ 2,755,767	\$ 1,122,659	\$ (1,144,389)	\$ 2,734,037
June 30, 2023	2,903,690	1,112,401	(1,260,324)	2,755,767
June 30, 2022	2,340,590	1,678,172	(1,115,072)	2,903,690

Note 11 - Shared Service Arrangements

Workers' Compensation (continued)

The District is the fiscal agent for a Shared Service Arrangement (“SSA”) that provides deaf education services to member districts. In addition to the District, other member districts are noted below. All services are provided by the fiscal agent. The member districts provide the funds to the fiscal agent. According to guidance provided in TEA’s Resource Guide, the District has accounted for the fiscal agent’s activities of the SSA in venue Fund 315, 340, and 435 using Model 3 in the SSA section. Expenditures of the SSA are summarized below:

Ector County Independent School District	\$	683,067
Midland Independent School District		107,853
Andrews Independent School District		107,853
Big Spring Independent School District		71,902
Ft. Stockton Independent School District		71,902
Reagan County Independent School District		53,926
Monahans Independent School District		17,975
Crane Independent School District		35,951
Pecos Independent School District		17,975
Garden City Independent School District		17,975
Stanton Independent School District		17,975
	\$	<u>1,204,354</u>

Note 12 - Contingent Liabilities

The District participates in numerous federally-funded programs, on both a direct and state pass-through basis, as well as on a service-provider basis. In connection with these grants, the District is required to comply with specific terms and agreements, as well as applicable federal and state laws, and regulations. Such compliance is subject to review and audit by the grantors and their representatives, including audits under the “Single Audit” concept and compliance examinations which build upon such audits.

In the opinion of management, the District has materially complied with all requirements. However, such programs are subject to future audit or review, the possibility of disallowed expenditures exists. In the event of such disallowance of claimed expenditures, the District does not expect the resulting liability to have a material adverse effect on its combined financial statements at June 30, 2024.

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not determinable presently in the opinion of the District’s counsel the resolution of these matters will not have a material adverse effect on the financial statements of the District.

Note 13 - Arbitrage

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of (1) the amount earned on investments purchased with bond proceeds over (2) the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five-year anniversary date of the bond issue. The District has estimated that it has no arbitrage liability as of June 30, 2024.

Note 14 - Tax Abatements

Value limitation agreements are part of a state program, originally created in 2001, which allows school districts to limit the taxable value of an approved project for Maintenance and Operations (M&O) to a maximum of \$30 million for a period of ten years specified in the statute. The project(s) under the Chapter 313 Agreement(s) must be consistent with the State's goal to "encourage large scale capital investments in this state." Chapter 313 of the Texas Tax Code grants eligibility to companies engaged in manufacturing, research and development, renewable electric energy production, clean coal projects, nuclear power generation and data centers.

In order to qualify for a value limitation agreement, each Applicant has been required to meet a series of capital investment, job creation, and wage requirements specified by state law. At the time of the Applications' approval, each of the Agreements were deemed to have done so by both the District's Board of Trustees and the Texas Comptroller's Office, which recommended approval of the projects. The Applications, the Agreements, and state reporting requirement documentation can be viewed at the Texas Comptroller's website: <https://www.comptroller.texas.gov/economy/local/ch313/agreement-docs.php>.

In fiscal year 2018/19, the Ector County Independent School District (ECISD) Board of Trustees approved an Agreement with Oberon Solar IA LLC, the "Company", for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes pursuant to Chapter 313 of the Texas Tax Code, i.e., the Texas Economic Development Act, as set forth in Chapter 313 of the Texas Tax Code, as amended. The Company qualified for a tax limitation agreement under Texas Tax Code §313.024(b)(5), as a renewable energy electric generation project.

After approval, the Applicant company must maintain a viable presence in the District for the entire period of the value limitation, plus a period of years thereafter. In addition, there are specific reporting requirements, which are monitored on an annual and biennial basis in order to ensure relevant job, wage, and operational requirements are being met.

In the event that the company or its successor-in-interest fails to comply in any material respect with the terms of the Agreement or to meet any material obligation under the Agreement, then the District shall be entitled to the recapture of all ad valorem tax revenue lost as a result of the Agreement together with the payment of penalty and interest on that recaptured ad valorem tax revenue. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code §33.01(a), or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code §33.01(c), or its successor statute. The Agreement provides an administrative procedure to determine any company liability. Ultimately, enforcement of any payment obligation is through the local state district court.

As of June 30, 2024, the District is in full compliance with all of their obligations under law and the Agreement.

This agreement limits the taxable value of the covered property to \$26,493,238 for a ten-year period beginning with fiscal year 2020. The result of this limitation in valuation is an estimated total tax reduction of M&O taxes of \$1,824,608 for the ten-year period.

Supplemental payments from Oberon Solar to ECISD were as follows:

Fiscal Year	Payment Amount
2021	\$261,570
2022	\$576,795
2023	\$288,098
2024	\$188,392

**REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY
COMPARISON SCHEDULES**

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For The Year Ended June 30, 2024

Exhibit G-1

Data Control Codes	Budgeted Amounts		Actual Amounts, GAAP Basis	Variance with Final Budget	
	Original	Final			
Revenues					
5700	Local revenues	\$ 169,500,000	\$ 147,794,168	\$ 147,910,705	\$ 116,537
5800	State program revenues	156,203,451	189,777,546	191,457,716	1,680,170
5900	Federal program revenues	6,000,000	4,592,250	6,403,285	1,811,035
5020	Total Revenues	331,703,451	342,163,964	345,771,706	3,607,742
Expenditures					
Current:					
0011	Instruction	202,095,977	200,376,241	189,027,110	11,349,131
0012	Instruction resources and media services	2,159,943	2,740,861	1,865,228	875,633
0013	Curriculum and instructional staff development	8,719,086	7,662,496	5,716,898	1,945,598
0021	Instructional leadership	5,656,651	5,464,408	4,855,587	608,821
0023	School leadership	21,539,711	22,717,243	21,173,257	1,543,986
0031	Guidance, counseling and evaluation services	13,981,624	16,510,792	14,418,651	2,092,141
0032	Social work services	1,811,527	1,724,743	1,362,871	361,872
0033	Health services	3,254,406	3,298,552	3,111,050	187,502
0034	Student transportation	10,125,228	12,427,292	9,915,661	2,511,631
0036	Extracurricular activities	8,162,823	8,201,375	7,011,694	1,189,681
0041	General administration	9,030,571	9,233,445	7,436,762	1,796,683
0051	Facilities maintenance and operations	38,015,291	39,943,030	34,889,482	5,053,548
0052	Security and monitoring services	3,787,609	6,210,594	5,343,033	867,561
0053	Data processing services	10,822,562	9,905,603	6,085,923	3,819,680
0061	Community services	1,558,309	1,687,917	1,582,413	105,504
Debt Service:					
0071	Principal on long-term debt	1,260,521	1,351,521	1,042,125	309,396
0072	Interest on long-term debt	33,779	33,779	33,779	-
Capital Outlay:					
0081	Facilities acquisition and construction	1,500,000	16,738,367	11,500,578	5,237,789
Intergovernmental:					
0099	Other Intergovernmental Charges	2,132,882	2,132,882	2,059,562	73,320
6030	Total Expenditures	345,648,500	368,361,141	328,431,664	39,929,477
1100	Excess (deficiency) of revenues over expenditures	(13,945,049)	(26,197,177)	17,340,042	43,537,219
Other Financing Sources (Uses)					
7912	Sale of property	550,000	692,150	142,149	(550,001)
7913	Right-to-uses leases	-	-	12,741	12,741
8911	Transfers Out	(525,000)	(525,000)	(419,839)	105,161
7080	Total Other Financing Sources (Uses)	25,000	167,150	(264,949)	(432,099)
1200	Net change in fund balances	(13,920,049)	(26,030,027)	17,075,093	43,105,120
0100	Fund Balances - Beginning	103,018,472	103,018,472	103,018,472	-
3000	Fund Balances - Ending	\$ 89,098,423	\$ 76,988,445	\$ 120,093,565	\$ 43,105,120

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
For The Year Ended June 30, 2024

Exhibit G-2

Data Control Codes		Budgeted Amounts		Actual Amounts	Variance with Final Budget
		Original	Final		
Revenues					
5700	Local revenues	\$ 675,320	\$ 800,320	\$ 896,129	\$ 95,809
5800	State program revenues	430,300	437,220	448,812	11,592
5900	Federal program revenues	16,958,658	16,958,688	18,446,688	1,488,000
5020	Total Revenues	<u>18,064,278</u>	<u>18,196,228</u>	<u>19,791,629</u>	<u>1,595,401</u>
Expenditures					
Current:					
0035	Food services	18,064,278	23,129,089	20,380,101	2,748,988
6030	Total Expenditures	<u>18,064,278</u>	<u>23,129,089</u>	<u>20,380,101</u>	<u>2,748,988</u>
1100	Excess (deficiency) of revenues over expenditures	-	(4,932,861)	(588,472)	4,344,389
Other Financing Sources (Uses)					
7912	Sale of real or personal property	-	29,000	28,779	(221)
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>29,000</u>	<u>28,779</u>	<u>(221)</u>
1200	Net change in fund balances	-	(4,903,861)	(559,693)	4,344,168
0100	Fund Balances - Beginning	<u>9,714,340</u>	<u>9,714,340</u>	<u>9,714,340</u>	<u>-</u>
3000	Fund Balances - Ending	<u>\$ 9,714,340</u>	<u>\$ 4,810,479</u>	<u>\$ 9,154,647</u>	<u>\$ 4,344,168</u>



**REQUIRED SUPPLEMENTARY INFORMATION – PENSION AND OTHER
POST-EMPLOYMENT INFORMATION**

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

Exhibit G-3

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
District's proportion of the net pension liability	0.19060%	0.17920%	0.18300%	0.15255%	0.17173%
District's proportionate share of the net pension liability	\$ 130,911,861	\$ 106,403,268	\$ 46,597,268	\$ 81,703,061	\$ 89,271,128
State's proportionate share of the net pension liability associated with the District	<u>140,653,940</u>	<u>132,833,188</u>	<u>59,774,871</u>	<u>133,153,469</u>	<u>115,099,303</u>
Total	<u>\$ 271,565,801</u>	<u>\$ 239,236,456</u>	<u>\$ 106,372,139</u>	<u>\$ 214,856,530</u>	<u>\$ 204,370,431</u>
District's covered payroll (for Measurement Year)	\$ 214,103,085	\$ 202,521,314	\$ 194,543,132	\$ 178,615,584	\$ 166,363,097
District's proportionate share of the net pension liability as a percentage of its covered payroll	61.14%	52.54%	23.95%	45.74%	53.66%
Plan fiduciary net position as a percentage of the total pension liability *	73.15%	75.65%	88.79%	75.74%	75.24%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.16252%	0.16301%	0.17793%	0.17171%	0.12568%
District's proportionate share of the net pension liability	\$ 89,454,550	\$ 52,121,909	\$ 67,236,631	\$ 60,696,210	\$ 33,571,908
State's proportionate share of the net pension liability associated with the District	<u>130,227,666</u>	<u>81,929,372</u>	<u>96,003,500</u>	<u>88,961,129</u>	<u>75,916,290</u>
Total	<u>\$ 219,682,216</u>	<u>\$ 134,051,281</u>	<u>\$ 163,240,131</u>	<u>\$ 149,657,339</u>	<u>\$ 109,488,198</u>
District's covered payroll (for Measurement Year)	\$ 162,321,705	\$ 164,691,543	\$ 162,443,801	\$ 150,542,332	\$ 147,350,185
District's proportionate share of the net pension liability as a percentage of its covered payroll	55.11%	31.65%	41.39%	40.32%	22.78%
Plan fiduciary net position as a percentage of the total pension liability *	73.74%	82.17%	78.00%	78.43%	83.25%

* Per Teacher Retirement System of Texas' comprehensive annual financial report.

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

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT PENSION CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
Last Ten Fiscal Years

Exhibit G-4

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contributions	\$ 11,167,086	\$ 9,456,993	\$ 8,329,288	\$ 4,356,619	\$ 3,233,829
Contributions in relation to the contractual required contributions	<u>(11,167,086)</u>	<u>(9,456,993)</u>	<u>(8,329,288)</u>	<u>(4,356,619)</u>	<u>(3,233,829)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 223,317,484	\$ 212,093,436	\$ 200,889,873	\$ 192,050,226	\$ 175,704,924
Contributions as a percentage of covered payroll	5.00%	4.46%	4.15%	2.27%	1.84%

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 3,339,028	\$ 2,951,106	\$ 2,792,264	\$ 3,086,526	\$ 2,819,306
Contributions in relation to the contractual required contributions	<u>(3,339,028)</u>	<u>(2,951,106)</u>	<u>(2,792,264)</u>	<u>(3,086,526)</u>	<u>(2,819,306)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 164,417,160	\$ 162,515,095	\$ 164,788,323	\$ 160,914,812	\$ 149,308,655
Contributions as a percentage of covered payroll	2.03%	1.82%	1.69%	1.92%	1.89%

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

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
For the Last Seven Measurement Years Ended June 30

Exhibit G-5

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net OPEB liability	0.23750%	0.23650%	0.25520%	0.25238%
District's proportionate share of the net OPEB liability	\$ 52,579,993	\$ 56,639,261	\$ 98,426,461	\$ 95,940,818
State's proportionate share of the net OPEB liability associated with the District	63,445,843	69,091,000	131,869,523	128,921,462
Total	<u>\$ 116,025,836</u>	<u>\$ 69,091,000</u>	<u>\$ 230,295,984</u>	<u>\$ 224,862,280</u>
District's covered payroll (for Measurement Year)	\$ 214,103,085	\$ 202,521,314	\$ 194,543,132	\$ 178,615,584
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	24.6%	28.0%	50.6%	53.7%
Plan fiduciary net position as a percentage of the total OPEB liability	14.94%	11.52%	6.18%	4.99%

Notes:

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

Ten years of data should be presented in this schedule but data is unavailable prior to the implementation of GASB 75 in 2017.

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.25253%	0.24519%	0.25593%
District's proportionate share of the net OPEB liability	\$ 119,423,267	\$ 122,426,875	\$ 111,292,438
State's proportionate share of the net OPEB liability associated with the District	158,686,808	135,999,016	126,511,621
Total	<u>\$ 278,110,075</u>	<u>\$ 258,425,891</u>	<u>\$ 237,804,059</u>
District's covered payroll (for Measurement Year)	\$ 166,363,097	\$ 162,321,705	\$ 164,691,543
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	2.7%	1.6%	91.0%
Plan fiduciary net position as a percentage of the total OPEB liability	2.66%	1.57%	91.00%

Notes:

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

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.

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT OPEB CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
Last Seven Fiscal Years Ended June 30

Exhibit G-6

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contributions	\$ 1,978,516	\$ 1,924,320	\$ 2,044,316	\$ 1,440,594
Contributions in relation to the contractual required contributions	<u>(1,978,516)</u>	<u>(1,924,320)</u>	<u>(2,044,316)</u>	<u>(1,440,594)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 223,317,484	\$ 212,093,436	\$ 200,889,873	\$ 192,077,205
Contributions as a percentage of covered payroll	0.89%	0.91%	1.02%	0.75%

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 1,475,872	\$ 1,373,728	\$ 1,322,075
Contributions in relation to the contractual required contributions	<u>(1,475,872)</u>	<u>(1,373,728)</u>	<u>(1,322,075)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 175,704,924	\$ 164,417,160	\$ 162,515,095
Contributions as a percentage of covered payroll	0.84%	0.84%	0.81%

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.

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.

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For The Year Ended June 30, 2024

Note 1 - Budgetary Information

The Board adopts an “appropriated budget” on a basis consistent with GAAP for the General Fund, Debt Service Fund, and National School Breakfast and Lunch Program Fund (which is included in special revenue funds). At a minimum, the District is required to present the original and the final amended budgets for revenues and expenditures compared to actual revenues and expenditures for these three funds.

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

- Prior to June 19th for a fiscal year start date of July 1, the District prepares a budget based on the incremental budgeting concept for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- After one or more budget workshops with the Board, a meeting is called for the purpose of adopting the proposed budget. At least ten days but not more than 30 days public notice of the meeting is required.
- Prior to June 30th for a fiscal year start date of July 1, the Board legally adopts the budget for the general fund, debt service fund, and food service fund.
- After the budgets for the above listed funds are approved, any amendment that causes an increase or decrease in a fund or functional spending category or total revenue or other resources major object category requires Board approval prior to the fact. These amendments are presented to the Board at its regular monthly meeting and/or special board meetings and are reflected in the official minutes. Because the District has a policy of careful budgetary control, several budgetary amendments were necessary throughout the year.
- Expenditure budgets are controlled at the expenditure functional and object level by the appropriate budget manager (principal, department director, or divisional administrator). Budget managers may authorize transfers within functional and organizational categories that do not affect the total functional and organizational appropriation. All budget appropriations lapse at year end.

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, time are to be either canceled or appropriately in the subsequent year’s budget. The District had no outstanding end-of-year encumbrances.

Note 2 - TRS Pension

Changes of Assumptions

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

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

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

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

Measurement Year 2023: None.

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For The Year Ended June 30, 2024

Note 3 - TRS OPEB Plan

Changes of Assumptions

There were no changes in benefit terms since Prior Measurement Date.

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

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

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

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

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

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



OTHER SUPPLEMENTARY INFORMATION

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
June 30, 2024

Exhibit H-1

		206	211	224	225
Data Control Codes		TEHCY ESEA Title X, Part C	ESEA Title I	IDEA-Part B, Formula	IDEA-Part B, Preschool
Assets					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1120	Current investments	-	-	-	-
	Receivables:				
1240	Due from other governments	49,020	2,200,985	1,260,071	21,696
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1410	Prepaid items	-	-	-	-
1000	Total Assets	<u>\$ 49,020</u>	<u>\$ 2,200,985</u>	<u>\$ 1,260,071</u>	<u>\$ 21,696</u>
Liabilities and Fund Balances					
Liabilities					
2110	Accounts payable	\$ -	\$ 40,693	\$ 33,948	\$ -
2150	Payroll deduction and withholdings	3,980	113,012	84,193	2,390
2160	Accrued wages payable	18,263	703,927	407,836	12,217
2170	Due to other funds	26,777	1,343,353	734,094	7,089
2300	Unearned revenue	-	-	-	-
2000	Total Liabilities	<u>49,020</u>	<u>2,200,985</u>	<u>1,260,071</u>	<u>21,696</u>
Fund Balances					
Restricted:					
3490	Other purposes	-	-	-	-
Committed:					
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Liabilities and Fund Balances	<u>\$ 49,020</u>	<u>\$ 2,200,985</u>	<u>\$ 1,260,071</u>	<u>\$ 21,696</u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
June 30, 2024

Exhibit H-1

Data Control Codes		244	255	263	272
		Career and Technical - Basic Grant	ESEA Title II, Part A	Title III, Part A	Medicaid Administrative Claim Program (MAC)
Assets					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1120	Current investments	-	-	-	-
	Receivables:				
1240	Due from other governments	95,186	454,072	176,248	-
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1410	Prepaid items	-	-	-	-
1000	Total Assets	<u>\$ 95,186</u>	<u>\$ 454,072</u>	<u>\$ 176,248</u>	<u>\$ -</u>
Liabilities and Fund Balances					
Liabilities					
2110	Accounts payable	\$ 9,641	\$ 16,680	\$ 31,166	\$ -
2150	Payroll deduction and withholdings	-	10,842	4,611	-
2160	Accrued wages payable	-	66,505	22,317	-
2170	Due to other funds	85,545	360,045	118,154	-
2300	Unearned revenue	-	-	-	-
2000	Total Liabilities	<u>95,186</u>	<u>454,072</u>	<u>176,248</u>	<u>-</u>
Fund Balances					
Restricted:					
3490	Other purposes	-	-	-	-
Committed:					
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Liabilities and Fund Balances	<u>\$ 95,186</u>	<u>\$ 454,072</u>	<u>\$ 176,248</u>	<u>\$ -</u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
June 30, 2024

Exhibit H-1

		278	279	289	315
Data Control Codes		American Rescue Plan (ESSER)	TCLAS - State ESSER III Funds	Federally Funded SRF	SSA - IDEA - Part B - Discretionary
Assets					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1120	Current investments	-	-	-	-
	Receivables:				
1240	Due from other governments	255,595	1,758,254	619,866	9,099
1260	Due from other funds	-	-	-	-
1290	Other receivables	22	-	208,864	-
1410	Prepaid items	-	-	-	-
1000	Total Assets	<u>\$ 255,617</u>	<u>\$ 1,758,254</u>	<u>\$ 828,730</u>	<u>\$ 9,099</u>
Liabilities and Fund Balances					
Liabilities					
2110	Accounts payable	\$ 38,790	\$ 49,369	\$ -	\$ -
2150	Payroll deduction and withholdings	699	207,522	1,162	784
2160	Accrued wages payable	4,900	1,498,320	13,947	2,932
2170	Due to other funds	211,228	3,043	813,621	5,383
2300	Unearned revenue	-	-	-	-
2000	Total Liabilities	<u>255,617</u>	<u>1,758,254</u>	<u>828,730</u>	<u>9,099</u>
Fund Balances					
Restricted:					
3490	Other purposes	-	-	-	-
Committed:					
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Liabilities and Fund Balances	<u>\$ 255,617</u>	<u>\$ 1,758,254</u>	<u>\$ 828,730</u>	<u>\$ 9,099</u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
June 30, 2024

Exhibit H-1

		340	397	410	429
Data Control Codes		SSA - IDEA, Part C, ECI	Advanced Placement Incentives	Instructional Materials Allotment	State Funded Special Revenues
Assets					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1120	Current investments	-	-	-	-
	Receivables:				
1240	Due from other governments	4	-	-	491,201
1260	Due from other funds	-	-	6,295,952	-
1290	Other receivables	-	-	-	-
1410	Prepaid items	-	-	847,269	-
1000	Total Assets	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 7,143,221</u>	<u>\$ 491,201</u>
Liabilities and Fund Balances					
Liabilities					
2110	Accounts payable	\$ -	\$ -	\$ 1,534,027	\$ 2,339
2150	Payroll deduction and withholdings	-	-	-	261
2160	Accrued wages payable	-	-	-	8,345
2170	Due to other funds	4	-	-	480,256
2300	Unearned revenue	-	-	5,609,194	-
2000	Total Liabilities	<u>4</u>	<u>-</u>	<u>7,143,221</u>	<u>491,201</u>
Fund Balances					
Restricted:					
3490	Other purposes	-	-	-	-
Committed:					
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Liabilities and Fund Balances	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 7,143,221</u>	<u>\$ 491,201</u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
June 30, 2024

Exhibit H-1

Data Control Codes		435	459	461	462
		SSA - State Deaf	SSA - State Educational Programs - Innovative Services	Campus Activity Funds	Memorial Scholarship Fund
Assets					
1110	Cash and cash equivalents	\$ -	\$ -	\$ 952,160	\$ -
1120	Current investments	-	-	-	8,601
	Receivables:				
1240	Due from other governments	45,125	109,842	-	-
1260	Due from other funds	34,779	-	27,587	-
1290	Other receivables	-	-	-	-
1410	Prepaid items	-	-	-	-
1000	Total Assets	<u>\$ 79,904</u>	<u>\$ 109,842</u>	<u>\$ 979,747</u>	<u>\$ 8,601</u>
Liabilities and Fund Balances					
Liabilities					
2110	Accounts payable	\$ 4,666	\$ 68,931	\$ 37,064	\$ -
2150	Payroll deduction and withholdings	9,855	-	-	-
2160	Accrued wages payable	65,383	-	-	-
2170	Due to other funds	-	40,911	-	-
2300	Unearned revenue	-	-	-	-
2000	Total Liabilities	<u>79,904</u>	<u>109,842</u>	<u>37,064</u>	<u>-</u>
Fund Balances					
Restricted:					
3490	Other purposes	-	-	-	8,601
Committed:					
3545	Other purposes	-	-	942,683	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>942,683</u>	<u>8,601</u>
4000	Liabilities and Fund Balances	<u>\$ 79,904</u>	<u>\$ 109,842</u>	<u>\$ 979,747</u>	<u>\$ 8,601</u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
June 30, 2024

Exhibit H-1

		463	464	466	475
Data Control Codes		Raising Blended Learners	Susan Powell Memorial Scholarship	Trademark Scholarship	Insurance Recovery
Assets					
1110	Cash and cash equivalents	\$ 27,593	\$ -	\$ -	\$ -
1120	Current investments	-	31,004	114,287	-
	Receivables:				
1240	Due from other governments	-	-	-	-
1260	Due from other funds	-	-	-	-
1290	Other receivables	12	-	1,315	-
1410	Prepaid items	-	-	-	-
1000	Total Assets	<u>\$ 27,605</u>	<u>\$ 31,004</u>	<u>\$ 115,602</u>	<u>\$ -</u>
Liabilities and Fund Balances					
Liabilities					
2110	Accounts payable	\$ 4,863	\$ -	\$ 500	\$ -
2150	Payroll deduction and withholdings	-	-	-	-
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	-	-	-	-
2300	Unearned revenue	-	-	-	-
2000	Total Liabilities	<u>4,863</u>	<u>-</u>	<u>500</u>	<u>-</u>
Fund Balances					
Restricted:					
3490	Other purposes	22,742	31,004	-	-
Committed:					
3545	Other purposes	-	-	115,102	-
3000	Total Fund Balances	<u>22,742</u>	<u>31,004</u>	<u>115,102</u>	<u>-</u>
4000	Liabilities and Fund Balances	<u>\$ 27,605</u>	<u>\$ 31,004</u>	<u>\$ 115,602</u>	<u>\$ -</u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
June 30, 2024

Exhibit H-1

		477	482	483	488
Data Control Codes		Chapter 313	Education Foundation Awards	Citi Foundation Award - AVID	Summer Learning Grant
Assets					
1110	Cash and cash equivalents	\$ 188,158	\$ 104,948	\$ 10,621	\$ -
1120	Current investments	1,331,208	-	-	-
	Receivables:				
1240	Due from other governments	-	-	-	-
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1410	Prepaid items	-	-	-	-
1000	Total Assets	<u>\$ 1,519,366</u>	<u>\$ 104,948</u>	<u>\$ 10,621</u>	<u>\$ -</u>
Liabilities and Fund Balances					
Liabilities					
2110	Accounts payable	\$ -	\$ 5,889	\$ -	\$ -
2150	Payroll deduction and withholdings	-	-	-	-
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	-	465	-	-
2300	Unearned revenue	-	31,775	-	-
2000	Total Liabilities	<u>-</u>	<u>38,129</u>	<u>-</u>	<u>-</u>
Fund Balances					
Restricted:					
3490	Other purposes	-	66,819	10,621	-
Committed:					
3545	Other purposes	1,519,366	-	-	-
3000	Total Fund Balances	<u>1,519,366</u>	<u>66,819</u>	<u>10,621</u>	<u>-</u>
4000	Liabilities and Fund Balances	<u>\$ 1,519,366</u>	<u>\$ 104,948</u>	<u>\$ 10,621</u>	<u>\$ -</u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
June 30, 2024

Exhibit H-1

		489	490	491	494
Data Control Codes		Brown Agriculture Fund	Barbara Jordan Elem Trust	OHS Scholarship Fund	Chevron Project Lead the Way
Assets					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 123,013
1120	Current investments	52,558	3,921	27,752	-
	Receivables:				
1240	Due from other governments	-	-	-	-
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1410	Prepaid items	-	-	-	-
1000	Total Assets	<u>\$ 52,558</u>	<u>\$ 3,921</u>	<u>\$ 27,752</u>	<u>\$ 123,013</u>
Liabilities and Fund Balances					
Liabilities					
2110	Accounts payable	\$ -	\$ -	\$ -	\$ 2,400
2150	Payroll deduction and withholdings	-	-	-	-
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	-	-	-	-
2300	Unearned revenue	-	-	-	-
2000	Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,400</u>
Fund Balances					
Restricted:					
3490	Other purposes	52,558	3,921	27,752	120,613
Committed:					
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	<u>52,558</u>	<u>3,921</u>	<u>27,752</u>	<u>120,613</u>
4000	Liabilities and Fund Balances	<u>\$ 52,558</u>	<u>\$ 3,921</u>	<u>\$ 27,752</u>	<u>\$ 123,013</u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
June 30, 2024

Exhibit H-1

		496	497	
Data Control Codes		Odessa Regional School Clinic	Weldon Scholarship Fund	Total Nonmajor Governmental Funds
Assets				
1110	Cash and cash equivalents	\$ 17,137	\$ -	\$ 1,423,630
1120	Current investments	-	31,397	1,600,728
	Receivables:			
1240	Due from other governments	-	-	7,546,264
1260	Due from other funds	-	-	6,358,318
1290	Other receivables	-	-	210,213
1410	Prepaid items	-	-	847,269
1000	Total Assets	<u>\$ 17,137</u>	<u>\$ 31,397</u>	<u>\$ 17,986,422</u>
Liabilities and Fund Balances				
Liabilities				
2110	Accounts payable	\$ -	\$ -	\$ 1,880,966
2150	Payroll deduction and withholdings	-	-	439,311
2160	Accrued wages payable	-	-	2,824,892
2170	Due to other funds	-	-	4,229,968
2300	Unearned revenue	-	-	5,640,969
2000	Total Liabilities	<u>-</u>	<u>-</u>	<u>15,016,106</u>
Fund Balances				
Restricted:				
3490	Other purposes	17,137	31,397	393,165
Committed:				
3545	Other purposes	-	-	2,577,151
3000	Total Fund Balances	<u>17,137</u>	<u>31,397</u>	<u>2,970,316</u>
4000	Liabilities and Fund Balances	<u>\$ 17,137</u>	<u>\$ 31,397</u>	<u>\$ 17,986,422</u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

Exhibit H-2

		206	211	224	225
Data Control Codes		TEHCY ESEA Title X, Part C	ESEA Title I	IDEA-Part B, Formula	IDEA-Part B, Preschool
Revenues					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	267,188	7,955,212	7,205,257	165,053
5020	Total Revenues	<u>267,188</u>	<u>7,955,212</u>	<u>7,205,257</u>	<u>165,053</u>
Expenditures					
Current:					
0011	Instruction	-	3,372,097	6,463,310	165,053
0012	Instruction resources and media services	-	41,225	-	-
0013	Curriculum and instructional staff development	-	3,803,682	8,404	-
0021	Instructional leadership	-	53,581	135,568	-
0023	School leadership	-	230,780	-	-
0031	Guidance, counseling and evaluation services	-	94,693	594,462	-
0032	Social work services	267,188	256,280	-	-
0033	Health services	-	6,921	-	-
0034	Student transportation	-	960	3,513	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	94,993	-	-
6030	Total Expenditures	<u>267,188</u>	<u>7,955,212</u>	<u>7,205,257</u>	<u>165,053</u>
1100	Excess (deficiency) of revenues over expenditures	-	-	-	-
Other Financing Sources (Uses)					
7915	Transfers in	-	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - July 1 (Beginning, as Previously Stated)	-	-	-	-
1300	Change with financial reporting entity (nonmajor to major)	-	-	-	-
0100	Fund Balance - July 1 (Beginning, as restated)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

Exhibit H-2

Data Control Codes		244	255	263	272
		Career and Technical - Basic Grant	ESEA Title II, Part A	Title III, Part A	Medicaid Administrative Claim Program (MAC)
Revenues					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	681,212	1,340,535	861,357	112,139
5020	Total Revenues	681,212	1,340,535	861,357	112,139
Expenditures					
Current:					
0011	Instruction	531,586	182,097	229,407	-
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	1,066,734	589,028	-
0021	Instructional leadership	-	88,204	-	-
0023	School leadership	96,895	3,500	-	-
0031	Guidance, counseling and evaluation services	52,731	-	8,557	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	112,139
0034	Student transportation	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	34,365	-
6030	Total Expenditures	681,212	1,340,535	861,357	112,139
1100	Excess (deficiency) of revenues over expenditures	-	-	-	-
Other Financing Sources (Uses)					
7915	Transfers in	-	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-	-
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - July 1 (Beginning, as Previously Stated)	-	-	-	-
1300	Change with financial reporting entity (nonmajor to major)	-	-	-	-
0100	Fund Balance - July 1 (Beginning, as restated)	-	-	-	-
3000	Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

Exhibit H-2

	278	279	289	315
Data Control Codes	American Rescue Plan (ESSER)	TCLAS - State ESSER III Funds	Federally Funded SRF	SSA - IDEA - Part B - Discretionary
Revenues				
5700	\$ -	\$ -	\$ -	\$ -
5800	-	-	-	-
5900	331,811	3,085,146	1,163,910	56,837
5020	331,811	3,085,146	1,163,910	56,837
Expenditures				
Current:				
0011	-	2,849,816	507,842	56,837
0012	-	2,245	-	-
0013	-	68,371	55,123	-
0021	-	3,958	-	-
0023	-	-	8,000	-
0031	-	102,358	53,764	-
0032	331,811	-	68,776	-
0033	-	37,660	-	-
0034	-	20,738	-	-
0036	-	-	-	-
0041	-	-	8,895	-
0051	-	-	-	-
0052	-	-	461,510	-
0053	-	-	-	-
0061	-	-	-	-
6030	331,811	3,085,146	1,163,910	56,837
1100	-	-	-	-
Other Financing Sources (Uses)				
7915	-	-	-	-
7080	-	-	-	-
1200	-	-	-	-
0100	Fund Balance - July 1 (Beginning, as Previously Stated)	-	-	-
1300	-	-	-	-
0100	Fund Balance - July 1 (Beginning, as restated)	-	-	-
3000	Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

Exhibit H-2

		340	397	410	429
Data Control Codes		SSA - IDEA, Part C, ECI	Advanced Placement Incentives	Instructional Materials Allotment	State Funded Special Revenues
Revenues					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	887,835	1,334,344
5900	Federal program revenues	250	-	-	-
5020	Total Revenues	<u>250</u>	<u>-</u>	<u>887,835</u>	<u>1,334,344</u>
Expenditures					
Current:					
0011	Instruction	250	-	791,444	242,819
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	-	-	535,603
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	6,000
0031	Guidance, counseling and evaluation services	-	7,412	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	420,797
0052	Security and monitoring services	-	-	-	119,270
0053	Data processing services	-	-	96,391	-
0061	Community services	-	-	-	9,855
6030	Total Expenditures	<u>250</u>	<u>7,412</u>	<u>887,835</u>	<u>1,334,344</u>
1100	Excess (deficiency) of revenues over expenditures	-	(7,412)	-	-
Other Financing Sources (Uses)					
7915	Transfers in	-	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	(7,412)	-	-
0100	Fund Balance - July 1 (Beginning, as Previously Stated)	-	7,412	-	-
1300	Change with financial reporting entity (nonmajor to major)	-	-	-	-
0100	Fund Balance - July 1 (Beginning, as restated)	<u>-</u>	<u>7,412</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

Exhibit H-2

Data Control Codes		435	459	461	462
		SSA - State Deaf	SSA - State Educational Programs - Innovative Services	Campus Activity Funds	Memorial Scholarship Fund
Revenues					
5700	Local, intermediate, and out-of-state	\$ 403,247	\$ -	\$ 1,304,713	\$ 1,118
5800	State program revenues	324,181	919,091	-	-
5900	Federal program revenues	-	-	-	-
5020	Total Revenues	<u>727,428</u>	<u>919,091</u>	<u>1,304,713</u>	<u>1,118</u>
Expenditures					
Current:					
0011	Instruction	1,016,085	574,969	58,092	-
0012	Instruction resources and media services	-	-	162,320	-
0013	Curriculum and instructional staff development	12,368	208,773	1,106	-
0021	Instructional leadership	-	135,349	-	-
0023	School leadership	118,239	-	699,943	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0036	Extracurricular activities	-	-	330,147	-
0041	General administration	-	-	-	1,500
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	575	-	-	-
6030	Total Expenditures	<u>1,147,267</u>	<u>919,091</u>	<u>1,251,608</u>	<u>1,500</u>
1100	Excess (deficiency) of revenues over expenditures	<u>(419,839)</u>	<u>-</u>	<u>53,105</u>	<u>(382)</u>
Other Financing Sources (Uses)					
7915	Transfers in	419,839	-	-	-
7080	Total Other Financing Sources (Uses)	<u>419,839</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	<u>-</u>	<u>-</u>	<u>53,105</u>	<u>(382)</u>
0100	Fund Balance - July 1 (Beginning, as Previously Stated)	<u>-</u>	<u>-</u>	<u>889,578</u>	<u>8,983</u>
1300	Change with financial reporting entity (nonmajor to major)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
0100	Fund Balance - July 1 (Beginning, as restated)	<u>-</u>	<u>-</u>	<u>889,578</u>	<u>8,983</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 942,683</u>	<u>\$ 8,601</u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

Exhibit H-2

		463	464	466	475
Data Control Codes		Raising Blended Learners	Susan Powell Memorial Scholarship	Trademark Scholarship	Insurance Recovery
Revenues					
5700	Local, intermediate, and out-of-state	\$ 146,850	\$ 1,680	\$ 13,814	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	-	-	-	-
5020	Total Revenues	<u>146,850</u>	<u>1,680</u>	<u>13,814</u>	<u>-</u>
Expenditures					
Current:					
0011	Instruction	144,274	-	-	-
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	2,576	-	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	3,000	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
6030	Total Expenditures	<u>146,850</u>	<u>-</u>	<u>3,000</u>	<u>-</u>
1100	Excess (deficiency) of revenues over expenditures	-	1,680	10,814	-
Other Financing Sources (Uses)					
7915	Transfers in	-	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	1,680	10,814	-
0100	Fund Balance - July 1 (Beginning, as Previously Stated)	22,742	29,324	104,288	3,922,295
1300	Change with financial reporting entity (nonmajor to major)	-	-	-	(3,922,295)
0100	Fund Balance - July 1 (Beginning, as restated)	<u>22,742</u>	<u>29,324</u>	<u>104,288</u>	<u>-</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ 22,742</u>	<u>\$ 31,004</u>	<u>\$ 115,102</u>	<u>\$ -</u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

Exhibit H-2

Data Control Codes		477	482	483	488
			Education	Citi Foundation	Summer
		Chapter 313	Foundation Awards	Award - AVID	Learning Grant
Revenues					
5700	Local, intermediate, and out-of-state	\$ 259,517	\$ 105,817	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	-	-	-	-
5020	Total Revenues	<u>259,517</u>	<u>105,817</u>	<u>-</u>	<u>-</u>
Expenditures					
Current:					
0011	Instruction	-	123,867	-	-
0012	Instruction resources and media services	-	892	-	-
0013	Curriculum and instructional staff development	-	177,765	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	22,850
0031	Guidance, counseling and evaluation services	-	1,103	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0036	Extracurricular activities	-	2,000	-	-
0041	General administration	234	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	27,792	900	-
6030	Total Expenditures	<u>234</u>	<u>333,419</u>	<u>900</u>	<u>22,850</u>
1100	Excess (deficiency) of revenues over expenditures	<u>259,283</u>	<u>(227,602)</u>	<u>(900)</u>	<u>(22,850)</u>
Other Financing Sources (Uses)					
7915	Transfers in	-	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	<u>259,283</u>	<u>(227,602)</u>	<u>(900)</u>	<u>(22,850)</u>
0100	Fund Balance - July 1 (Beginning, as Previously Stated)	1,260,083	294,421	11,521	22,850
1300	Change with financial reporting entity (nonmajor to major)	-	-	-	-
0100	Fund Balance - July 1 (Beginning, as restated)	<u>1,260,083</u>	<u>294,421</u>	<u>11,521</u>	<u>22,850</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ 1,519,366</u>	<u>\$ 66,819</u>	<u>\$ 10,621</u>	<u>\$ -</u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

Exhibit H-2

		489	490	491	494
Data Control Codes		Brown Agriculture Fund	Barbara Jordan Elem Trust	OHS Scholarship Fund	Chevron Project Lead the Way
Revenues					
5700	Local, intermediate, and out-of-state	\$ 2,952	\$ 123	\$ 1,439	\$ 117,007
5800	State program revenues	-	-	-	-
5900	Federal program revenues	-	-	-	-
5020	Total Revenues	<u>2,952</u>	<u>123</u>	<u>1,439</u>	<u>117,007</u>
Expenditures					
Current:					
0011	Instruction	-	-	-	2,365
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	-	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
6030	Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,365</u>
1100	Excess (deficiency) of revenues over expenditures	<u>2,952</u>	<u>123</u>	<u>1,439</u>	<u>114,642</u>
Other Financing Sources (Uses)					
7915	Transfers in	-	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	<u>2,952</u>	<u>123</u>	<u>1,439</u>	<u>114,642</u>
0100	Fund Balance - July 1 (Beginning, as Previously Stated)	49,606	3,798	26,313	5,971
1300	Change with financial reporting entity (nonmajor to major)	-	-	-	-
0100	Fund Balance - July 1 (Beginning, as restated)	<u>49,606</u>	<u>3,798</u>	<u>26,313</u>	<u>5,971</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ 52,558</u>	<u>\$ 3,921</u>	<u>\$ 27,752</u>	<u>\$ 120,613</u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

Exhibit H-2

Data Control Codes		496	497	Total Nonmajor Governmental Funds
		Odessa Regional School Clinic	Weldon Scholarship Fund	
Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ 1,628	\$ 2,359,905
5800	State program revenues	-	-	3,465,451
5900	Federal program revenues	-	-	23,225,907
5020	Total Revenues	<u>-</u>	<u>1,628</u>	<u>29,051,263</u>
Expenditures				
Current:				
0011	Instruction	-	-	17,312,210
0012	Instruction resources and media services	-	-	206,682
0013	Curriculum and instructional staff development	-	-	6,529,533
0021	Instructional leadership	-	-	416,660
0023	School leadership	-	-	1,186,207
0031	Guidance, counseling and evaluation services	-	-	915,080
0032	Social work services	-	-	924,055
0033	Health services	-	-	156,720
0034	Student transportation	-	-	25,211
0036	Extracurricular activities	-	-	332,147
0041	General administration	-	-	13,629
0051	Facilities maintenance and operations	-	-	420,797
0052	Security and monitoring services	-	-	580,780
0053	Data processing services	-	-	96,391
0061	Community services	-	-	168,480
6030	Total Expenditures	<u>-</u>	<u>-</u>	<u>29,284,582</u>
1100	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>1,628</u>	<u>(233,319)</u>
Other Financing Sources (Uses)				
7915	Transfers in	-	-	419,839
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>419,839</u>
1200	Net change in fund balances	<u>-</u>	<u>1,628</u>	<u>186,520</u>
0100	Fund Balance - July 1 (Beginning, as Previously Stated)	17,137	29,769	6,706,091
1300	Change with financial reporting entity (nonmajor to major)	<u>-</u>	<u>-</u>	<u>(3,922,295)</u>
0100	Fund Balance - July 1 (Beginning, as restated)	<u>17,137</u>	<u>29,769</u>	<u>2,783,796</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ 17,137</u>	<u>\$ 31,397</u>	<u>\$ 2,970,316</u>



INTERNAL SERVICE FUNDS

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2024

Exhibit H-3

	715	771	772	Total Internal Service Funds
	<u>Housing Fund</u>	<u>Worker's Comp</u>	<u>Medical Trust</u>	
Assets				
Current Assets:				
Cash and cash equivalents	\$ 125,439	\$ -	\$ 1,509,419	\$ 1,634,858
Current investments	-	8,066,155	6,529,313	14,595,468
Receivables:				
Other receivables	-	-	8,691	8,691
Total Current Assets	<u>125,439</u>	<u>8,066,155</u>	<u>8,047,423</u>	<u>16,239,017</u>
Noncurrent Assets:				
Capital Assets:				
Land	54,012	-	-	54,012
Buildings	3,663,335	-	-	3,663,335
Accumulated depreciation - Buildings	(748,215)	-	-	(748,215)
Total Noncurrent Assets	<u>2,969,132</u>	<u>-</u>	<u>-</u>	<u>2,969,132</u>
Total Assets	<u>3,094,571</u>	<u>8,066,155</u>	<u>8,047,423</u>	<u>19,208,149</u>
Liabilities				
Current Liabilities:				
Accounts payable	3,624	-	644,386	648,010
Due to other funds	124,140	48	6,206	130,394
Total Liabilities	<u>127,764</u>	<u>48</u>	<u>650,592</u>	<u>778,404</u>
Non-Current Liabilities:				
Claims and judgments due within one year	-	608,052	-	608,052
Claims and judgments due in more than one year	-	2,125,985	2,747,938	4,873,923
Total Non-Current Liabilities	<u>-</u>	<u>2,734,037</u>	<u>2,747,938</u>	<u>5,481,975</u>
Total Liabilities	<u>127,764</u>	<u>2,734,085</u>	<u>3,398,530</u>	<u>6,260,379</u>
Net Position				
Net investment in capital assets	2,969,132	-	-	2,969,132
Unrestricted net position	(2,325)	5,332,070	4,648,893	9,978,638
Total Net Position	<u>\$ 2,966,807</u>	<u>\$ 5,332,070</u>	<u>\$ 4,648,893</u>	<u>\$ 12,947,770</u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2024

Exhibit H-4

	715	771	772	
	<u>Housing Fund</u>	<u>Worker's Comp</u>	<u>Medical Trust</u>	<u>Total Internal Service Funds</u>
Operating Revenues				
Rent revenue	\$ 311,064	\$ -	\$ -	\$ 311,064
Employee and Employer Insurance premiums	-	1,130,395	28,131,909	29,262,304
Stop loss reimbursement	-	-	474,465	474,465
Total Operating Revenues	<u>311,064</u>	<u>1,130,395</u>	<u>28,606,374</u>	<u>30,047,833</u>
Operating Expenses				
Claims and prescriptions	-	1,047,794	28,231,360	29,279,154
Professional and contracted services	200,253	74,865	1,359,293	1,634,411
Supplies and materials	37,961	-	-	37,961
Claims expense and other operating expenses	28,002	-	1,049,832	1,077,834
Depreciation	87,004	-	-	87,004
Total Operating Expenses	<u>353,220</u>	<u>1,122,659</u>	<u>30,640,485</u>	<u>32,116,364</u>
Operating Income (Loss)	<u>(42,156)</u>	<u>7,736</u>	<u>(2,034,111)</u>	<u>(2,068,531)</u>
Non-Operating Revenues (Expenses)				
Investment earnings	-	434,478	325,458	759,936
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>434,478</u>	<u>325,458</u>	<u>759,936</u>
Change in Net Position	(42,156)	442,214	(1,708,653)	(1,308,595)
Net Position - Beginning	3,008,963	4,889,856	6,357,546	14,256,365
Net Position - Ending	<u>\$ 2,966,807</u>	<u>\$ 5,332,070</u>	<u>\$ 4,648,893</u>	<u>\$ 12,947,770</u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2024

Exhibit H-5

	715	771	772	Total Internal
	Housing Fund	Worker's Comp	Medical Trust	Service Funds
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities:				
Cash received from rental receipts	\$ 311,064	\$ -	\$ -	\$ 311,064
Cash received from employees and employer	-	1,130,443	28,169,278	29,299,721
Cash receipts (payments) for interfund services provided	(155,437)	-	-	(155,437)
Cash receipts for stop loss	-	-	474,465	474,465
Cash payments for claims	-	(1,144,389)	(27,954,204)	(29,098,593)
Cash payments for other operating expenses	(270,033)	-	(2,409,125)	(2,679,158)
Net Cash Provided by (Used for) Operating Activities	<u>(114,406)</u>	<u>(13,946)</u>	<u>(1,719,586)</u>	<u>(1,847,938)</u>
Cash Flows from Investing Activities:				
Interest on investments	-	434,478	325,458	759,936
Net Cash Provided by Investing Activities	<u>-</u>	<u>434,478</u>	<u>325,458</u>	<u>759,936</u>
Net change in Cash and Cash Equivalents	(114,406)	420,532	(1,394,128)	(1,088,002)
Cash and Cash Equivalents at Beginning of Year	239,845	7,645,623	9,432,860	17,318,328
Cash and Cash Equivalents at End of Year	<u>\$ 125,439</u>	<u>\$ 8,066,155</u>	<u>\$ 8,038,732</u>	<u>\$ 16,230,326</u>
Reconciliation to Balance Sheet				
Cash and Cash Equivalents Per Cash Flow	\$ 125,439	\$ 8,066,155	\$ 8,038,732	\$ 16,230,326
Cash and Cash Equivalents per Balance Sheet	<u>\$ 125,439</u>	<u>\$ 8,066,155</u>	<u>\$ 8,038,732</u>	<u>\$ 16,230,326</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Income (Loss)	\$ (42,156)	\$ 7,736	\$ (2,034,111)	\$ (2,068,531)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	87,004	-	-	87,004
Change in Assets and Liabilities:				
Decrease (increase) in Receivables	-	-	31,163	31,163
Increase (decrease) in Accounts Payable	(3,817)	-	492,758	488,941
Increase (decrease) in Interfund Payables	(155,437)	48	6,206	(149,183)
Increase (decrease) in Claims Payable	-	(21,730)	(215,602)	(237,332)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (114,406)</u>	<u>\$ (13,946)</u>	<u>\$ (1,719,586)</u>	<u>\$ (1,847,938)</u>

REQUIRED TEA SCHEDULES

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
For the Year Ended June 30, 2024

Exhibit J-1

Last Ten Fiscal Years	Tax Rates		Net Assessed/Appraised Value For School Tax Purposes	Beginning Balance 7/1/2023	Current Year's Total Levy
	1 Maintenance	2 Debt Service			
2015 and prior	Various	Various	Various	\$ 4,378,268	\$ -
2016	1.040000	0.110000	\$ 14,256,078,650	809,975	-
2017	1.040000	0.110000	13,190,683,066	923,303	-
2018	1.040000	0.109600	11,855,872,243	874,697	-
2019	1.170000	0.109600	12,190,897,339	1,095,117	-
2020	1.068350	0.109570	15,070,399,797	1,534,201	-
2021	1.054700	0.123220	14,780,081,913	1,978,233	-
2022	1.051700	0.126220	14,448,009,937	2,740,467	-
2023	0.981000	0.196920	16,073,593,331	6,846,546	-
2024	0.759600	0.254400	17,673,791,159	-	179,212,242
1000 Totals				<u>\$ 21,180,807</u>	<u>\$ 179,212,242</u>

8000 Taxes Refunded

9000 Tax Increment

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
For the Year Ended June 30, 2024

Exhibit J-1

	31	32	40	50	99
Last Ten Fiscal Years	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance 6/30/2024	Total Taxes Refunded Under Section 26.1115(c)
2015 and prior	\$ 62,230	\$ 7,240	\$ (56,728)	\$ 4,252,070	
2016	29,509	3,121	(37)	777,308	
2017	54,937	5,811	(37)	862,518	
2018	67,579	7,122	(174)	799,822	
2019	120,156	11,256	(1,321)	962,384	
2020	203,025	20,822	(33,181)	1,277,173	
2021	454,481	53,097	45,624	1,516,279	
2022	494,717	59,374	(283,773)	1,902,603	
2023	1,981,253	397,705	(619,142)	3,848,446	
2024	<u>129,074,310</u>	<u>43,228,679</u>	<u>1,012,679</u>	<u>7,921,932</u>	
1000 Totals	<u>\$ 132,542,197</u>	<u>\$ 43,794,227</u>	<u>\$ 63,910</u>	<u>\$ 24,120,535</u>	
8000 Taxes Refunded					<u>\$ 252,478</u>
9000 Tax Increment	<u>\$ -</u>				

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT

Exhibit J-2

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND

For the Year Ended June 30, 2024

Data Control Codes	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual Amounts		
Revenues					
5700	Local and intermediate sources	\$ 46,118,500	\$ 45,013,000	\$ 45,462,281	\$ 449,281
5800	State program revenues	401,500	1,271,918	1,291,390	19,472
5020	Total Revenues	46,520,000	46,284,918	46,753,671	468,753
Expenditures					
Debt Service:					
0071	Principal on long-term debt	41,274,629	61,410,936	41,275,000	20,135,936
0072	Interest on long-term debt	5,245,371	5,245,371	5,245,371	-
6030	Total Expenditures	46,520,000	66,656,307	46,520,371	20,135,936
1100	Excess (deficiency) of revenues over expenditures	-	(20,371,389)	233,300	20,604,689
Other Financing Sources (Uses)					
7917	Premium or discount on issuance of bonds	-	20,122,682	-	(20,122,682)
7080	Total Other Financing Sources (Uses)	-	20,122,682	-	(20,122,682)
1200	Net change in fund balances	-	(248,707)	233,300	482,007
0100	Fund Balances - Beginning	17,069,309	17,069,309	17,069,309	-
3000	Fund Balances - Ending	\$ 17,069,309	\$ 16,820,602	\$ 17,302,609	\$ 482,007

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
COMPENSATORY EDUCATION PROGRAM AND BILINGUAL EDUCATION PROGRAM COMPLIANCE RESPONSES
For the Year Ended June 30, 2024

Exhibit J-4

Data Codes	Section A: Compensatory Education Programs	Responses
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$ 36,961,541
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30)	\$ 28,772,752
Section B: Bilingual Education Programs		
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 5,887,321
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25)	\$ 3,688,749



FEDERAL AWARDS SECTION



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

To the Board of Trustees
Ector County Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ector County Independent School District (the “District”), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise District’s basic financial statements, and have issued our report thereon dated November 13, 2024.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

To the Board of Trustees
Ector County Independent School District

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.

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

Odessa, Texas
November 13, 2024

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

To the Board of Trustees
Ector County Independent School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

We have audited Ector County Independent School District’s (the “District”) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2024. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

To the Board of Trustees
Ector County Independent School District

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

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

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

Odessa, Texas
November 13, 2024

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

I. Summary of Auditors' Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

Name of Federal Program or Cluster	Assistance Listing Number (ALN)
U.S. Department of Agriculture	
<i>Child Nutrition Cluster</i>	
School Breakfast Program	10.553
School Breakfast Program - SSO	10.553
National School Lunch Program	10.555
National School Lunch Program - SSO	10.555
USDA Commodities	10.555
Dollar Threshold Considered Between Type A and Type B Federal Programs	\$2,244,049
Auditee qualified as low risk auditee?	Yes

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended June 30, 2024

II. Financial Statement Findings

No current findings were noted.

III. Federal Award Findings and Questioned Costs

There are no federal awards findings during the current fiscal year.

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

Exhibit K-1

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Federal Expenditures and Indirect Costs
U. S. Department of Agriculture			
Passed Through the Texas Education Agency:			
<i>School Breakfast Program</i>	10.553	71402401	\$ 5,917,458
<i>School Breakfast Program - SSO</i>	10.553	71402401	74,397
<i>National School Lunch Program</i>	10.555	71302401	11,661,172
<i>National School Lunch Program - SSO</i>	10.555	71302401	187,259
Passed Through the Texas Department of Agriculture:			
<i>USDA Commodities</i>	10.555	NT4XL1YGLGCS	1,087,280
<i>Total Child Nutrition Cluster (ALN 10.553, 10.555)</i>			<u>18,927,566</u>
<i>Child & Adult Care Food Program - Non-Cash Assistance</i>	10.558	NT4XL1YGLGCS	466,254
Total U. S. Department of Agriculture			<u>19,393,820</u>
U. S. Department of Education			
Passed Through Texas Education Agency:			
<i>ESEA, Title I, Part A - Improving Basic Programs</i>	84.010A	23610101068901	210,067
<i>ESEA, Title I, Part A - Improving Basic Programs</i>	84.010A	24610101068901	7,929,091
<i>ESEA, Title I, Part D</i>	84.010A	23610103068901	322
<i>ESEA, Title I, Part D</i>	84.010A	24610103068901	47,799
<i>TTL I 1003 School Improvement</i>	84.010A	23610141068901	714
<i>TTL I 1003 School Improvement</i>	84.010A	24610141068901	98,155
<i>School Action Fund Continuation</i>	84.010A	226101517110010	96,803
<i>Total ALN Number 84.010</i>			<u>8,382,951</u>
<i>IDEA-B FORMULA</i>	84.027A	236600010689016600	535,642
<i>IDEA-B FORMULA</i>	84.027A	246600010689016600	7,057,762
<i>IDEA-B PRESCHOOL</i>	84.173A	246610010689016000	173,944
<i>IDEA-B IDEA-B DISCRETIONARY DEAF</i>	84.027A	236600110689016000	1,265
<i>IDEA-B IDEA-B DISCRETIONARY DEAF</i>	84.027A	246600110689016000	58,634
<i>SPED Capacity Cont Serv Grant</i>	82.027A	23660049	49,350
<i>Total Special Education Cluster (IDEA) (ALN 84.027, 84.173)</i>			<u>7,876,597</u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

Exhibit K-1

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Federal Expenditures and Indirect Costs
U. S. Department of Education (continued)			
Passed Through Texas Education Agency: (continued)			
<i>Carl D. Perkins Basic Formula</i>	84.048A	23420006068901	\$ 3,684
<i>Carl D. Perkins Basic Formula</i>	84.048A	24420006068901	509,682
<i>Effective Advising Implementation</i>	84.048A	234200327110006	204,344
<i>Total ALN Number 84.048</i>			<u>717,710</u>
<i>IDEA- C, Early Childhood Intervention</i>	84.181A	243911010689013000	262
<i>Texas Education for Homeless Children and Youth</i>	84.196A	234600057110023	23,646
<i>Texas Education for Homeless Children and Youth</i>	84.196A	244600057110023	257,935
<i>Total ALN Number 84.196</i>			<u>281,581</u>
<i>Title III, Part A- English Language Acquisition</i>	84.365A	23671001068901	7,517
<i>Title III, Part A- English Language Acquisition</i>	84.365A	24671001068901	801,404
<i>Title III, Part A- English Language Acquisition</i>	84.365A	24671003068901	98,837
<i>Total ALN Number 84.365</i>			<u>907,758</u>
<i>ESEA Title II, Part A: Supporting Effective Instruction</i>	84.367A	23694501068901	4,804
<i>ESEA Title II, Part A: Supporting Effective Instruction</i>	84.367A	24694501068901	1,006,516
<i>2022-2023 Principal Residency Cycle</i>	84.367A	226945677110012	374,999
<i>2023-2024 Principal Residency Cycle</i>	84.367A	246945677110001	12,592
<i>Total ALN Number 84.367</i>			<u>1,398,911</u>
<i>LEP Summer School</i>	84.369A	69552302	13,225
<i>Teacher & School Leader Incentive</i>	84.374A	5374A230021-24	341,524
<i>Title IV, Part A, Subpart 1</i>	84.424A	23680101068901	6,846
<i>Title IV, Part A, Subpart 1</i>	84.424A	24680101068901	793,896
<i>Total ALN Number 84.424</i>			<u>800,742</u>
<i>COVID - 19 - ARP Homeless I - TECHY Supplemental</i>	84.425W	215330017110023	366,704
<i>COVID - 19 - ESSER III</i>	84.425U	21528042068901	30,049,672
<i>COVID - 19 - TCLASS - ESSER III</i>	84.425U	21528042068901	3,409,580
<i>COVID - 19 - 23-24 ADSY SUMMER LEARNING ACCELERATED</i>	84.425U	21528001068901	735,271
<i>Total ALN Number 84.425</i>			<u>34,561,227</u>
Total U. S. Department of Education			<u>55,282,488</u>
U. S. Department of Health and Human Services			
Passed Through Texas Health and Human Services Commission:			
<i>Medicaid Administrative Claiming Program</i>	93.778	HHS000537900265	125,317
<i>Total Medicaid Cluster (ALN 93.778)</i>			<u>125,317</u>
Total U. S. Department of Health and Human Services			<u>125,317</u>
Total Expenditures of Federal Awards			<u>\$ 74,801,625</u>

Note 1 - Basis of Accounting

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

The modified accrual basis of accounting is used for these funds. 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 liability is incurred, if measurable, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement. Pass-through entity identifying numbers are presented where available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. If balances have not been expended by the end of the project period, determination is made to record as unearned revenue, fund balance, or return the funds if the grantors stipulate that the District must refund all or part of the unused amount. The District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 2 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the District under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

Note 3 - Reconciliation to Basic Financial Statements

The following is a reconciliation of expenditures of federal awards program per Exhibit K-1 and expenditures reported on Exhibit C-3:

Total Expenditures of Federal Awards on Exhibit K-1	\$ 74,801,625
Medicaid SHARS	1,061,055
WTO Child Care Tuition	18,545
Junior Reserve Officer's Training Corps (JROTC)	82,247
Total Federal Revenue - Exhibit C-3	<u>\$ 75,963,472</u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)

Exhibit K-2

Note 4 - General Fund Expenditures

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

Federal Revenue Reported in the General Fund	
Medicaid SHARS	\$ 1,061,055
WTO Child Care Tuition	18,545
Junior Reserve Officer's Training Corps (JROTC)	82,247
Indirect Costs:	
ESSER III	2,897,351
National School Lunch Program	947,132
ESEA, Title I, Part A	427,739
IDEA-B Formula	388,147
TCLAS - ESSER III	324,434
ESEA Title II, Part A: Supporting Effective Instruction	51,695
Title III, Part A- English Language Acquisition	46,401
Title IV Part A Subpart 1	40,931
Carl D. Perkins Basic Formula	26,053
ARP Homeless I - TECHY Supplemental	34,893
IDEA-B Preschool	8,891
Effective Advising Implementation	10,445
SSA - IDEA - Part B, Discretionary	3,062
Medicaid Administrative Claiming Program	13,178
2022-2023 Principal Residency Cycle	6,681
Texas Education for Homeless Children and Youth	14,393
IDEA-C, Early Childhood Intervention	12
Total Federal Revenue Reported in the General Fund	<u><u>\$ 6,403,285</u></u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2024

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

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

I. Prior Year Findings

Not Applicable

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT

CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2024

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

I. Corrective Action Plan

Not Applicable

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
For the Year Ended June 30, 2024

Schedule L-1

SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments.) Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued. Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	\$ 102,553

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



OUR students...THE future

