

SCHOOLS FIRST QUESTIONNAIRE

Exhibit L-1

Union Grove Independent School District

Fiscal Year 2024

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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 Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If payments were not made or warrant hold not cleared within 30 days of when due, then payments are NOT timely.)	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, answer is still YES.)	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 and/or substantial doubt about the district's ability to continue as a going concern?	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 district's administration and school board members discuss any changes and/or impact to local, state, and federal funding at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year end.	\$0

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

There were no current year audit findings.

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

There were no prior year audit findings or responses.

**UNION GROVE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED AUGUST 31, 2024**

**I. Summary of the Auditor's Results:**

- a. The type of report issued on the financial statements of the Union Grove Independent School District was an unmodified opinion.
- b. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the report on internal control over financial reporting and on compliance and other matters required by the GAO's *Government Auditing Standards*.
- c. No instances of noncompliance material to the financial statements of the Union Grove Independent School District were disclosed during the audit.

**II. Findings Relating to the Financial Statements Which Are Required To Be Reported in Accordance with *Generally Accepted Government Auditing Standards*.**

No findings required to be reported.

**UNION GROVE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2024**

**19. Personal Days (Vacation and Sick Leave)**

State personal leave days are allowed to accumulate and can be transferred with the employee to other districts. Personal Days are to be taken within the same year they are earned, and any unused days at the end of the year are forfeited. Therefore, no liability has been accrued in the accompanying general-purpose financial statements. Employees of the District are entitled to personal days off based on category/class of employment. Personal days off are allowed to be accumulated but do not vest. Therefore, a liability for unused personal days off (sick leave) has not been recorded in the accompanying general-purpose financial statements.

**20. Interfund Transactions**

Activities between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as due to/from other funds.

A description of the basic types of Interfund transactions and the related accounting policies are as follows:

For reporting at the government-wide financial statement level, the District eliminates direct interfund charges for services and the balances created within the same activity categories (i.e., governmental vs. business-type). This process ensures neither governmental nor business-type activities report direct internal revenue/expenditures. Interfund activity and balances resulting from transactions with the fiduciary funds are not eliminated. Instead, the fiduciary interfund activity and balances are treated as transactions with an external party.

**21. Application of Restricted or Unrestricted Resources**

During the budgeting process, allocation of expenses are determined as to whether it originated following specific guidelines related to restricted assets retained in the fund or whether for other purposes (non-restricted). Restricted assets will be used before unrestricted assets when payments are budgeted for an expenditure which meets the specific guidelines set forth by the granting agency.

**22. Grant Fund Accounting**

The Special Revenue Fund includes programs that are financed on a project grant basis. These projects have grant periods that can range from less than twelve months to in excess of two years. Grants are recorded as revenues when earned, which the District considers to be earned to the extent expenditures have been incurred, the District has met all eligibility requirements, and funds are available.

**Note B. Deposits and Investments**

District Policies and Legal and Contractual Provisions Governing Deposits:

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

The District had no other funds invested at August 31, 2024.

**The District's cash deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) at August 31, 2024 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name. The District's cash deposits were collateralized during the year ending August 31, 2024.**



**UNION GROVE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2024**

**Public Funds Investments Act** (Government Code Chapter 2256) contains specific provisions in the area of investment practice, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy addresses the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rate of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity date for the portfolio, (8) investment staff quality and capability, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the entity to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas and its agencies; (2) guaranteed or secured certificates of deposit issued by state and national banks domiciled in Texas; (3) obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality not less than an "A"; (4) No load money market funds with a weighted average maturity of 90 days or less; (5) fully collateralized repurchase agreements; (6) commercial paper having a stated maturity of 270 days or less from the date of issuance and is not rated less than A-1 or P-1 by two nationally recognized credit rating agencies OR one nationally recognized credit agency and is fully secured by an irrevocable letter of credit; (7) secured corporate bonds rated not lower than "AA-" or the equivalent; (8) public funds investment pools; and (9) guaranteed investment contracts for bond proceeds investment only, with a defined termination date and secured by U.S. Government direct or agency obligations approved by the Texas public Funds Investment Act in an amount equal to the bond proceeds. The Act also requires the entity to have independent auditors perform test procedures related to investment practices as provided by the Act. Union Grove Independent School District is in substantial compliance with the requirements of the Act and with local policies.

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

**As of August 31, 2024, Union Grove Independent School District had the following investments:**

<u>Investment Type</u>	<u>Amortized Cost</u>
Certificates of Deposit	3,161,575
<b>Total Investments</b>	<b>3,161,575</b>

**Interest Rate Risk** To limit the risk that changes in interest rates will adversely affect the fair value of investments, the District shall use final and weighted-average-maturity limits and diversification. The District monitors interest rate risk using weighted-average-maturity and specific identification.

**Note C. Stewardship, Compliance and Accountability**

**Budgetary Data**

The Board of Trustees adopts an "appropriated budget" for the General Fund, Debt Service Fund and the Food Service Fund, which is included in the Special Revenue Funds. The District is required to present the adopted and final amended budgeted revenues and expenditures compared to actual revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The General Fund Budget reports appear in Exhibit G-1. The other two comparisons are reported on Exhibits J-2 and J-3.

UNION GROVE INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2024

Data Control Codes	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	240 National Breakfast and Lunch Program	255 ESEA II,A Training and Recruiting
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ 194,072	\$ -
5800 State Program Revenues	-	-	14,485	-
5900 Federal Program Revenues	98,124	60,116	420,841	19,359
5020 <b>Total Revenues</b>	<b>98,124</b>	<b>60,116</b>	<b>629,398</b>	<b>19,359</b>
EXPENDITURES:				
Current:				
0011 Instruction	98,124	60,116	-	19,359
0031 Guidance, Counseling, and Evaluation Services	-	-	-	-
0035 Food Services	-	-	638,818	-
0036 Extracurricular Activities	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
6030 <b>Total Expenditures</b>	<b>98,124</b>	<b>60,116</b>	<b>638,818</b>	<b>19,359</b>
1200 Net Change in Fund Balance	-	-	(9,420)	-
0100 Fund Balance - September 1 (Beginning)	-	-	71,019	-
3000 <b>Fund Balance - August 31 (Ending)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 61,599</b>	<b>\$ -</b>

**UNION GROVE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2024**

The payments total \$291,121 for the year ended August 31, 2024.

General Fund - Function 93:	
SSA - Special Education	210,896
SSA - Alternative Education	62,782
SSA - Virtual School	17,443
	291,121

**Note R. Revenue from Local and Intermediate Source**

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

Revenue Sources	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Property Taxes	1,400,195	537,782	-	1,937,977
Food Sales	-	-	193,476	193,476
Investment Income	103,006	5,167	477	108,650
Enterprising Income	-	-	191,503	191,503
Tuition and fees	49,224	-	-	49,224
Co-curricular student activities	27,643	-	40,881	68,524
SSA Contributions	39,250	-	-	39,250
Other (including gifts and bequests)	48,121	-	3,171	51,292
<b>Total</b>	<b>1,667,439</b>	542,949	429,508	2,639,896

**Note S. Subsequent Events**

Management evaluated subsequent events after the date of the balance sheet and prior to the release of these financial statements which was January 6, 2025.



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

Data	10	50		Total
Control	General	Debt Service	Other	Governmental
Codes	Fund	Fund	Funds	Funds
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 1,667,439	\$ 542,949	\$ 429,508	\$ 2,639,896
5800 State Program Revenues	8,369,623	61,857	234,561	8,666,041
5900 Federal Program Revenues	17,757	-	611,739	629,496
5020 <b>Total Revenues</b>	<b>10,054,819</b>	<b>604,806</b>	1,275,808	11,935,433
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	4,980,487	-	276,615	5,257,102
0012 Instructional Resources and Media Services	54,151	-	-	54,151
0013 Curriculum and Instructional Staff Development	7,230	-	-	7,230
0023 School Leadership	547,125	-	-	547,125
0031 Guidance, Counseling, and Evaluation Services	147,901	-	952	148,853
0033 Health Services	103,818	-	-	103,818
0034 Student (Pupil) Transportation	285,833	-	-	285,833
0035 Food Services	-	-	638,818	638,818
0036 Extracurricular Activities	608,494	-	239,134	847,628
0041 General Administration	635,648	-	-	635,648
0051 Facilities Maintenance and Operations	1,492,656	-	128,855	1,621,511
0052 Security and Monitoring Services	163,986	-	4,552	168,538
0053 Data Processing Services	254,541	-	-	254,541
Debt Service:				
0071 Principal on Long-Term Liabilities	-	485,000	-	485,000
0072 Interest on Long-Term Liabilities	71,772	335,478	-	407,250
0073 Bond Issuance Cost and Fees	-	151,068	-	151,068
Capital Outlay:				
0081 Facilities Acquisition and Construction	132,790	-	-	132,790
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	291,121	-	-	291,121
0099 Other Intergovernmental Charges	59,502	-	-	59,502
6030 <b>Total Expenditures</b>	<b>9,837,055</b>	<b>971,546</b>	1,288,926	12,097,527
1100 <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>217,764</b>	<b>(366,740)</b>	(13,118)	(162,094)
<b>OTHER FINANCING SOURCES (USES):</b>				
7911 Capital Related Debt Issued	-	7,075,000	-	7,075,000
7916 Premium or Discount on Issuance of Bonds	-	524,930	-	524,930
8949 Other (Uses)	(2,109)	(7,443,651)	-	(7,445,760)
7080 Total Other Financing Sources (Uses)	(2,109)	156,279	-	154,170
1200 Net Change in Fund Balances	215,655	(210,461)	(13,118)	(7,924)
0100 Fund Balance - September 1 (Beginning)	3,955,169	564,128	176,858	4,696,155
3000 <b>Fund Balance - August 31 (Ending)</b>	<b>\$ 4,170,824</b>	<b>\$ 353,667</b>	\$ 163,740	\$ 4,688,231

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