

**GREGORY-PORTLAND
INDEPENDENT
SCHOOL DISTRICT**

Annual Financial Report

For the Year Ended August 31, 2024



GOWLAND, MORALES & SMITH, PLLC

Certified Public Accountants

Introductory Section

CERTIFICATE OF BOARD

Gregory-Portland Independent School District
Name of School District

San Patricio
County

205-902
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) _____approved _____disapproved for the year ended August 31, 2024, at a meeting of the board of trustees of such school district on the ____ day of _____, _____.

Signature of Board Secretary

Signature of Board President

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

Financial Section

Independent Auditor's Report

To the Board of Trustees
Gregory-Portland Independent School District
608 College Street
Portland, Texas 78374

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 the Gregory-Portland Independent School District ("the District"), as of and for the year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise the Gregory-Portland Independent School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Gregory-Portland Independent School District, as of August 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's 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 the Management's Discussion and Analysis, and budgetary comparison information and schedule of the District's proportionate share of the net pension liability and schedule of District pension contributions, and schedule of the District's proportionate share of the net OPEB liability and schedule of District OPEB contributions 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 Gregory-Portland Independent School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information as identified in the table of contents comprises the information included in the annual report 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2025 on our consideration of Gregory-Portland Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Gregory-Portland Independent School District's internal control over financial reporting and compliance.

Respectfully submitted,

Gowland, Morales & Smith, PLLC

Corpus Christi, Texas
January 8, 2025

MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of Gregory-Portland Independent School District’s annual financial report presents our discussion and analysis of the District’s financial performance during the fiscal year ended August 31, 2024. Please read it in conjunction with the District’s financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District’s total combined net position was \$284,135,522 at August 31, 2024. Of this amount 107,194,380 may be used to meet the District’s needs.
- As of the close of the current fiscal year, the District’s general fund reported combined ending fund balance of \$151,553,026. Approximately 26 percent of this total, \$39,691,714, is available for spending at the government’s discretion (unassigned).
- The total cost of the District’s programs increased \$13,109,229 from last year due primarily to capital improvement projects.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District’s overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District’s operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- We use *internal service funds* to report activities that provide supplies and services for the District’s other programs and activities, such as the District’s self-insurance programs and stock.
- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-1F, Required Components of the District’s Annual Financial Report

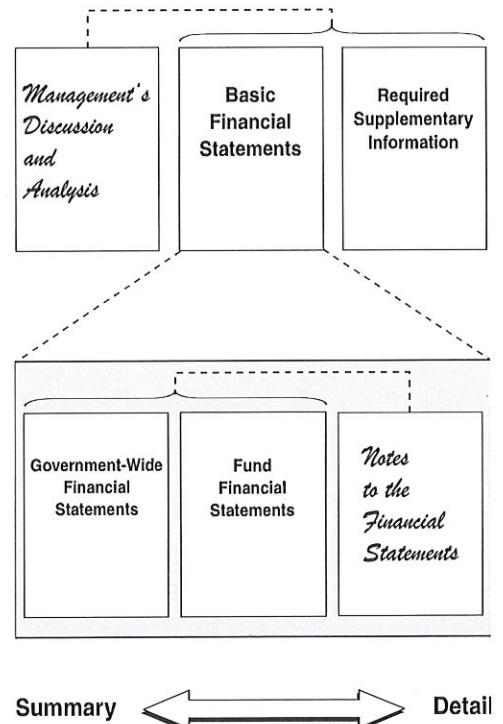


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-2. Major Features of the District's Government-wide and Fund Financial Statements

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

Government-wide Statements

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

The two government-wide statements report the District's net assets and how they have changed. Net assets—the difference between the District's assets and liabilities—is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's tax base.

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

Fund Financial Statements

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

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

The District has three kinds of funds:

- *Governmental funds*—Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.

- We use *internal service funds* to report activities that provide supplies and services for the District's other programs and activities.
- *Fiduciary funds*—The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position

The District's combined net position was approximately \$284,135,522 at August 31, 2024. (See Table A-1).

The total district liability is reported in the governmental activities; however, the actual liability does not require the use of current resources at the fund level, which results in a timing difference since the TRS-Care plan is funded on a pay-as-you-go basis. The District has made all contractually required contributions as noted in the required supplementary information and has sufficient fund balance to meet the District's ongoing obligations to students and creditors.

Table A-1
The District's Net Assets

	Governmental Activities		Total Change
	2024	2023	
Assets:			
Current and Other Assets	\$ 339,373,971	\$ 378,905,725	\$ (39,531,754)
Capital and Non-Current	309,385,906	248,288,244	61,097,662
Total Assets	<u>648,759,877</u>	<u>627,193,969</u>	<u>21,565,908</u>
Deferred Outflows Related to Pensions and OPEB	<u>15,158,166</u>	<u>15,368,373</u>	<u>(210,207)</u>
Current Liabilities	14,394,978	14,496,004	(101,026)
Noncurrent Liabilities	319,535,915	353,232,284	(33,696,369)
Net Pension Liability	22,246,821	18,633,545	3,613,276
Net OPEB Liability	9,300,681	9,860,399	(559,718)
Total Liabilities	<u>365,478,395</u>	<u>396,222,232</u>	<u>(30,743,837)</u>
Deferred Inflows Related to Pensions and OPEB	<u>14,304,125</u>	<u>16,336,592</u>	<u>(2,032,467)</u>
Net Position			
Net Assets Invested in Capital			
Assets net of related debt	174,360,758	105,004,350	69,356,408
Restricted	2,580,384	3,241,450	(661,066)
Unrestricted	107,194,380	121,757,718	(14,563,338)
Total Net Position	<u>\$ 284,135,522</u>	<u>\$ 230,003,518</u>	<u>\$ 54,132,004</u>

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Changes in net position The District's total revenues were \$149,363,776. A significant portion, 57.19%, of the District's revenue comes from taxes.

The total cost of all programs and services was \$95,231,886; 53% of these costs are for direct student services, which include: instruction; instructional resources; guidance and counseling; social services; health services and co-curricular activities.

Governmental Activities

For the year ending August 31, 2024, the Board of Trustees adopted a Maintenance & Operating tax rate of \$.8126 and an Interest & Sinking tax rate of \$0.30 cents.

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Table A-2
Changes in the District's Net Assets

	Governmental Activities		Total Change
	2024	2023	
Program Revenues:			
Charges for Services	\$ 398,180	\$ 485,642	\$ (87,462)
Operating Grants and Contributions	12,930,860	12,506,281	424,579
General Revenues			
Property Taxes	66,932,050	64,697,914	2,234,136
State Aid – Formula	26,172,246	23,118,498	3,053,748
Investment Earnings	19,378,127	9,004,436	10,373,691
Chapter 313 Payments	18,483,213	40,144,701	(21,661,488)
Other	314,457	774,875	(460,418)
Special Items	4,755,210		4,755,210
Total Revenues	<u>149,364,343</u>	<u>150,732,347</u>	<u>(1,368,004)</u>
Instruction	42,787,065	38,522,298	4,264,767
Instructional Resources and Media Services	539,078	495,898	43,180
Curriculum Dev. And Instructional Staff Dev.	1,671,430	2,209,605	(538,175)
Instructional Leadership	1,131,360	1,292,496	(161,136)
School Leadership	3,863,679	3,632,071	231,608
Guidance, Counseling and Evaluation Services	2,263,250	2,021,697	241,553
Social Work Services	315,030	310,043	4,987
Health Services	637,607	700,722	(63,115)
Student (Pupil) Transportation	1,838,969	1,813,171	25,798
Food Services	4,360,281	4,290,614	69,667
Curricular/Extracurricular Activities	2,973,871	2,999,733	(25,862)
General Administration	3,799,252	4,019,913	(220,661)
Plant Maintenance & Oper.	11,937,723	9,635,276	2,302,447
Security & Monitoring Svcs.	1,150,472	911,119	239,353
Data Processing Services	2,178,642	1,888,589	290,053
Community Services	72,197	29,094	43,103
Debt Service	11,206,164	6,404,746	4,801,418
Capital Outlay	1,711,386	178,601	1,532,785
Other Intergovernmental Charges	794,430	766,971	27,459
Total Expenses	<u>95,231,886</u>	<u>82,122,657</u>	<u>13,109,229</u>
Changes in Net Position	54,132,457	68,609,690	(14,477,233)
Net Position Beginning	230,003,065	161,393,375	68,609,690
Ending Net Assets	<u>\$ 284,135,522</u>	<u>\$ 230,003,065</u>	<u>\$ 54,132,457</u>

Table A-3 presents the cost of each of the District's largest functions.

- The cost of all *governmental* activities this year was \$95,231,886.
- However, the amount that our taxpayers paid for these activities through property taxes was \$66,932,050.
- Some of the cost was paid by those who directly benefited from the programs; \$398,180 or
- By operating grants and contributions \$12,930,860.

Table A-3
Net Cost of Selected District Functions
(in actual dollars)

	Total Cost of Services		% Change	Net Cost of Services		% Change
	2024	2023		2024	2023	
Instruction	\$ 42,787,065	\$ 38,522,298	9.97%	36,683,878	\$ 33,038,363	9.94%
School Leadership	3,863,679	3,632,071	5.99%	3,516,907	3,291,986	6.40%
Plant Maintenance & Operations	11,937,723	9,635,276	19.29%	11,210,143	8,918,514	20.44%
Debt Service	11,206,164	6,404,746	42.85%	11,206,164	6,302,391	43.76%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled \$146,072,157, a decrease of 4.24% from the preceding year of \$152,539,577. The decrease in revenue was due primarily to a reduction of Chapter 313 limitation agreement revenue protection and supplemental payments.

General Fund Budgetary Highlights

All revenue sources were above the final budget by \$2,108,909. Over the course of the year, the District revised its budget. Even with these adjustments, actual expenditures were \$50,634,372 below final budget amounts. Areas that were significantly less than budget were primarily capital outlay allocations due to projects ongoing after the closing of the fiscal year. During the 2023-2024 the budget was supplemented with fund balance to support capital improvement projects such as the All-Purpose Practice Facility, Roof Replacement Projects, and other deferred maintenance initiatives. Our G-PISD staff is committed to annually ensuring cost-effective and efficient operations aligned with the district vision, mission, and goals.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2024, the District had invested a net \$309,385,907 in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-4.) This amount represents a net increase (including additions, construction in progress, depreciation and adjustments) of \$61,097,663.

Table A-4
District's Capital Assets

	Governmental Activities		Change
	2024	2023	
Land	\$ 4,106,096	\$ 4,106,096	\$ -
Construction in Progress	53,888,482	58,463,712	(4,575,230)
Buildings and improvements	284,753,889	218,328,273	66,425,616
Furniture and Equipment	23,469,152	18,380,238	5,088,914
Totals at historical cost	<u>366,217,619</u>	<u>299,278,319</u>	<u>66,939,300</u>
Total accumulated depreciation	56,831,712	50,990,075	5,841,637
Net capital assets	<u>\$ 309,385,907</u>	<u>\$ 248,288,244</u>	<u>\$ 61,097,663</u>

More detailed information about the District's capital assets is presented in Note 1 to the financial statements.

Long Term Debt

At year-end the District had \$287,225,000 bonds outstanding as shown in Table A-5. More detailed information about the District's debt is presented in the Notes to the Financial Statements.

	Governmental Activities	
	2024	2023
Premium	\$ 31,980,010	\$ 34,061,476
Bonds payable	287,225,000	319,090,000
Notes Payable	42,075	80,808
SBITA Liability	288,830	
Pension Payable	22,246,821	18,633,545
OPEB Liability	9,300,681	9,860,399
Total Long Term Debt	<u>\$ 351,083,417</u>	<u>\$ 381,726,228</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Factors taken into consideration during budget planning include the following:

- Appraised value used for the 2024-25 budget preparation increased by \$1.3 Billion for Maintenance & Operations, or 38% from the prior year estimated value.
- Anticipating an average daily attendance (ADA) of 4,662
- General operating fund spending per student in average daily attendance increases in the 2024-25 budget from \$12,300 to \$12,400
- Increasing starting Teacher Salary to \$62,000 to maintain the highest starting salary in region 2
- Needs assessments conducted by Campus, Department, and District Leaders

Amounts available for appropriation in the 2024-25 general fund budget are \$67.1 million, a decrease of 15% from the original 2023-24 budget of \$79.2 million. Total local revenue for the general fund is projected to decrease by approximately \$2.5 million primarily due to Chapter 313 agreements. State revenue sources are expected to decrease \$9.6 million from the amount budgeted for the prior year primarily due to the elimination of the state funded Formula Transition Grant.

The district is collecting tax revenue loss and supplemental payments due to Chapter 313 agreements taking effect. These payments will continue to provide support to the fund balance through approximately 2027. Furthermore, effective January 1, 2023, the Texas legislature passed House Bill 5, Chapter 403 as a replacement of the Chapter 313 tax code plan which expired on December 31, 2022.

For the 2024-25 fiscal year, the school-district was notified by the Texas Education Agency (TEA) that the district's Tier One local share under the TEC, §48.256, will exceed the district's entitlement under the TEC, §48.266(a)(1), less the district's distribution from the state available school fund, and/or the district's Tier Two local share described by the TEC, §48.266(a)(5)(B), will exceed the amount described by the TEC, §48.202(a-1)(2), for school year 2024-2025, also known as a property wealthy Chapter 49 school-district. TEA estimates an excess revenue amount of \$179,933. The district selected to purchase average daily attendance credit to reduce the local revenue level.

General fund expenditures for the upcoming fiscal year are projected to remain balanced, with only a slight decrease of 0.2%, totaling \$66.2 million. The district's largest budget allocation continues to be payroll and benefits, which account for approximately 95% of the general fund budget. For the 2024-2025 school year, the Board of Trustees has approved a 1% salary increase for all employees, based on applicable mid-points, alongside a \$2,000 Retention Stipend for all eligible staff.

Expenditures are expected to rise due to several factors, including competitive salary increases, evolving curriculum requirements, enhanced security measures, aging facilities, and the ongoing impact of inflation and rising market costs. In addition, the district will allocate funds to complete essential maintenance projects that were previously underway, ensuring that all necessary improvements are made during the 2024-2025 year.

The Board of Trustees continues to provide strong support to senior district management, ensuring financial stability and prudent stewardship of resources. The district applies conservative financial principles when projecting annual enrollment and property valuation increases, guaranteeing that budgets remain aligned with projected revenues and that resources are allocated effectively to support the district's long-term goals and growth.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2024

Data Control Codes	1	Governmental Activities
ASSETS:		
1110	<i>Cash and Cash Equivalents</i>	\$ 328,201,034
1225	<i>Property Taxes Receivable (Net)</i>	510,089
1240	<i>Due from Other Governments</i>	9,071,291
1290	<i>Other Receivables (Net)</i>	8,614
1300	<i>Inventories</i>	176,136
1410	<i>Unrealized Expenses</i>	1,406,806
Capital Assets:		
1510	<i>Land</i>	4,106,096
1520	<i>Buildings and Improvements, Net</i>	238,227,156
1530	<i>Furniture and Equipment, Net</i>	12,875,342
1550	<i>Right to Use Assets, Net</i>	288,830
1580	<i>Construction in Progress</i>	53,888,482
1000	Total Assets	<u>648,759,876</u>
DEFERRED OUTFLOWS OF RESOURCES:		
	<i>Deferred Outflow of Resources - Undesignated</i>	(388,763)
	<i>Deferred Outflow Related to Pensions</i>	9,700,543
	<i>Deferred Outflow Related to OPEB</i>	5,846,386
1700	Total Deferred Outflows of Resources	<u>15,158,166</u>
LIABILITIES:		
2110	<i>Accounts Payable</i>	7,898,104
2140	<i>Interest Payable</i>	514,906
2165	<i>Accrued Liabilities</i>	5,883,293
2177	<i>Due to Fiduciary</i>	5,000
2180	<i>Due to Other Governments</i>	2,457
2190	<i>Due to Student Groups</i>	(8,792)
2300	<i>Unearned Revenue</i>	100,010
Noncurrent Liabilities:		
2501	<i>Due Within One Year</i>	11,591,928
2502	<i>Due in More Than One Year</i>	307,943,987
2540	<i>Net Pension Liability</i>	22,246,821
2545	<i>Net OPEB Liability</i>	9,300,681
2000	Total Liabilities	<u>365,478,395</u>
DEFERRED INFLOWS OF RESOURCES:		
	<i>Deferred Inflow Related to Pensions</i>	784,310
	<i>Deferred Inflow Related to OPEB</i>	13,519,815
2600	Total Deferred Inflows of Resources	<u>14,304,125</u>
NET POSITION:		
3200	Net Investment in Capital Assets	174,360,758
Restricted For:		
3820	Federal and State Programs	1,175,992
3850	Debt Service	1,081,266
3870	Campus Activities	323,126
3900	Unrestricted	107,194,380
3000	Total Net Position	<u>\$ 284,135,522</u>

The accompanying notes are an integral part of this statement.

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2024

Data Control Codes	Functions/Programs	1 Expenses	3 Program Revenues		4 Net (Expense) Revenue and Changes in Net Position
			Charges for Services	Operating Grants and Contributions	
	Governmental Activities:				
11	Instruction	\$ 42,787,065	\$ --	\$ 6,103,187	\$ (36,683,878)
12	Instructional Resources and Media Services	539,078	--	35,615	(503,463)
13	Curriculum and Staff Development	1,671,430	--	218,914	(1,452,516)
21	Instructional Leadership	1,131,360	--	328,162	(803,198)
23	School Leadership	3,863,679	--	346,772	(3,516,907)
31	Guidance, Counseling, and Evaluation Services	2,263,250	--	394,100	(1,869,150)
32	Social Work Services	315,030	--	30,199	(284,831)
33	Health Services	637,607	--	(665)	(638,272)
34	Student Transportation	1,838,969	--	124,048	(1,714,921)
35	Food Service	4,360,281	230,300	3,334,095	(795,886)
36	Cocurricular/Extracurricular Activities	2,973,871	167,880	152,014	(2,653,977)
41	General Administration	3,799,252	--	271,740	(3,527,512)
51	Facilities Maintenance and Operations	11,937,723	--	727,580	(11,210,143)
52	Security and Monitoring Services	1,150,472	--	64,970	(1,085,502)
53	Data Processing Services	2,178,642	--	92,679	(2,085,963)
61	Community Services	72,197	--	5,296	(66,901)
72	Interest on Long-term Debt	10,990,321	--	701,757	(10,288,564)
73	Bond Issuance Costs and Fees	215,843	--	--	(215,843)
81	Capital Outlay	1,711,386	--	397	(1,710,989)
99	Other Intergovernmental Charges	794,430	--	--	(794,430)
TG	Total Governmental Activities	<u>95,231,886</u>	<u>398,180</u>	<u>12,930,860</u>	<u>(81,902,846)</u>
TP	Total Primary Government	<u>\$ 95,231,886</u>	<u>\$ 398,180</u>	<u>\$ 12,930,860</u>	<u>(81,902,846)</u>
	General Revenues:				
MT	Property Taxes, Levied for General Purposes				42,309,564
DT	Property Taxes, Levied for Debt Service				43,105,699
IE	Investment Earnings				19,378,127
SF	State Aid-Formula Grants				26,172,246
GC	Grants and Contributions Not Restricted to Specific Programs				64,278
MI	Miscellaneous				250,179
	Special and Extraordinary Items:				
S1	Special Item Inflow				4,756,579
S2	Special Item Outflow				(1,369)
TR	Total General Revenues and Transfers				<u>136,035,303</u>
CN	Change in Net Position				<u>54,132,457</u>
NB	Net Position - Beginning				<u>230,003,065</u>
NE	Net Position - Ending				<u>\$ 284,135,522</u>

The accompanying notes are an integral part of this statement.

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
AUGUST 31, 2024

Data Control Codes	10 General Fund	50 Debt Service Fund
ASSETS:		
1110	\$ 144,635,894	\$ 1,033,945
1225	381,079	129,010
1240	7,251,953	21,755
1260	4,779,316	27,316
1290	8,426	--
1300	3,200	--
1410	1,406,806	--
1000	<u>158,466,674</u>	<u>1,212,026</u>
LIABILITIES:		
Current Liabilities:		
2110	\$ 2,099,675	\$ --
2150	95,243	--
2160	3,698,884	--
2170	276,799	--
2180	707	1,750
2190	(8,792)	--
2200	366,260	--
2300	3,792	--
2000	<u>6,532,568</u>	<u>1,750</u>
DEFERRED INFLOWS OF RESOURCES:		
	381,080	129,010
2600	<u>381,080</u>	<u>129,010</u>
FUND BALANCES:		
Nonspendable Fund Balances:		
3410	3,200	--
3430	1,406,806	--
Restricted Fund Balances:		
3450	--	--
3480	--	1,081,266
3490	--	--
Committed Fund Balances:		
3510	44,832,093	--
Assigned Fund Balances:		
3550	20,000,000	--
3560	500,000	--
3590	30,200,000	--
3600	54,610,927	--
Unassigned, Reported in Nonmajor:		
3610	--	--
3000	<u>151,553,026</u>	<u>1,081,266</u>
4000	<u>\$ 158,466,674</u>	<u>\$ 1,212,026</u>

The accompanying notes are an integral part of this statement.

EXHIBIT C-1

60 Capital Projects	onmf Other Governmental Funds	98 Total Governmental Funds
\$ 178,367,717	\$ (392,647)	\$ 323,644,909
--	--	510,089
--	1,797,583	9,071,291
246,935	451,480	5,505,047
--	189	8,615
--	172,936	176,136
--	--	1,406,806
<u>178,614,652</u>	<u>2,029,541</u>	<u>340,322,893</u>
\$ 5,564,777	\$ 233,652	\$ 7,898,104
--	--	95,243
--	--	3,698,884
4,637,159	144,610	5,058,568
--	--	2,457
--	--	(8,792)
1,535,904	--	1,902,164
--	96,218	100,010
<u>11,737,840</u>	<u>474,480</u>	<u>18,746,638</u>
--	--	510,090
<u>--</u>	<u>--</u>	<u>510,090</u>
--	172,937	176,137
--	--	1,406,806
--	1,031,740	1,031,740
--	--	1,081,266
--	25,229	25,229
--	--	44,832,093
166,876,812	--	186,876,812
--	--	500,000
--	323,126	30,523,126
--	--	54,610,927
--	2,029	2,029
<u>166,876,812</u>	<u>1,555,061</u>	<u>321,066,165</u>
\$ <u>178,614,652</u>	\$ <u>2,029,541</u>	\$ <u>340,322,893</u>

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 AUGUST 31, 2024*

Total fund balances - governmental funds balance sheet	\$ 321,066,165
Amounts reported for governmental activities in the Statement of Net Position ("SNP") are different because:	
Capital assets used in governmental activities are not reported in the funds.	309,385,906
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	510,089
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	3,917,644
Payables for bond principal which are not due in the current period are not reported in the funds.	(287,613,763)
Payables for debt interest which are not due in the current period are not reported in the funds.	(514,906)
Payables for notes which are not due in the current period are not reported in the funds.	(42,074)
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(22,246,821)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(784,310)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	9,700,543
Bond premiums are amortized in the SNA but not in the funds.	(31,980,010)
Recognition of the District's proportionate share of the net OPEB liability is not reported in the funds.	(9,300,681)
Deferred Resource Inflows related to the OPEB plan are not reported in the funds.	(13,519,815)
Deferred Resource Outflows related to the OPEB plan are not reported in the funds.	5,846,386
Payables for subscriptions which are not due in the current period are not reported in the funds.	<u>(288,831)</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 284,135,522</u>

The accompanying notes are an integral part of this statement.

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

Data Control Codes	10 General Fund	50 Debt Service Fund
REVENUES:		
5700 <i>Local and Intermediate Sources</i>	\$ 50,629,476	\$ 43,599,145
5800 <i>State Program Revenues</i>	31,126,488	701,757
5900 <i>Federal Program Revenues</i>	495,196	--
5020 Total Revenues	<u>82,251,160</u>	<u>44,300,902</u>
EXPENDITURES:		
Current:		
0011 <i>Instruction</i>	34,893,599	--
0012 <i>Instructional Resources and Media Services</i>	495,644	--
0013 <i>Curriculum and Staff Development</i>	1,457,032	--
0021 <i>Instructional Leadership</i>	846,652	--
0023 <i>School Leadership</i>	3,457,996	--
0031 <i>Guidance, Counseling, and Evaluation Services</i>	1,843,569	--
0032 <i>Social Work Services</i>	292,437	--
0033 <i>Health Services</i>	610,734	--
0034 <i>Student Transportation</i>	2,109,824	--
0035 <i>Food Service</i>	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	2,334,137	--
0041 <i>General Administration</i>	3,473,809	--
0051 <i>Facilities Maintenance and Operations</i>	10,723,177	--
0052 <i>Security and Monitoring Services</i>	798,638	--
0053 <i>Data Processing Services</i>	1,598,364	--
0061 <i>Community Services</i>	65,474	--
0071 <i>Principal on Long-term Debt</i>	110,941	31,865,000
0072 <i>Interest on Long-term Debt</i>	5,686	12,872,638
0073 <i>Bond Issuance Costs and Fees</i>	--	215,843
0081 <i>Capital Outlay</i>	14,945,351	--
0099 <i>Other Intergovernmental Charges</i>	794,429	--
6030 Total Expenditures	<u>80,857,493</u>	<u>44,953,481</u>
1100 Excess (Deficiency) of Revenues Over (Under)		
1100 Expenditures	<u>1,393,667</u>	<u>(652,579)</u>
Other Financing Sources and (Uses):		
7915 <i>Transfers In</i>	--	--
8949 <i>Other Uses</i>	(97,923)	(25,471)
7080 Total Other Financing Sources and (Uses)	<u>(97,923)</u>	<u>(25,471)</u>
EXTRAORDINARY ITEM:		
7919 <i>Extraordinary Item (Resource)</i>	4,756,579	--
8913 <i>Extraordinary Item (Use)</i>	(1,369)	--
1200 Net Change in Fund Balances	<u>6,050,954</u>	<u>(678,050)</u>
0100 Fund Balances - Beginning	<u>145,502,072</u>	<u>1,759,316</u>
3000 Fund Balances - Ending	<u>\$ 151,553,026</u>	<u>\$ 1,081,266</u>

The accompanying notes are an integral part of this statement.

EXHIBIT C-2

60 Capital Projects	onmf Other Governmental Funds	98 Total Governmental Funds
\$ 11,171,968	\$ 736,783	\$ 106,137,372
--	1,864,065	33,692,310
--	5,747,279	6,242,475
<u>11,171,968</u>	<u>8,348,127</u>	<u>146,072,157</u>
1,227,873	3,488,474	39,609,946
39,552	12	535,208
--	79,594	1,536,626
--	193,796	1,040,448
--	82,009	3,540,005
--	223,858	2,067,427
--	--	292,437
--	16,714	627,448
691,741	--	2,801,565
--	4,005,040	4,005,040
69,973	380,462	2,784,572
35,102	--	3,508,911
1,345,795	169,466	12,238,438
485,668	21,120	1,305,426
816,864	--	2,415,228
--	300	65,774
--	--	31,975,941
--	--	12,878,324
--	--	215,843
50,860,417	97,710	65,903,478
--	--	794,429
<u>55,572,985</u>	<u>8,758,555</u>	<u>190,142,514</u>
<u>(44,401,017)</u>	<u>(410,428)</u>	<u>(44,070,357)</u>
--	451,480	451,480
--	--	(123,394)
--	451,480	328,086
--	--	4,756,579
--	--	(1,369)
<u>(44,401,017)</u>	<u>41,052</u>	<u>(38,987,061)</u>
211,277,829	1,514,009	360,053,226
<u>\$ 166,876,812</u>	<u>\$ 1,555,061</u>	<u>\$ 321,066,165</u>

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED AUGUST 31, 2024*

Net change in fund balances - total governmental funds	\$ (38,987,061)
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	67,733,582
The depreciation of capital assets used in governmental activities is not reported in the funds.	(6,564,377)
Trade-in or disposal of capital assets decrease net position in the SOA but not in the funds.	(432,581)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(139,648)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	31,865,000
Repayment of loan principal is an expenditure in the funds but is not an expense in the SOA.	38,734
(Increase) decrease in accrued interest from beginning of period to end of period.	(249,276)
The net revenue (expense) of internal service funds is reported with governmental activities.	(54,744)
Special termination benefits are reported as the amount earned in the SOA but as the amount paid in the funds.	55,812
Bond premiums are reported in the funds but not in the SOA.	2,081,466
The District's share of the unrecognized deferred inflows and outflows for the pension plan was amortized.	(2,711,114)
The District's share of the unrecognized deferred inflows and outflows for the OPEB plan was amortized.	1,424,004
Repayment of subscription principal is an expenditure in the funds, but is not an expense in the SOA.	72,208
Other reconciling items	453
Change in net position of governmental activities - Statement of Activities	<u>\$ 54,132,457</u>

The accompanying notes are an integral part of this statement.

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION

INTERNAL SERVICE FUND

AUGUST 31, 2024

Data Control Codes		Nonmajor Internal Service Fund
ASSETS:		Insurance Fund
	Current Assets:	
1110	<i>Cash and Cash Equivalents</i>	\$ 4,556,127
	Total Current Assets	<u>4,556,127</u>
1000	Total Assets	<u>4,556,127</u>
	 LIABILITIES:	
	Current Liabilities:	
2170	<i>Due to Other Funds</i>	\$ 451,480
2200	<i>Accrued Expenses</i>	<u>187,002</u>
	Total Current Liabilities	<u>638,482</u>
2000	Total Liabilities	<u>638,482</u>
	 NET POSITION:	
3900	<i>Unrestricted</i>	<u>3,917,645</u>
3000	Total Net Position	<u>\$ 3,917,645</u>

The accompanying notes are an integral part of this statement.

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
 IN FUND NET POSITION - INTERNAL SERVICE FUND
 FOR THE YEAR ENDED AUGUST 31, 2024

Data Control Codes		Nonmajor Internal Service Fund
		Insurance Fund
	OPERATING REVENUES:	
5700	<i>Local and Intermediate Sources</i>	\$ 619,985
5020	Total Revenues	<u>619,985</u>
	OPERATING EXPENSES:	
6400	<i>Other Operating Costs</i>	223,249
6030	Total Expenses	<u>223,249</u>
	Income (Loss) before Contributions and Transfers	396,736
8911	<i>Transfers Out</i>	(451,480)
1300	Change in Net Position	<u>(54,744)</u>
0100	Total Net Position - Beginning	3,972,389
3300	Total Net Position - Ending	<u>\$ 3,917,645</u>

The accompanying notes are an integral part of this statement.

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2024

	Internal Service Funds
Cash Flows from Operating Activities:	
<i>Cash Received from Customers</i>	\$ --
<i>Cash Received from Grants</i>	--
<i>Cash Receipts (Payments) for Quasi-external Operating Transactions with Other Funds</i>	619,985
<i>Cash Payments to Employees for Services</i>	--
<i>Cash Payments to Other Suppliers for Goods and Services</i>	(379,120)
<i>Cash Payments for Grants to Other Organizations</i>	--
<i>Other Operating Cash Receipts (Payments)</i>	--
Net Cash Provided (Used) by Operating Activities	<u>240,865</u>
Cash Flows from Non-capital Financing Activities:	
<i>Transfers From (To) Primary Government</i>	--
<i>Transfers From (To) Other Funds</i>	(451,480)
Net Cash Provided (Used) by Non-capital Financing Activities	<u>(451,480)</u>
Cash Flows from Capital and Related Financing Activities:	
<i>Contributed Capital</i>	--
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>--</u>
Cash Flows from Investing Activities:	
<i>Interest and Dividends on Investments</i>	--
Net Cash Provided (Used) for Investing Activities	<u>--</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(210,615)
Cash and Cash Equivalents at Beginning of Year	4,766,742
Cash and Cash Equivalents at End of Year	<u>\$ 4,556,127</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	\$ (54,744)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
<i>Depreciation</i>	--
<i>Provision for Uncollectible Accounts</i>	--
Change in Assets and Liabilities:	
<i>Decrease (Increase) in Receivables</i>	--
<i>Decrease (Increase) in Inventories</i>	--
<i>Decrease (Increase) in Prepaid Expenses</i>	--
<i>Increase (Decrease) in Accounts Payable</i>	(11,183)
<i>Increase (Decrease) in Interfund Payables</i>	(144,688)
<i>Increase (Decrease) in Accrued Expenses</i>	--
<i>Increase (Decrease) in Unearned Revenue</i>	--
Total Adjustments	<u>(155,871)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (210,615)</u>

The accompanying notes are an integral part of this statement.

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 AUGUST 31, 2024

Data Control Codes	Private-purpose Trust Fund	Custodial Fund
<u>ASSETS:</u>	<u>Private-Purpose Trust Fund</u>	<u>Student Activity</u>
1110 <i>Cash and Cash Equivalents</i>	\$ --	\$ 167,803
1260 <i>Due from Other Funds</i>	5,000	--
1000 Total Assets	<u>5,000</u>	<u>167,803</u>
 LIABILITIES:		
2000 Total Liabilities	<u>--</u>	<u>--</u>
 NET POSITION:		
3800 <i>Held in Trust</i>	\$ 5,000	\$ --
3800 <i>Restricted for Other Purposes</i>	--	167,803
3000 Total Net Position	<u>\$ 5,000</u>	<u>\$ 167,803</u>

The accompanying notes are an integral part of this statement.

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

	Private-purpose Trust Fund	Custodial Funds
ADDITIONS:		
Investment Income	\$	\$ 9,754
Miscellaneous		43,219
Student Club Fees		95,626
Contributions from Foundations, Gifts and Bequests	8,000	28,159
Student Group Fundraising Activities		90,739
Total Additions	<u>8,000</u>	<u>267,497</u>
DEDUCTIONS:		
Student Scholarships	3,000	3,000
Other Operating Expenses		309,237
Total Deductions	<u>3,000</u>	<u>312,237</u>
Change in Fiduciary Net Position	5,000	(44,740)
Net Position-Beginning of the Year	--	212,543
Net Position-End of the Year	<u>\$ 5,000</u>	<u>\$ 167,803</u>

The accompanying notes are an integral part of this statement.

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

A. Summary of Significant Accounting Policies

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

1. Reporting Entity

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

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

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

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

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The District reports the following major governmental funds:

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

Debt Service Fund: This fund is used to account for general long-term debt principal and interest for debt issues and other long-term debts for which a tax has been deducted.

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

Capital Projects Fund: This fund is used to account for construction activities.

In addition, the District reports the following fund types:

Internal Service Funds: These funds are used to account for revenues and expenses related to services provided to parties inside the District. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the District's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

Private-Purpose Trust Funds: These funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments not reported in other fiduciary fund types.

Custodial Funds: These funds are used to report student activity funds and other resources held in a purely custodial capacity. Custodial funds typically involve only the receipt, temporary investment, and remittance of the fiduciary resources to individuals, private organizations, or other governments.

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or custodial capacity and are therefore not available to support District programs, these funds are not included in the government-wide statements.

b. Measurement Focus, Basis of Accounting

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

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District does not consider revenues collected after its year-end to be available in the current period. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under lease contracts and subscription-based information technology arrangements are reported as other financing sources.

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

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

3. Financial Statement Amounts

a. Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

b. Property Taxes

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

	General Fund	Debt Service Fund	Total
Property Taxes Receivable	\$ 942,139	\$ 262,102	\$ 1,204,241
Allowance for Uncollectible Amounts	(561,060)	(133,092)	(694,152)
Property Taxes Receivable, Net	\$ 381,079	\$ 129,010	\$ 510,089

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

c. Inventories and Prepaid Items

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

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

d. Capital Assets

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

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

Asset Class	Estimated Useful Lives
Buildings	50
Building Improvements	20
Vehicles	10
Furniture and Equipment	10

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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e. Deferred Outflows and Inflows of Resources

In addition to assets, the statements of financial position (the government-wide Statement of Net Position and governmental funds balance sheet) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and/or fund balance that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements 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 position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time.

f. Receivable and Payable Balances

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

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

g. Compensated Absences

On retirement or death of certain employees, the District pays any accrued vacation leave in a lump case payment to such employee or his/her estate. Individuals employed after October 1, 1985 are not eligible to receive the lump sum payments.

h. Interfund Activity

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

i. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

j. Data Control Codes

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

k. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the District's Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Board of Trustees. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Board of Trustees or by an official or body to which the Board of Trustees delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

I. Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

m. Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

4. 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 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.

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

5. Other Post-Employment Benefits

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS-Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net 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.

6. Implementation of New Standards

In the current fiscal year, the District did not implement any new standards from the Governmental Accounting Standards Board (GASB).

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None reported	Not applicable

2. Deficit Fund Balance or Fund Net Position of Individual Funds

Following are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
None reported	Not applicable	Not applicable

C. Deposits and Investments

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

1. Cash Deposits:

At August 31, 2024, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$22,158,863 and the bank balance was \$23,265,834. The District's cash deposits at August 31, 2024 and during the year ended 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.

In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

- a. Depository: Frost Bank

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
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- b. The market value of securities pledged as of the date of the highest combined balance on deposit was \$33,439,048.
- c. The highest combined balances of cash, savings and time deposit accounts amounted to \$28,741,101 and occurred during the month of July, 2024.
- d. Total amount of FDIC coverage at the time of the largest combined balance was \$250,000.

2. Investments:

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

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

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

The District's investments at August 31, 2023 are included in cash equivalents and are shown below.

Investment Type	Investment Maturities (In Years)			
	Fair Value	Less than 1	1 to 2	2 to 3
Investment Pools:				
Investment in TexPool	3,565,252	3,565,252	--	--
Investment in Lone Star Pool	302,644,722	302,644,722	--	--
Total Fair Value	\$ 306,209,974	\$ 306,209,974	\$ --	\$ --

3. Analysis of Specific Deposit and Investment Risks

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

a. Credit Risk

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

b. Custodial Credit Risk

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

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name.

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

c. Concentration of Credit Risk

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

d. Interest Rate Risk

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

e. Foreign Currency Risk

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

Investment Accounting Policy

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

D. Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 4,106,096	\$ --	\$ --	\$ 4,106,096
Construction in progress	58,463,712	62,830,147	(67,405,377)	53,888,482
Total capital assets not being depreciated	<u>62,569,808</u>	<u>62,830,147</u>	<u>(67,405,377)</u>	<u>57,994,578</u>
<i>Capital assets being depreciated:</i>				
Buildings and improvements	218,328,273	67,129,255	(703,639)	284,753,889
Equipment	13,535,708	3,778,695	--	17,314,403
Vehicles	4,844,530	1,388,356	(439,175)	5,793,711
Right-to-use subscription assets	--	361,038	--	361,038
Total capital assets being depreciated	<u>236,708,511</u>	<u>72,657,344</u>	<u>(1,142,814)</u>	<u>308,223,041</u>
Less accumulated depreciation for:				
Buildings and improvements	(41,844,905)	(5,002,221)	320,393	(46,526,733)
Equipment	(6,445,902)	(1,131,339)	--	(7,577,241)
Vehicles	(2,699,268)	(358,609)	402,346	(2,655,531)
Right-to-use subscription assets	--	(72,208)	--	(72,208)
Total accumulated depreciation	<u>(50,990,075)</u>	<u>(6,564,377)</u>	<u>722,739</u>	<u>(56,831,713)</u>
Total capital assets being depreciated, net	<u>185,718,436</u>	<u>66,092,967</u>	<u>(420,075)</u>	<u>251,391,328</u>
Governmental activities capital assets, net	<u>\$ 248,288,244</u>	<u>\$ 128,923,114</u>	<u>\$ (67,825,452)</u>	<u>\$ 309,385,906</u>

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
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Depreciation was charged to functions as follows:

Instruction	\$ 3,340,928
Instructional Resources and Media Services	38,531
Curriculum and Staff Development	129,302
Instructional Leadership	87,282
School Leadership	298,887
Guidance, Counseling, & Evaluation Services	175,108
Social Work Services	24,374
Health Services	52,392
Student Transportation	358,609
Food Services	340,768
Extracurricular Activities	226,649
General Administration	293,290
Plant Maintenance and Operations	923,622
Security and Monitoring Services	100,489
Data Processing Services	168,561
Community Services	5,585
	<u>\$ 6,564,377</u>

E. Interfund Balances and Activities

1. Due To and From Other Funds

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

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Other Governmental Funds	\$ 144,609	Short-term loans
General Fund	Capital Projects Fund	4,391,663	Short-term loans
General Fund	General Fund (Payroll)	243,044	Short-term loans
Other Governmental Funds	Internal Service Fund	451,480	Short-term loans
Debt Service	General Fund	27,316	Short-term loans
Capital Projects Fund	General Fund	1,439	Short-term loans
Capital Projects Fund	Capital Projects Fund	245,495	Short-term loans
Private Purpose Trust Fund	General Fund	5,000	Short-term loans
	Total	<u>\$ 5,510,046</u>	

All amounts due are scheduled to be repaid within one year.

2. Transfers To and From Other Funds

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

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
Internal Service Fund	Other Governmental Funds	\$ 451,480	Supplement other funds sources
	Total	<u>\$ 451,480</u>	

F. Long-Term Obligations

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

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended August 31, 2024, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Governmental activities:</u>					
2015 Unliminted Tax School Building Bonds 3.25% to 5%	\$ 10,630,000		\$ 390,000	\$ 10,240,000	\$ 405,000
2016 Unliminted Tax School Building Bonds 3% to 4.55%	8,195,000		310,000	7,885,000	320,000
2018 Unliminted Tax School Building Bonds 2% to 5%	26,865,000		6,675,000	20,190,000	925,000
2018A Unliminted Tax School Building Bonds 4% to 5.25%	2,110,000		2,110,000	--	--
2019 Unliminted Tax Refunding Bonds 3% to 4%	14,380,000		1,985,000	12,395,000	2,065,000
2021A Unliminted Tax School Building Bonds 2% to 5%	88,100,000		4,820,000	83,280,000	4,390,000
2021B Unliminted Tax School Building Bonds 3% to 4%	5,305,000		--	5,305,000	--
2023 Unliminted Tax School Building Bonds 4% to 5%	163,505,000		15,575,000	147,930,000	3,475,000
Total Bonds	319,090,000	--	31,865,000	287,225,000	11,580,000
Bond Premiums	34,061,476		2,081,466	31,980,010	
<u>Software-Based IT</u>		361,038	72,207	288,831	
Loans 7.12%	80,808		38,734	42,074	11,928
Total governmental activities	\$ 353,232,284	\$ 361,038	\$ 34,057,407	319,535,915	\$ 11,591,928
Due Within One Year				(11,591,928)	
Due in More Than One Year				<u>\$ 307,943,987</u>	
Net Pension Liability	\$ 18,633,545	\$ 3,613,276		\$ 22,246,821	
Net OPEB Liability	\$ 9,860,399		\$ 559,718	\$ 9,300,681	

* Other long-term liabilities presented
with net increase / decrease amounts

The funds typically used to liquidate other long-term liabilities in the past are as follows:

Liability	Activity Type	Fund
Compensated absences	Governmental	General Fund
Claims and judgments	Governmental	General Fund
Net Pension Liability *	Governmental	General Fund

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

2. Debt Service Requirements

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

<u>Year Ending August 31,</u>	Governmental Activities		
	Bonds		
	Principal	Interest	Total
2025	\$ 11,580,000	12,000,212	23,580,212
2026	12,725,000	11,422,288	24,147,288
2027	13,905,000	10,786,862	24,691,862
2028	13,470,000	10,134,112	23,604,112
2029	13,205,000	9,517,631	22,722,631
2030-2034	70,430,000	38,238,862	108,668,862
2035-2039	82,340,000	21,137,050	103,477,050
2040-2044	69,570,000	5,079,450	74,649,450
Totals	\$ 287,225,000	\$ 118,316,467	\$ 405,541,467

<u>Year Ending August 31,</u>	Notes from Direct Borrowings		
	Principal	Interest	Total
2025	\$ 11,928	\$ 2,611	\$ 14,539
2026	12,806	1,734	14,540
2027	13,748	792	14,540
2028	3,592	43	3,635
Totals	\$ 42,074	\$ 5,180	\$ 47,254

3. Advance Refunding of Debt

GASB Statement No. 7, "Advance Refundings Resulting in Defeasance of Debt," provides that refunded debt and assets placed in escrow for the payment of related debt service be excluded from the financial statements. As of August 31, 2024, outstanding balances of bond issues that have been refunded and defeased in-substance by placing existing assets and the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments are as follows.

The District has \$31,320,000 in defeased bonds outstanding at August 31, 2023'

G. Risk Management

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

H. Pension Plan

1. Plan Description

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
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FOR THE YEAR ENDED AUGUST 31, 2024

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). It is a defined benefit pension plan 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.

2. Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (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_archive_cafr.aspx; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

3. 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 where the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic cost of living adjustments (COLAs). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as previously noted in the Plan description in (1) above.

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

4. 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 percent of the member's annual compensation and a state contribution rate of not less than 6 percent and not more than 10 percent 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 2020 thru 2025.

	<u>Contribution Rates</u>	
	<u>2023</u>	<u>2024</u>
Member	8.0%	8.25%
Non-Employer Contributing Entity (State)	8.0%	8.25%
Employers	8.0%	8.25%

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
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FOR THE YEAR ENDED AUGUST 31, 2024

District's 2024 Employer Contributions	\$ 1,840,149
District's 2024 Member Contributions	\$ 3,793,007
2023 NECE On-Behalf Contributions (State)	\$ 2,408,587

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

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

- On the portion of a 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 or all of an employee's salary is paid by federal, private, local or non-educational and general 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 percent of the state contribution rate for certain instructional or administrative employees and 100 percent of the state contribution rate for all other employees.

Employers are also required to pay surcharges in the following cases:

- 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 TRS, the employer shall pay an amount equal to the member contribution and the state contribution as an employment after retirement surcharge.

5. Actuarial Assumptions

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

Valuation Date	August 31, 2022 rolled forward to August 31, 2023
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term expected Investment Rate of Return	7.00%
Municipal Bond Rate as of August 2022	4.13% *
Last year ending August 31 in Projection Period	2022
Inflation	2.30%
Salary Increases including inflation	2.95% to 8.95%
Ad hoc post-employment benefit changes	None

* The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index"

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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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. For a full description of these assumptions, please see the actuarial valuation report dated November 22, 2022.

6. Discount Rate

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

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

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

Asset Class	Target Allocation **	Long-Term Expected Geometric Real Rate of Return ***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.0%	4.0%	1.0%
Non-U.S. Developed	13.0%	4.5%	0.9%
Emerging Markets	9.0%	4.8%	0.7%
Private Equity *	14.0%	7.0%	1.5%
Stable Value			
Government Bonds	16.0%	2.5%	0.5%
Absolute Return *	0.0%	3.6%	0.0%
Stable Value Hedge Funds	5.0%	4.1%	0.2%
Real Return			
Real Estate	15.0%	4.9%	1.1%
Energy, Natural Resources and Infrastructure	6.0%	4.8%	0.4%
Commodities	0.0%	4.4%	0.0%
Risk Parity	8.0%	4.5%	0.4%
Asset Allocation Leverage			
Cash	2.0%	3.7%	0.0%
Asset Allocation Leverage	(6.0%)	4.4%	(0.1)%
Inflation Expectation			2.3%

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

Volatility Drag ****	<u>100.0%</u>	(0.9)%
Expected Return	<u>100.0%</u>	<u>8.0%</u>
<p>* Absolute Return includes Credit Sensitive Investments. ** Target allocations are based on the FY2023 policy model. *** Capital Market Assumptions come from Aon Hewitt (as of 06/30/2023) **** The volatility drag results from the conversion between arithmetic and geometric mean returns.</p>		

7. Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
District's proportionate share of the net pension liability:	\$ 33,260,229	\$ 22,246,821	\$ 13,089,166

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

At August 31, 2024, the District reported a liability of \$22,246,821 for its proportionate share of the TRS 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 are as follows:

District's proportionate share of the collective net pension liability	\$ 22,246,821
State's proportionate share that is associated with District	<u>32,186,576</u>
Total	<u>\$ 54,433,397</u>

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

At the measurement date of August 31, 2023 the employer's proportion of the collective net pension liability was 0.0323871115 percent which was an increase (decrease) of -0.00048400 percent from its proportion measured as of August 31, 2022.

9. Changes Since the Prior Actuarial Valuation

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

For the year ended August 31, 2024, the District recognized pension expense of \$9,411,158 and revenue of \$4,859,895 for support provided by the State.

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Actuarial Experience	\$ 792,662	\$ 269,385
Changes in Actuarial Assumptions	2,104,113	514,925
Difference Between Projected and Actual Investment Earnings	3,237,453	--
Changes in Proportion and Difference between District's Contributions and the Proportionate Share of Contributions	1,726,166	--
Contributions paid to TRS subsequent to the measurement date of the Net Pension Liability (to be calculated by employer)	1,840,149	--
Total	\$ 9,700,543	\$ 784,310

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

Year ended August 31,	Pension Expense Amount
2025	\$ 1,799,663
2026	\$ 1,087,701
2027	\$ 3,018,087
2028	\$ 1,034,349
2029	\$ 136,284
Thereafter	\$ --

I. Defined Other Post-Employment Benefit Plans

1. Plan Description

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

2. OPEB Plan Fiduciary Net Position

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

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

3. Benefits Provided

TRS-Care provides health insurance coverage to retirees from public and 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

4. Contributions

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

Section 1575.202 of the Texas Insurance Code establishes the State's contribution rate which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65 percent of Salary. Section 1575.204 establishes a public school contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the employer. The actual public school contribution rate is prescribed by the Legislature in the General Appropriations Act, which is 0.75 percent of each active employee's pay for fiscal year 2023. The following table shows contributions to the TRS-Care plan by type of contributor.

Contribution Rates	
	<u>2024</u>
Active Employee	0.65%
Non-Employer Contributing Entity (State)	1.25%
Employers	0.75%
Federal/Private Funding remitted by Employers	1.25%

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

The contribution amounts for the District's fiscal year 2024 are as follows:

District's 2024 Employer Contributions	\$	355,896
District's 2024 Member Contributions	\$	298,840
2023 NECE On-Behalf Contributions (state)	\$	43,974

All employers whose employees are covered by the TRS pension plan are also required to pay a surcharge of \$535 per month when employing a retiree of TRS. The TRS-Care surcharges for fiscal year 2023 totaled \$14,548,344.

A supplemental appropriation was received in 2023 for \$21.3 million 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.

5. 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, 2021.

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 following assumptions used for the valuation of the TRS-Care OPEB liability are identical to the assumptions employed in the August 31, 2021 TRS pension actuarial valuation that was rolled forward to August 31, 2022:

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

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

The following methods and additional assumptions were used in the TRS-Care OPEB valuation:

Valuation Date	August 31, 2022 rolled forward to August 31, 2023
Actuarial Cost Method	Individual Entry-Age Normal
Inflation	2.30%
Single Discount Rate	4.13% as of August 31, 2023
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the the age-adjusted claims costs.
Salary Increases	2.95% to 8.95%, including inflation
Election Rates	Normal Retirement - 65% participation rate prior to age 65 and 40% participation rate after age 65. Pre-65 retirees - 25% are assumed to discontinue coverage at age 65.
Ad Hoc Post-Employment Benefit Changes	None

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The initial medical trend rates were 7.75 percent for Medicare retirees and 7.00 percent for non-Medicare retirees. The initial prescription drug trend rate was 7.75 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 12 years.

6. Discount Rate

A single discount rate of 4.13 percent was used to measure the Total OPEB Liability. This was an increase of 0.22 percent in the discount rate since the previous year. Since the plan is a pay-as-you-go plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was used for the long-term rate of return and was applied to all periods of projected benefit payments to determine the total OPEB liability.

The source for the municipal bond rate is the Fixed Income Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in the Fidelity "20-Year Municipal GO AA Index", as of August 31, 2023.

7. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1 percentage point lower than and 1 percentage point higher than the discount rate that was used (4.13%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (3.13%)	Current Single Discount Rate (4.13%)	1% Increase in Discount Rate (5.13%)
District's proportionate share of the Net OPEB Liability:	\$ 10,954,266	\$ 9,300,681	\$ 7,951,317

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

At August 31, 2024, the District reported a liability of \$9,300,681 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	\$ 9,300,681
State's proportionate share that is associated with the District	\$ <u>11,222,701</u>
Total	\$ <u><u>20,523,382</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 OPEB relative to the contributions of all employers to the plan for the period September 1, 2022 thru August 31, 2023.

At August 31, 2024 the District's proportion of the collective net OPEB liability was 0.042011713%.

The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1 percent less than and 1 percent greater than the health trend rates assumed.

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

	1% Decrease in Healthcare Trend Rate	Current Single Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
District's proportionate share of Net OPEB Liability:	\$ 7,658,646	\$ 9,300,681	\$ 11,413,166

9. 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 discount rate was changed from 3.91 percent as of August 31, 2022 to 4.13 percent as of August 31, 2023. This change decreased the Total OPEB Liability.

Changes of Benefit Terms Since the Prior Measurement Date - There were no changes in benefit terms since the prior measurement date.

The amount of OPEB expense recognized by the District in the reporting period was \$(3,467,285) and revenue of \$(2,399,177) for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 420,785	\$ 7,824,761
Changes in actuarial assumptions	1,269,475	5,695,054
Difference between projected and actual investment earnings	4,018	--
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	3,796,212	--
Contributions paid to TRS subsequent to the measurement date	355,896	
Total	<u>\$ 5,846,386</u>	<u>\$ 13,519,815</u>

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

Year ended August 31:	OPEB Expense Amount
2025	\$ (1,835,320)
2026	\$ (1,408,743)
2027	\$ (831,224)
2028	\$ (1,251,331)
2029	\$ (1,099,901)
Thereafter	\$ (1,602,806)

For the year ended August 31, 2024, the District recognized OPEB expense of \$(3,467,285) and revenue of \$(2,399,177) for support provided by the State.

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

10. Medicare Part D Subsidies

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal year ended August 31, 2024, the subsidy payment received by TRS-Care on behalf of the District was \$257,570.

J. Employee Health Care Coverage

During the year ended August 31, 2024, employees of the District were covered by a health insurance plan (the Plan). The District paid premiums of \$325 per pay period per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a third party administrator, acting on behalf of the licensed insurer. The Plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreement.

The contract between the District and the third party administrator is renewable September 1, and terms of coverage and premium costs are included in the contractual provisions.

K. Commitments and Contingencies

1. Contingencies

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

L. Subsequent Events

Management has reviewed subsequent events and transactions that occurred after the balance sheet date through January 8, 2025((the date of the Audit Report). The financial statements include all Type I events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles.

M. Tax Abatement Agreements

The Gregory-Portland ISD Board of Trustees has approved agreements with various companies for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes pursuant to the 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.

Value limitation agreements are a 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) for a period of years specified in statute. The project(s) under the Chapter 313 agreement must be consistent with the state's goal to "encourage large scale capital investments in this state." Chapter 313 of the 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.

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

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 application's approval, the agreement was found 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>.

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 a company terminates this Agreement without the consent of the District, or in the event that the company or its successor-in-interest fails to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the the District shall be entitled to the recapture of all ad valorem tax revenue lost as a result of this 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 Sec 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 Sec. 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.

[Below is the abatement information that is required by GASB Statement No. 77 for M&O purposes. It includes the net benefit to the District but does not include any I&S impact.

< A > Project Value 2023	< B > Project's Value Limitation Amount 2023	< C > Amount of Applicant's M&O Taxes Paid 2023	< D < Amount of Applicant's M&O Taxes Reduced 2023	< E > Company Revenue Loss Payment to School District 2023	< F > Company Supplemental Payment to School District 2023	< G > Net Benefit (Loss) to the School District 2023 (E+F)
N/A	\$30M	N/A	N/A	N/A	N/A	N/A
N/A	\$30M	N/A	N/A	N/A	N/A	N/A
N/A	\$30M	N/A	N/A	N/A	N/A	N/A
N/A	\$30M	N/A	N/A	N/A	N/A	N/A
N/A	\$30M	N/A	N/A	N/A	N/A	N/A

Project Description

1. Padre Solar, LLC (Application #11757), First Year Value Limitation: 2028
2. Corpus Christi Liquefaction, LLC (Application #1916), First Year Value Limitation: 2038
3. Corpus Christi Liquefaction, LLC (Application #1917), First Year Value Limitation: 2042
4. Corpus Christi Liquefaction, LLC (Application #1918), First Year Value Limitation: 2042
5. CGRP 04, LLC (Application #1938), First Year Value Limitation: 2028

N. Special Items

During the year ended August 31, 2024 the District received a settlement from Harvey Litigation in the amount of \$4,756,579. The District also incurred extraordinary expenditures from Hurricane Beryl that stemmed from payroll for auxiliary staff working as a result of the storm of \$1,369

Required Supplementary Information

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

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED AUGUST 31, 2024

EXHIBIT G-1
 Page 1 of 2

Data Control Codes	1		2		3		Variance with Final Budget Positive (Negative)
	Budgeted Amounts				Actual		
	Original	Final					
REVENUES:							
5700	<i>Local and Intermediate Sources</i>	\$ 52,177,589	\$ 52,227,589	\$ 50,629,476	\$ (1,598,113)		
5800	<i>State Program Revenues</i>	26,745,584	27,531,062	31,126,488	3,595,426		
5900	<i>Federal Program Revenues</i>	350,000	383,600	495,196	111,596		
5020	Total Revenues	<u>79,273,173</u>	<u>80,142,251</u>	<u>82,251,160</u>	<u>2,108,909</u>		
EXPENDITURES:							
Current:							
Instruction and Instructional Related Services:							
0011	<i>Instruction</i>	34,461,156	35,133,013	34,893,599	239,414		
0012	<i>Instructional Resources and Media Services</i>	573,070	573,070	495,644	77,426		
0013	<i>Curriculum and Instructional Staff Development</i>	1,577,848	1,647,343	1,457,032	190,311		
	Total Instruction and Instr. Related Services	<u>36,612,074</u>	<u>37,353,426</u>	<u>36,846,275</u>	<u>507,151</u>		
Instructional and School Leadership:							
0021	<i>Instructional Leadership</i>	928,932	937,958	846,652	91,306		
0023	<i>School Leadership</i>	3,501,437	3,559,723	3,457,996	101,727		
	Total Instructional and School Leadership	<u>4,430,369</u>	<u>4,497,680</u>	<u>4,304,648</u>	<u>193,032</u>		
Student Support Services:							
0031	<i>Guidance, Counseling and Evaluation Services</i>	1,897,342	1,897,342	1,843,569	53,773		
0032	<i>Social Work Services</i>	312,430	312,430	292,437	19,993		
0033	<i>Health Services</i>	695,400	697,400	610,734	86,666		
0034	<i>Student Transportation</i>	1,421,603	2,152,403	2,109,824	42,579		
0036	<i>Extracurricular Activities</i>	2,196,501	2,367,120	2,334,137	32,983		
	Total Student Support Services	<u>6,523,276</u>	<u>7,426,695</u>	<u>7,190,701</u>	<u>235,994</u>		
Administrative Support Services:							
0041	<i>General Administration</i>	3,787,837	3,813,572	3,473,809	339,763		
	Total Administrative Support Services	<u>3,787,837</u>	<u>3,813,572</u>	<u>3,473,809</u>	<u>339,763</u>		
Support Services:							
0051	<i>Facilities Maintenance and Operations</i>	11,254,257	12,484,617	10,723,177	1,761,440		
0052	<i>Security and Monitoring Services</i>	942,353	942,903	798,638	144,265		
0053	<i>Data Processing Services</i>	1,776,656	1,911,375	1,598,364	313,011		
	Total Support Services	<u>13,973,266</u>	<u>15,338,895</u>	<u>13,120,179</u>	<u>2,218,716</u>		
Ancillary Services:							
0061	<i>Community Services</i>	86,040	86,040	65,474	20,566		
	Total Ancillary Services	<u>86,040</u>	<u>86,040</u>	<u>65,474</u>	<u>20,566</u>		
Debt Service:							
0071	<i>Debt Service</i>	59,572	178,928	110,941	67,987		
0072	<i>Interest on Long-Term Debt</i>	--	5,430	5,686	(256)		
	Total Debt Service	<u>59,572</u>	<u>184,358</u>	<u>116,627</u>	<u>67,731</u>		
Capital Outlay:							
0081	<i>Facilities Acquisition and Construction</i>	--	61,981,198	14,945,351	47,035,847		
	Total Capital Outlay	<u>--</u>	<u>61,981,198</u>	<u>14,945,351</u>	<u>47,035,847</u>		
0099	<i>Other Intergovernmental Charges</i>	810,000	810,000	794,429	15,571		
	Total Intergovernmental Charges	<u>810,000</u>	<u>810,000</u>	<u>794,429</u>	<u>15,571</u>		

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED AUGUST 31, 2024

EXHIBIT G-1
 Page 2 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
6030	Total Expenditures	<u>66,282,434</u>	<u>131,491,865</u>	<u>80,857,493</u>	<u>50,634,372</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>12,990,739</u>	<u>(51,349,614)</u>	<u>1,393,667</u>	<u>52,743,281</u>
	Other Financing Sources (Uses):				
8949	Other Uses	<u>--</u>	<u>(100,000)</u>	<u>(97,923)</u>	<u>2,077</u>
7080	Total Other Financing Sources and (Uses)	<u>--</u>	<u>(100,000)</u>	<u>(97,923)</u>	<u>2,077</u>
	EXTRAORDINARY ITEM:				
7919	Extraordinary Item (Resource)	<u>--</u>	<u>4,756,579</u>	<u>4,756,579</u>	<u>--</u>
8913	Extraordinary Item (Use)	<u>--</u>	<u>--</u>	<u>(1,369)</u>	<u>1,369</u>
1200	Net Change in Fund Balance	<u>12,990,739</u>	<u>(46,693,035)</u>	<u>6,050,954</u>	<u>52,743,989</u>
0100	Fund Balance - Beginning	<u>145,502,072</u>	<u>145,502,072</u>	<u>145,502,072</u>	<u>--</u>
3000	Fund Balance - Ending	<u>\$ 158,492,811</u>	<u>\$ 98,809,037</u>	<u>\$ 151,553,026</u>	<u>\$ 52,743,989</u>

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST TEN FISCAL YEARS

	Measurement Year *									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.0323871115%	0.0313868157%	0.0285966022%	0.0282332837%	0.0278284410%	0.0245217880%	0.0204997752%	0.0193795689%	0.0190359000%	0.0105472000%
District's proportionate share of the net pension liability (asset)	\$ 22,246,821	\$ 18,633,545	\$ 7,282,543	\$ 15,121,171	\$ 14,466,084	\$ 13,497,387	\$ 6,554,724	\$ 7,323,251	\$ 6,728,937	\$ 2,817,304
State's proportionate share of the net pension liability (asset) associated with the District	32,186,576	27,604,758	11,206,000	23,437,735	21,094,958	23,569,913	14,288,418	16,571,226	15,213,710	12,757,955
Total	\$ 54,433,397	\$ 46,238,303	\$ 18,488,543	\$ 38,558,906	\$ 35,561,062	\$ 37,067,300	\$ 20,843,142	\$ 23,894,477	\$ 21,942,647	\$ 15,575,259
District's covered-employee payroll	\$ 44,208,462	\$ 40,693,922	\$ 35,342,577	\$ 34,092,016	\$ 30,488,027	\$ 28,546,267	\$ 26,388,900	\$ 23,894,477	\$ 21,942,647	\$ 15,575,259
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	50.32%	45.79%	20.61%	44.35%	47.45%	47.28%	24.84%	30.65%	30.67%	18.09%
Plan fiduciary net position as a percentage of the total pension liability	73.15%	75.62%	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

* The amounts presented are determined as of the Plan's measurement year which was as of August 31 in each prior calendar year from the District's fiscal year end.

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST TEN FISCAL YEARS

	Fiscal Year										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	
Contractually required contribution	\$ 1,840,149	\$ 1,633,691	\$ 1,447,006	\$ 1,219,530	\$ 1,180,954	\$ 974,279	\$ 825,275	\$ 671,884	\$ 618,472	\$ 563,662	
Contributions in relation to the contractually required contribution	(1,840,149)	(1,633,691)	(1,447,006)	(1,219,530)	(1,180,954)	(974,279)	(825,275)	(671,884)	(618,472)	(563,662)	
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	
District's covered-employee payroll	\$ 45,975,845	\$ 44,208,462	\$ 40,693,922	\$ 35,342,577	\$ 34,092,016	\$ 30,488,027	\$ 28,546,267	\$ 26,388,900	\$ 24,637,543	\$ 22,678,134	
Contributions as a percentage of covered-employee payroll	4.00%	3.27%	3.56%	3.45%	3.46%	3.20%	2.89%	2.55%	2.51%	2.49%	

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST TEN FISCAL YEARS *

	Measurement Year **						
	2023	2022	2021	2020	2019	2018	2017
District's proportion of the collective net OPEB liability	0.0420117130%	0.0411810772%	0.0382724812%	0.0380216361%	0.03558608826%	0.0343972702%	0.0307246887%
District's proportionate share of the collective net OPEB liability	\$ 9,300,681	\$ 9,860,399	\$ 14,763,406	\$ 14,453,741	\$ 16,959,050	\$ 17,174,872	\$ 13,361,015
State proportionate share of the collective net OPEB liability associated with the District	\$ 11,222,701	\$ 12,028,138	\$ 19,779,674	\$ 19,422,363	\$ 22,534,785	\$ 24,234,307	\$ 20,737,100
Total	\$ 20,523,382	\$ 21,888,537	\$ 34,543,080	\$ 33,876,104	\$ 39,493,835	\$ 41,409,179	\$ 34,098,115
District's covered-employee payroll	\$ 44,208,461	\$ 40,693,922	\$ 35,342,577	\$ 34,092,016	\$ 30,488,027	\$ 28,546,267	\$ 26,388,900
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	21.04%	24.23%	41.77%	42.40%	55.63%	60.17%	50.63%
Plan fiduciary net position as a percentage of the total OPEB liability	14.94%	11.52%	6.18%	4.99%	2.66%	1.57%	0.91%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

** The amounts presented are determined as of the Plan's measurement year which was as of August 31 in each prior calendar year from the District's fiscal year end.

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST TEN FISCAL YEARS *

	Fiscal Year						
	2024	2023	2022	2021	2020	2019	2018
Statutorily or contractually required District contribution	\$ 355,896	\$ 357,519	\$ 341,764	\$ 299,543	\$ 290,843	\$ 254,258	\$ 236,757
Contributions recognized by OPEB in relation to statutory or contractually required contribution	(355,896)	(357,519)	(341,764)	(299,543)	(290,843)	(254,258)	(236,757)
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
District's covered-employee payroll	\$ 45,975,391	\$ 44,208,462	\$ 40,693,922	\$ 35,342,577	\$ 34,092,016	\$ 30,488,027	\$ 28,546,267
Contributions as a percentage of covered-employee payroll	0.77%	0.81%	0.84%	0.85%	0.85%	0.83%	0.83%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED AUGUST 31, 2024

Budget

The official budget was prepared for adoption for all Governmental Fund Types. The budget was prepared in accordance with accounting practices generally accepted in the United States of America. The following procedures are followed in establishing the budgetary data.:

- a. Prior to August 21 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
- c. Prior to the beginning of the fiscal year, the budget is legally enacted through passage of a resolution by the board.

Once a budget is approved, it can be amended at function and fund level only by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings.

Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board and are not made after fiscal year end as required by law.

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

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either cancelled or appropriately provided for in the subsequent year's budget. There were no end-of-year outstanding encumbrances that were provided for in the subsequent year's budget.

Defined Benefit Pension Plan

Changes of benefit terms

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

Changes of assumptions

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

Other Post-Employment Benefit Plan

Changes of benefit terms

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

Changes of assumptions

There were no changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

*Combining Statements and Budget Comparisons
as Supplementary Information*

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 AUGUST 31, 2024

Data Control Codes	211 ESEA Title I Improving Basic Programs	224 IDEA-B Formula	225 IDEA-B Preschool Grant	240 National School Breakfast/Lunch Program	
ASSETS:					
1110	Cash and Cash Equivalents	\$ (390,094)	\$ (428,256)	\$ (7,129)	\$ 371,171
1240	Due from Other Governments	418,198	428,256	7,129	274,480
1260	Due from Other Funds	--	--	--	451,480
1290	Other Receivables	--	--	--	--
1300	Inventories	--	--	--	172,936
1000	Total Assets	<u>28,104</u>	<u>--</u>	<u>--</u>	<u>1,270,067</u>
LIABILITIES:					
Current Liabilities:					
2110	Accounts Payable	\$ --	\$ --	\$ --	\$ 50,062
2170	Due to Other Funds	28,104	--	--	--
2300	Unearned Revenue	--	--	--	44,013
2000	Total Liabilities	<u>28,104</u>	<u>--</u>	<u>--</u>	<u>94,075</u>
FUND BALANCES:					
Nonspendable Fund Balances:					
3410	Inventories	--	--	--	172,937
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	--	--	--	1,003,055
3490	Other Restrictions of Fund Balance	--	--	--	--
Assigned Fund Balances:					
3590	Other Assigned Fund Balance	--	--	--	--
Unassigned, Reported in Nonmajor:					
3610	Special Revenue Funds	--	--	--	--
3000	Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,175,992</u>
4000	Total Liabilities and Fund Balances	<u>\$ 28,104</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,270,067</u>

244 Career and Tech Basic Grant	255 ESEA Title II Training & Recruiting	263 Title I, Part A - ELA	279 Texas COVID Learning Acceleration (TCLAS)	289 Title IV, Part A Subpart 1
\$ (22,977)	\$ (74,318)	\$ (5,876)	\$ (212,573)	\$ (110,375)
24,996	74,318	6,761	295,095	112,246
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>2,019</u>	<u>--</u>	<u>885</u>	<u>82,522</u>	<u>1,871</u>
\$ --	\$ --	\$ --	\$ 13,533	\$ --
2,019	--	885	68,989	1,871
--	--	--	--	--
<u>2,019</u>	<u>--</u>	<u>885</u>	<u>82,522</u>	<u>1,871</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>2,019</u>	<u>--</u>	<u>885</u>	<u>82,522</u>	<u>1,871</u>

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AUGUST 31, 2024

Data Control Codes	397 Advanced Placement Incentives	410 State Textbook Fund	429 State Funded Special Revenue Fund	461 Campus Activity Funds	
ASSETS:					
1110	Cash and Cash Equivalents	\$ 1,853	\$ 171,582	\$ (74,331)	\$ 323,180
1240	Due from Other Governments	--	20,349	135,755	--
1260	Due from Other Funds	--	--	--	--
1290	Other Receivables	--	--	--	--
1300	Inventories	--	--	--	--
1000	Total Assets	<u>1,853</u>	<u>191,931</u>	<u>61,424</u>	<u>323,180</u>
LIABILITIES:					
Current Liabilities:					
2110	Accounts Payable	\$ --	\$ 167,881	\$ 229	\$ --
2170	Due to Other Funds	--	--	42,688	54
2300	Unearned Revenue	1,780	14,841	700	--
2000	Total Liabilities	<u>1,780</u>	<u>182,722</u>	<u>43,617</u>	<u>54</u>
FUND BALANCES:					
Nonspendable Fund Balances:					
3410	Inventories	--	--	--	--
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	73	9,209	17,807	--
3490	Other Restrictions of Fund Balance	--	--	--	--
Assigned Fund Balances:					
3590	Other Assigned Fund Balance	--	--	--	323,126
Unassigned, Reported in Nonmajor:					
3610	Special Revenue Funds	--	--	--	--
3000	Total Fund Balances	<u>73</u>	<u>9,209</u>	<u>17,807</u>	<u>323,126</u>
4000	Total Liabilities and Fund Balances	<u>\$ 1,853</u>	<u>\$ 191,931</u>	<u>\$ 61,424</u>	<u>\$ 323,180</u>

486	487	489	490	491
OxyChem	Spectra Energy Foundation	Lowe's	Cheniere	TAMUK / Exxon
\$ 355	\$ 1,000	\$ 11	\$ 21,659	\$ 2
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>355</u>	<u>1,000</u>	<u>11</u>	<u>21,659</u>	<u>2</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	45	--	--	--
<u>--</u>	<u>45</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	--	--	--
--	--	--	--	--
355	955	11	21,659	2
--	--	--	--	--
--	--	--	--	--
<u>355</u>	<u>955</u>	<u>11</u>	<u>21,659</u>	<u>2</u>
<u>\$ 355</u>	<u>\$ 1,000</u>	<u>\$ 11</u>	<u>\$ 21,659</u>	<u>\$ 2</u>

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 AUGUST 31, 2024

Data Control Codes	492 G-P Education Foundation	493 Book - A Palooza
ASSETS:		
1110 Cash and Cash Equivalents	\$ 10,769	\$ 1,784
1240 Due from Other Governments	--	--
1260 Due from Other Funds	--	--
1290 Other Receivables	189	--
1300 Inventories	--	--
1000 Total Assets	<u>10,958</u>	<u>1,784</u>
LIABILITIES:		
Current Liabilities:		
2110 Accounts Payable	\$ 1,298	\$ --
2170 Due to Other Funds	--	--
2300 Unearned Revenue	5,572	--
2000 Total Liabilities	<u>6,870</u>	<u>--</u>
FUND BALANCES:		
Nonspendable Fund Balances:		
3410 Inventories	--	--
Restricted Fund Balances:		
3450 Federal/State Funds Grant Restrictions	--	1,596
3490 Other Restrictions of Fund Balance	2,247	--
Assigned Fund Balances:		
3590 Other Assigned Fund Balance	--	--
Unassigned, Reported in Nonmajor:		
3610 Special Revenue Funds	1,841	188
3000 Total Fund Balances	<u>4,088</u>	<u>1,784</u>
4000 Total Liabilities and Fund Balances	<u>\$ 10,958</u>	<u>\$ 1,784</u>

494 Teacher of the Year	496 Family Resource Center	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
\$ 5,649	\$ 24,267	\$ (392,647)
--	--	1,797,583
--	--	451,480
--	--	189
--	--	172,936
<u>5,649</u>	<u>24,267</u>	<u>2,029,541</u>
\$ 649	\$ --	\$ 233,652
--	--	144,610
5,000	24,267	96,218
<u>5,649</u>	<u>24,267</u>	<u>474,480</u>
--	--	172,937
--	--	1,031,740
--	--	25,229
--	--	323,126
--	--	2,029
--	--	<u>1,555,061</u>
<u>\$ 5,649</u>	<u>\$ 24,267</u>	<u>\$ 2,029,541</u>

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2024

Data Control Codes	211 ESEA Title I Improving Basic Programs	224 IDEA-B Formula	225 IDEA-B Preschool Grant	240 National School Breakfast/Lunch Program
REVENUES:				
5700 Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ 250,899
5800 State Program Revenues	--	--	--	74,932
5900 Federal Program Revenues	763,741	1,009,958	17,144	3,262,331
5020 Total Revenues	<u>763,741</u>	<u>1,009,958</u>	<u>17,144</u>	<u>3,588,162</u>
EXPENDITURES:				
Current:				
0011 Instruction	714,612	780,825	17,144	--
0012 Instructional Resources and Media Services	--	--	--	--
0013 Curriculum and Staff Development	500	1,137	--	--
0021 Instructional Leadership	744	36,057	--	--
0023 School Leadership	39,964	--	--	--
0031 Guidance, Counseling, and Evaluation Services	7,621	191,939	--	--
0033 Health Services	--	--	--	--
0035 Food Service	--	--	--	3,870,224
0036 Cocurricular/Extracurricular Activities	--	--	--	--
0051 Facilities Maintenance and Operations	--	--	--	169,418
0052 Security and Monitoring Services	--	--	--	--
0061 Community Services	300	--	--	--
0081 Capital Outlay	--	--	--	--
6030 Total Expenditures	<u>763,741</u>	<u>1,009,958</u>	<u>17,144</u>	<u>4,039,642</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	--	--	--	(451,480)
Other Financing Sources and (Uses):				
7915 Transfers In	--	--	--	451,480
7080 Total Other Financing Sources and (Uses)	--	--	--	451,480
1200 Net Change in Fund Balances	--	--	--	--
0100 Fund Balances - Beginning	--	--	--	1,175,992
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,175,992</u>

242 Summer Feeding Program	244 Career and Tech Basic Grant	255 ESEA Title II Training & Recruiting	263 Title I, Part A - ELA	279 Texas COVID Learning Acceleration (TCL)
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
134,730	53,739	108,394	21,989	226,107
<u>134,730</u>	<u>53,739</u>	<u>108,394</u>	<u>21,989</u>	<u>226,107</u>
--	53,739	69,581	17,229	222,290
--	--	--	--	--
--	--	27,621	4,760	3,817
--	--	11,192	--	--
--	--	--	--	--
--	--	--	--	--
134,730	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>134,730</u>	<u>53,739</u>	<u>108,394</u>	<u>21,989</u>	<u>226,107</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2024

Data Control Codes	289 Title IV, Part A Subpart 1	397 Advanced Placement Incentives	410 State Textbook Fund	429 State Funded Special Revenue Fund
REVENUES:				
5700 Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800 State Program Revenues	--	204	876,724	912,205
5900 Federal Program Revenues	149,146	--	--	--
5020 Total Revenues	<u>149,146</u>	<u>204</u>	<u>876,724</u>	<u>912,205</u>
EXPENDITURES:				
Current:				
0011 Instruction	113,574	204	876,724	544,125
0012 Instructional Resources and Media Services	--	--	--	12
0013 Curriculum and Staff Development	--	--	--	41,759
0021 Instructional Leadership	14,452	--	--	131,351
0023 School Leadership	--	--	--	42,045
0031 Guidance, Counseling, and Evaluation Services	--	--	--	24,298
0033 Health Services	--	--	--	16,714
0035 Food Service	--	--	--	86
0036 Cocurricular/Extracurricular Activities	--	--	--	--
0051 Facilities Maintenance and Operations	--	--	--	48
0052 Security and Monitoring Services	21,120	--	--	--
0061 Community Services	--	--	--	--
0081 Capital Outlay	--	--	--	97,710
6030 Total Expenditures	<u>149,146</u>	<u>204</u>	<u>876,724</u>	<u>898,148</u>
1100 Excess (Deficiency) of Revenues Over (Under)	--	--	--	14,057
1100 Expenditures	--	--	--	--
Other Financing Sources and (Uses):				
7915 Transfers In	--	--	--	--
7080 Total Other Financing Sources and (Uses)	--	--	--	--
1200 Net Change in Fund Balances	--	--	--	14,057
0100 Fund Balances - Beginning	--	73	9,209	3,750
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ 73</u>	<u>\$ 9,209</u>	<u>\$ 17,807</u>

a	461 Campus Activity Funds	486 OxyChem	487 Spectra Energy Foundation	489 Lowe's	490 Cheniere
	\$ 397,530	\$ --	\$ --	\$ --	\$ 31,000
	--	--	--	--	--
	--	--	--	--	--
	<u>397,530</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>31,000</u>
	84	--	--	--	21,334
	--	--	--	--	--
	--	--	--	--	--
	--	--	--	--	--
	--	--	--	--	--
	--	--	--	--	--
	380,462	--	--	--	--
	--	--	--	--	--
	--	--	--	--	--
	--	--	--	--	--
	<u>380,546</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>21,334</u>
	16,984	--	--	--	9,666
	--	--	--	--	--
	--	--	--	--	--
	<u>16,984</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>9,666</u>
	306,142	355	955	11	11,993
	<u>\$ 323,126</u>	<u>\$ 355</u>	<u>\$ 955</u>	<u>\$ 11</u>	<u>\$ 21,659</u>

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2024

Data Control Codes	491 TAMUK / Exxon	492 G-P Education Foundation
REVENUES:		
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ 52,024
5800 <i>State Program Revenues</i>	--	--
5900 <i>Federal Program Revenues</i>	--	--
5020 Total Revenues	<u> --</u>	<u> 52,024</u>
EXPENDITURES:		
Current:		
0011 <i>Instruction</i>	--	52,024
0012 <i>Instructional Resources and Media Services</i>	--	--
0013 <i>Curriculum and Staff Development</i>	--	--
0021 <i>Instructional Leadership</i>	--	--
0023 <i>School Leadership</i>	--	--
0031 <i>Guidance, Counseling, and Evaluation Services</i>	--	--
0033 <i>Health Services</i>	--	--
0035 <i>Food Service</i>	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--
0051 <i>Facilities Maintenance and Operations</i>	--	--
0052 <i>Security and Monitoring Services</i>	--	--
0061 <i>Community Services</i>	--	--
0081 <i>Capital Outlay</i>	--	--
6030 Total Expenditures	<u> --</u>	<u> 52,024</u>
1100 Excess (Deficiency) of Revenues Over (Under)		
1100 Expenditures	<u> --</u>	<u> --</u>
Other Financing Sources and (Uses):		
7915 <i>Transfers In</i>	--	--
7080 Total Other Financing Sources and (Uses)	<u> --</u>	<u> --</u>
1200 Net Change in Fund Balances	--	--
0100 Fund Balances - Beginning	<u> 2</u>	<u> 4,088</u>
3000 Fund Balances - Ending	<u>\$ 2</u>	<u>\$ 4,088</u>

493	494	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
Book - A Palooza	Teacher of the Year	
\$ 345	\$ 4,985	\$ 736,783
--	--	1,864,065
--	--	5,747,279
<u>345</u>	<u>4,985</u>	<u>8,348,127</u>
--	4,985	3,488,474
--	--	12
--	--	79,594
--	--	193,796
--	--	82,009
--	--	223,858
--	--	16,714
--	--	4,005,040
--	--	380,462
--	--	169,466
--	--	21,120
--	--	300
--	--	97,710
<u>--</u>	<u>4,985</u>	<u>8,758,555</u>
<u>345</u>	<u>--</u>	<u>(410,428)</u>
--	--	451,480
--	--	451,480
<u>345</u>	<u>--</u>	<u>41,052</u>
1,439	--	1,514,009
<u>\$ 1,784</u>	<u>\$ --</u>	<u>\$ 1,555,061</u>

Other Supplementary Information

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

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DELINQUENT TAXES RECEIVABLE

FOR THE YEAR ENDED AUGUST 31, 2024

Year Ended August 31	1 Tax Rates		2	3 Assessed/Appraised Value For School Tax Purposes	10 Beginning Balance 9/1/23
	Maintenance	Debt Service			
2015 and Prior Years	\$ Various	\$ Various		\$ Various	\$ 205,675
2016	1.12	.18		1,589,550,923	33,551
2017	1.17	.18		1,755,413,629	44,172
2018	1.17	.18		2,772,662,667	51,151
2019	1.17	.18		2,413,554,148	54,198
2020	1.0684	.20		3,406,957,700	74,137
2021	.963	.25		4,554,288,623	87,595
2022	.9603	.25		5,051,557,217	124,067
2023	.9603	.25		7,718,651,177	361,486
2024 (School Year Under Audit)	.8126	.30		2,867,131,633	--
1000 Totals					\$ <u>1,036,031</u>

8000 - Total Taxes Refunded under Section 26.1115, Tax Code

9000 - Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code

EXHIBIT J-1

20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/24	99 Total Taxes Refunded Under Sect. 26.1115(c)
\$ --	\$ 4,998	\$ 800	\$ --	\$ 199,876	
--	1,487	239	--	31,825	
--	2,407	370	--	41,394	
--	3,296	507	--	47,348	
--	5,115	787	115	48,412	
--	12,862	2,408	904	59,772	
--	24,922	6,470	8,722	64,926	
--	34,854	9,074	13,606	93,745	
--	30,402	7,915	(107,046)	216,123	
31,899,707	23,406,167	8,641,214	548,494	400,820	
<u>\$ 31,899,707</u>	<u>\$ 23,526,510</u>	<u>\$ 8,669,783</u>	<u>\$ 464,796</u>	<u>\$ 1,204,241</u>	
					\$ --
	\$ --				

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAM
AS OF AUGUST 31, 2024

<u>Data Control Codes</u>		<u>Responses</u>
<u>Section A: Compensatory Education Programs</u>		
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.	\$ 3,981,709
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28 29, 30)	\$ 2,482,343
<u>Section B: Bilingual Education Programs</u>		
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.	\$ 189,891
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25)	\$ 124,053

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-3

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED AUGUST 31, 2024

Data Control Codes	1		2		3		Variance with Final Budget Positive (Negative)
	Budgeted Amounts				Actual		
	Original	Final					
REVENUES:							
5700	<i>Local and Intermediate Sources</i>	\$ 264,015	\$ 264,015	\$ 250,899	\$ (13,116)		
5800	<i>State Program Revenues</i>	5,000	5,000	74,932	69,932		
5900	<i>Federal Program Revenues</i>	3,133,785	3,323,321	3,262,331	(60,990)		
5020	Total Revenues	<u>3,402,800</u>	<u>3,592,336</u>	<u>3,588,162</u>	<u>(4,174)</u>		
EXPENDITURES:							
Current:							
Student Support Services:							
0035	<i>Food Services</i>	4,009,181	4,526,869	3,870,224	656,645		
	Total Student Support Services	<u>4,009,181</u>	<u>4,526,869</u>	<u>3,870,224</u>	<u>656,645</u>		
Support Services:							
0051	<i>Facilities Maintenance and Operations</i>	178,000	178,000	169,418	8,582		
	Total Support Services	<u>178,000</u>	<u>178,000</u>	<u>169,418</u>	<u>8,582</u>		
6030	Total Expenditures	<u>4,187,181</u>	<u>4,704,869</u>	<u>4,039,642</u>	<u>665,227</u>		
1100	Excess (Deficiency) of Revenues Over (Under)						
1100	Expenditures	<u>(784,381)</u>	<u>(1,112,533)</u>	<u>(451,480)</u>	<u>661,053</u>		
Other Financing Sources (Uses):							
7915	<i>Operating Transfers In</i>	784,381	784,381	451,480	(332,901)		
7080	Total Other Financing Sources and (Uses)	<u>784,381</u>	<u>784,381</u>	<u>451,480</u>	<u>(332,901)</u>		
1200	Net Change in Fund Balance	--	(328,152)	--	328,152		
0100	Fund Balance - Beginning	1,175,992	1,175,992	1,175,992	--		
3000	Fund Balance - Ending	<u>\$ 1,175,992</u>	<u>\$ 847,840</u>	<u>\$ 1,175,992</u>	<u>\$ 328,152</u>		

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-4

FUND 511

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2024

Data Control Codes	1		2	3	Variance with Final Budget Positive (Negative)	
	Budgeted Amounts			Actual		
	Original	Final				
REVENUES:						
5700	Local and Intermediate Sources		\$ 45,182,512	\$ 44,508,071	\$ 43,599,145	\$ (908,926)
5800	State Program Revenues		--	674,441	701,757	27,316
5020	Total Revenues		<u>45,182,512</u>	<u>45,182,512</u>	<u>44,300,902</u>	<u>(881,610)</u>
EXPENDITURES:						
Debt Service:						
0071	Debt Service		31,770,000	31,865,000	31,865,000	--
0072	Interest on Long-Term Debt		13,404,025	13,076,198	12,872,638	203,560
0073	Bond Issuance Costs and Fees		8,487	215,843	215,843	--
	Total Debt Service		<u>45,182,512</u>	<u>45,157,041</u>	<u>44,953,481</u>	<u>203,560</u>
6030	Total Expenditures		<u>45,182,512</u>	<u>45,157,041</u>	<u>44,953,481</u>	<u>203,560</u>
1100	Excess (Deficiency) of Revenues Over (Under)					
1100	Expenditures		--	25,471	(652,579)	(678,050)
Other Financing Sources (Uses):						
8949	Other Uses		--	(25,471)	(25,471)	--
7080	Total Other Financing Sources and (Uses)		--	(25,471)	(25,471)	--
1200	Net Change in Fund Balance		--	--	(678,050)	(678,050)
0100	Fund Balance - Beginning		1,759,316	1,759,316	1,759,316	--
3000	Fund Balance - Ending		<u>\$ 1,759,316</u>	<u>\$ 1,759,316</u>	<u>\$ 1,081,266</u>	<u>\$ (678,050)</u>

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*

Board of Trustees
Gregory-Portland Independent School District
608 College Street
Portland, Texas 78374

Members of the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gregory-Portland Independent School District, as of and for the year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise Gregory-Portland Independent School District's basic financial statements, and have issued our report thereon dated January 8, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Gregory-Portland Independent School District's internal control over financial reporting (internal control) as a basis for designing 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 Gregory-Portland Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Gregory-Portland Independent School District's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Gregory-Portland Independent School 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 Gregory-Portland Independent School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Gowland, Morales & Smith, PLLC

Corpus Christi, Texas
January 8, 2025

Independent Auditor's Report on Compliance for Each Major Federal Program and
Report on Internal Control Over Compliance in Accordance with the Uniform Guidance

Board of Trustees
Gregory-Portland Independent School District
608 College Street
Portland, Texas 78374

Members of the Board of Trustees:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Gregory-Portland Independent School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Gregory-Portland Independent School 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 Gregory-Portland Independent School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Gregory-Portland Independent School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Gregory-Portland Independent School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Respectfully submitted,

Gowland, Morales & Smith, PLLC

Corpus Christi, Texas
January 8, 2025

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

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Version of compliance supplement used in audit: May 2024

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, para. 200.516(a)?? Yes X No

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
School Lunch Program Cluster:	
10.553	School Breakfast Program
10.555	National School Lunch Program
10.555	National School Lunch Program (Non-Cash)
IDEA-B Cluster:	
84.027A	IDEA-B Formula
84.173A	IDEA-B Preschool
84.027A	IDEA-B Formula ARP
84.173X	IDEA-B Preschool ARP
84.010A	<u>ESEA, Title I, Part A</u>

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

Dollar threshold used to distinguish between
type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

X Yes

 No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

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

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
-------------------------------	-----------------------	--

NONE REQUIRED - N/A

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED AUGUST 31, 2024

NONE REQUIRED - N/A

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED AUGUST 31, 2024

EXHIBIT K-1
 Page 1 of 2

(1)	(2)	(2A)	(3)	(3)
Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal ALN Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
CHILD NUTRITION CLUSTER:				
<u>U. S. Department of Agriculture</u>				
Passed Through State Department of Education:				
School Breakfast Program	10.553	205-902	\$ --	\$ 635,506
National School Lunch Program	10.555	205-902	--	2,211,068
National School Lunch Program (Non-cash)	10.555	205-902	--	205,689
Supply Chain Assistance	10.555	205-902	--	210,067
Total ALN Number 10.555			--	<u>2,626,824</u>
Total Passed Through State Department of Education			--	<u>3,262,330</u>
Passed Through Texas Department of Agriculture:				
Summer Food Service Program	10.559	205-902	--	134,730
Total U. S. Department of Agriculture			--	<u>3,397,060</u>
Total Child Nutrition Cluster			--	<u>3,397,060</u>
SPECIAL EDUCATION (IDEA) CLUSTER:				
<u>U. S. Department of Education</u>				
Passed Through State Department of Education:				
<i>IDEA-Part B, Formula</i>	84.027A	2466000120590	--	1,009,958
Total ALN Number 84.027A			--	<u>1,009,958</u>
<i>IDEA-Part B, Preschool</i>	84.173A	2466100120590	--	17,144
Total ALN Number 84.173A			--	<u>17,144</u>
Total Passed Through State Department of Education			--	<u>1,027,102</u>
Total U. S. Department of Education			--	<u>1,027,102</u>
Total Special Education (IDEA) Cluster			--	<u>1,027,102</u>
OTHER PROGRAMS:				
<u>U. S. Department of Education</u>				
Passed Through State Department of Education:				
<i>ESEA Title I Part A - Improving Basic Programs</i>	84.010A	2361010120590	--	44,657
<i>ESEA Title I Part A - Improving Basic Programs</i>	84.010A	2461010120590	--	661,604
<i>Title I Part A - Improving Basic Programs</i>	84.010A	2561010120590	--	85,584
Total ALN Number 84.010A			--	<u>791,845</u>
<i>Career and Technical - Basic Grant</i>	84.048A	2042000620590	--	--
<i>Career and Technical Education - Basic Grant</i>	84.048A	2442000620590	--	55,758
Total ALN Number 84.048A			--	<u>55,758</u>
<i>Title III, Part A-English Language Acquisition and Language Enhanc</i>	84.365A	2467100120590	--	22,874
Total ALN Number 84.365A			\$ --	<u>\$ 22,874</u>
<i>ESEA Title II Part A - Teacher & Principal Training & Recruiting</i>	84.367A	2069450120	\$ --	\$ --
<i>Title II, Part A - Teacher and Principal Training and Recruiting</i>	84.367A	2469450120590	--	44,115
<i>Title II, Part A - Teacher and Principal Training and Recruiting</i>	84.367A	2569450120	--	64,279
Total ALN Number 84.367A			--	<u>108,394</u>
<i>Title IV, Part A, Subpart 1</i>	84.424A	2468010120590	--	151,017

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED AUGUST 31, 2024

EXHIBIT K-1
 Page 2 of 2

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal ALN Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients Federal Expenditures
Total ALN Number 84.424A			-- <u>151,017</u>
<i>Texas COVID Learning Acceleration Supports (TCLAS)-State ESSE</i> 84.425U	2152804220590		-- <u>295,096</u>
Total ALN Number 84.425U			-- <u>295,096</u>
Total Passed Through State Department of Education			-- <u>1,424,984</u>
Total U. S. Department of Education			-- <u>1,424,984</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -- <u>\$ 5,849,146</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			5,849,146
School Health and Related Services (SHARS)			361,450
E-Rate			31,879
TOTAL FEDERAL REVENUE EXHIBIT C+2			<u>6,242,475</u>

The accompanying notes are an integral part of this schedule.

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2024

Basis of Presentation

The accompanying schedule of expenditures of federal awards ("the Schedule") includes the federal grant activity of Gregory-Portland Independent School District. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. These expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Gregory-Portland Independent School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AS OF AUGUST 31, 2024

Data Control Codes		Responses
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	\$ --