

**LANCASTER INDEPENDENT  
SCHOOL DISTRICT**

**ANNUAL FINANCIAL AND  
COMPLIANCE REPORT**

**For the Year Ended August 31, 2024**





# LANCASTER INDEPENDENT SCHOOL DISTRICT

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**CERTIFICATE OF BOARD**

**Lancaster Independent School District**

Name of School District

**Dallas**

County

**057-913**

Co. - Dist. No.

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and approved for the year ended August 31, 2024, at a meeting of the board of trustees of such school district January 17, 2025.

  
\_\_\_\_\_  
President of the Board

  
\_\_\_\_\_  
Vice President of the Board



## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Lancaster Independent School District

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lancaster 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 District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of 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 the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

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

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

To the Board of Trustees  
Lancaster Independent School District

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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

To the Board of Trustees  
Lancaster Independent School District

**Supplementary Information**

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

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 nonmajor fund financial statements, required TEA schedules, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Dallas, Texas  
January 17, 2025



## LANCASTER INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Lancaster Independent School District's annual financial report presents the administration's 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 ended the year with a total net position of \$39 million, which \$15 million is restricted for specific purposes (i.e. Federal/State grants, Debt Service and Child Nutrition). The net deficit reported for unrestricted net position totaled \$8 million, which is an improvement of \$2 million. The remainder of \$32 million represents the net investments in capital assets. The change in net position is further described on page 12 of Management's Discussion and Analysis.
- The District's governmental funds financial statements reported a combined ending fund balance of \$54 million, which is an increase of \$4 million from the prior year due to increased state revenues in the general and local revenues in the debt service fund.
- The District ended the year with an unassigned fund balance of \$35 million. Further details can be found on page 14 of Management's Discussion and Analysis.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: (1) governmentwide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The statements are followed by a section of required supplementary information and a section of other information that further explains and supports the information in the financial statements.

### Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference of the four reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused sick leave).

The government-wide financial statements of the District are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the District include Instruction, Instructional Resources and Media Services, Curriculum and Instructional Staff Development, Instructional Leadership, School Leadership, Guidance, Counseling, and Evaluation Services, Social Work Services, Health Services, Student Transportation, Food Services, Extracurricular Activities, General Administration, Plant Maintenance and Operations, Security and Monitoring Services, Data Processing Services, Community Services, Interest on Long-term Debt, Payments Related to Shares Service Arrangements, and Other Intergovernmental Charges.

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

**Governmental Funds**

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains individual governmental funds for general, special revenue, debt service, and capital projects funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and debt service fund, both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in the financial statements. The District adopts an annual appropriated budget for its general fund, debt service fund, and National School Breakfast and Lunch Program special revenue fund.

**Notes to the Financial Statements**

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

**Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The required supplementary information relates to comparison of the original adopted budget, the final amended budget, and the actual amounts for the fiscal year. This is required supplementary information for the general fund and any major special revenue funds. The District did not have any major special revenue funds, outside of ESSER III which was not required to have an adopted budget; therefore, only the general fund is presented as required supplementary information. The Required Supplementary Information also includes information related to the required pension system information and the required other post-employment benefit system information.

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Other Information**

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

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The District's combined net position between fiscal years 2024 and 2023 increased by \$19 million. The District's net investment in capital assets is \$32 million and includes investments in capital assets (e.g. land, building, equipment, improvements, right-to-use assets, and construction in progress) less any debt used to acquire those assets that is still outstanding. Of the remaining net position, \$14 million are restricted resources subject to external restrictions on how they are used, and a net deficit of \$8 million are unrestricted resources, of which \$42 million is related to GASB Statement No. 68 and 75 pension and other post employment benefits liabilities.

The District uses the capital assets to provide services to students; consequently these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Exhibit 2 provides a summary of the Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position for governmental activities for years ended August 31, 2024 and 2023, respectively.

**Exhibit 2 Net Position Governmental Activities**

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
Current and other assets	\$ 65,577,764	\$ 64,629,107
Capital assets, net	206,426,434	209,128,367
<b>Total Assets</b>	<b>272,004,198</b>	<b>273,757,474</b>
Deferred outflows	21,269,520	17,901,053
<b>Total Deferred Outflows of Resources</b>	<b>21,269,520</b>	<b>17,901,053</b>
Current liabilities	20,678,638	23,751,159
Long term liabilities	208,742,073	219,275,193
<b>Total Liabilities</b>	<b>229,420,711</b>	<b>243,026,352</b>
Deferred inflows	25,144,503	28,428,320
<b>Total Deferred Inflows of Resources</b>	<b>25,144,503</b>	<b>28,428,320</b>
<b>Net Position:</b>		
Net investment in capital assets	32,226,210	21,069,765
Restricted	14,676,644	8,737,117
Unrestricted	(8,194,350)	(9,603,027)
<b>Total Net Position</b>	<b>\$ 38,708,504</b>	<b>\$ 20,203,855</b>

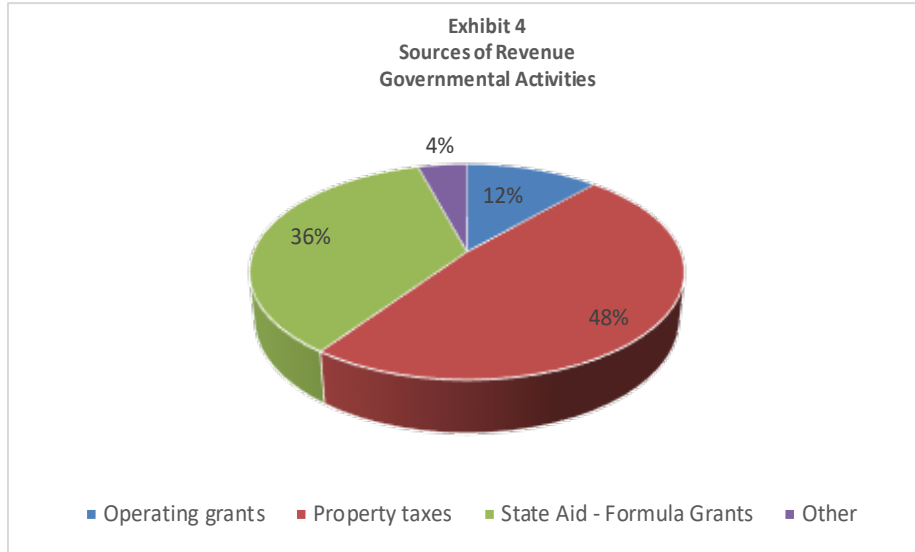
**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Exhibit 3 Changes in Net Position Governmental Activities**

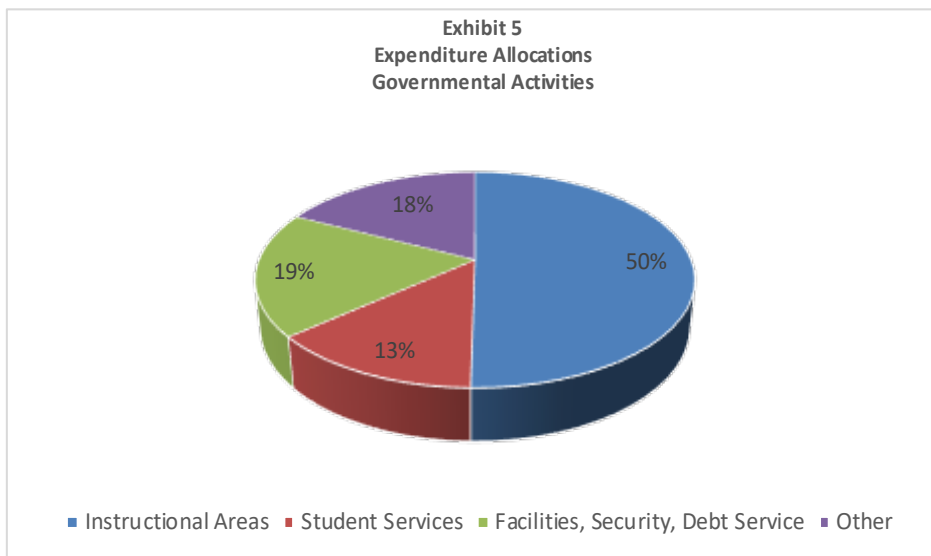
	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
<b>Program Revenues</b>		
Charges for services	\$ 1,603,052	\$ 1,477,436
Operating grants	14,289,962	17,356,229
<b>General Revenues</b>		
Property taxes	58,195,329	59,838,487
State Aid - Formula Grants	31,752,528	24,525,984
Grants and contributions not restricted	11,527,935	-
Interest earnings	3,095,214	2,432,017
Other	580,566	1,646,823
<b>Total Revenues</b>	<b>121,044,586</b>	<b>107,276,976</b>
<b>Expenses</b>		
Instruction	44,813,560	41,270,118
Instructional resources and media services	685,291	672,422
Curriculum and staff development	4,342,956	4,182,726
Instructional leadership	1,694,656	2,094,577
School leadership	4,503,359	4,541,427
Guidance, counseling, and evaluation services	4,370,817	3,859,434
Health services	793,793	721,152
Student transportation	4,099,526	3,236,004
Food service	6,642,906	2,674,827
Extracurricular activities	2,890,157	2,965,539
General administration	5,586,000	5,252,407
Facilities maintenance and operations	11,976,946	9,398,759
Security and monitoring services	2,314,509	1,851,969
Data processing services	2,720,432	2,618,924
Community services	35,138	119,939
Interest on long-term debt	4,862,268	7,530,719
Debt issuance costs and fees	13,688	8,200
Payments to Juvenile Justice Alternative Education Programs	3,000	13,260
Other intergovernmental charges	190,935	168,480
<b>Total Expenses</b>	<b>102,539,937</b>	<b>93,180,883</b>
Increase in Net Position	18,504,649	14,096,093
<b>Beginning Net Position</b>	<b>20,203,855</b>	<b>6,107,762</b>
<b>Ending Net Position</b>	<b>\$ 38,708,504</b>	<b>\$ 20,203,855</b>

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Other Financial Highlights.** For the year ended August 31, 2024 the District's total revenues were \$121 million. Approximately, 48% of the District's revenue was generated from property taxes, 36% was state aid & grants and contributions-unrestricted, and 12% operating grants and contributions. (See Exhibit 4).



For the year ended August 31, 2024, the District's total cost of all programs and services was \$103 million. Approximately 50% of the District's governmental activities were dedicated to instructional areas. Direct student services, such as counseling, nursing, and transportation services, comprised 13% of governmental expenses. The costs to operate facilities, including utilities, security services and debt payments comprised 19% of the cost of all programs (See Exhibit 5).



**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Governmental Funds Financial Analysis**

For the year ended August 31, 2024, the District's governmental funds reported ending fund balances of \$54 million. Of this amount, \$35.3 million constitutes unassigned fund balance available for use in activities at the District's discretion. The remainder of the fund balance is designated as non-spendable, restricted or committed, to indicate that it is not available for new spending because it has already been purposed for bond projects, debt service and other obligations of the District.

The General Fund is the chief operating fund of the District. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned and total fund balance to the total fund expenditures. Unassigned fund balance represents 47% of total General Fund expenditures, while total fund balance represents 51% of that same amount.

The Debt Service Fund has a total fund balance of \$9.6 million, which is restricted for the payment of debt service requirements. Other Governmental Funds have a total fund balance of \$5.5 million representing a decrease for the current year of \$1.1 million.

The ESSER III Grant Fund has a total fund balance of \$0, representing no change for the current year.

**Capital Assets and Long-Term Liabilities**

**Capital Assets**

At August 31, 2024, the District had \$206 million of capital assets, net of depreciation/amortization, including land, equipment, buildings, vehicles, and right-to-use assets. This amount represents a net decrease of \$2.7 million compared to last year (See Exhibit 6.)

**Exhibit 6 Capital Assets**

	<u>2024</u>	<u>2023</u>
Land	\$ 3,683,057	\$ 3,683,057
Buildings and improvements	292,912,952	288,665,641
Furniture and equipment	18,290,772	17,792,567
Right-to-use assets	3,179,763	3,179,763
<b>Total</b>	<u>318,066,544</u>	<u>313,321,028</u>
Accumulated Depreciation/Amortization	<u>(111,640,110)</u>	<u>(104,192,661)</u>
<b>Net Capital Assets</b>	<u>\$ 206,426,434</u>	<u>\$ 209,128,367</u>

For the year ended August 31, 2024, the District's capital spending totaled approximately \$5.1 million in buildings and improvements and capital equipment. For more information on the District's capital assets, see Note 4 in the financial statements.

**Debt Administration.** For the year ended August 31, 2024, the District had \$179 million in long-term debt outstanding. This represents a net decrease of \$17 million, or 9%, over last year. (See Exhibit 7).

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Exhibit 7 District's Long-Term Debt**

	<b>2024</b>	<b>2023</b>	<b>Percentage Change</b>
Bonds and Notes Payable	\$ 159,903,644	\$ 172,992,005	-8%
Premiums	14,088,762	14,965,155	-6%
Lease liability	1,449,135	2,050,253	-29%
Accreted interest on capital appreciation bonds	3,700,040	6,164,298	-40%
Long Term Debt Outstanding	<u>\$ 179,141,581</u>	<u>\$ 196,171,711</u>	-9%

The District's bonds presently carry A1 and A ratings from Moody's Investor Services and Standard & Poor's Ratings Group, respectively. For more information on the District's long-term debt, see Note 6 in the financial statements.

**Budgetary Highlights**

Over the course of the year, budget amendments are necessary to realign funds, which will increase and/or decrease various function levels and object series within the budget. All necessary budget amendments, which change the function level for appropriations and object series for revenues, are formally approved by the School Board and recorded in the board minutes each month. The difference between the original budget and the final amended budget were necessary amendments for changes in situations and estimates.

The District increased its General Fund local revenues budget by \$4 million and its General Fund state revenues budget by \$2 million. The District increased its General Fund expenditure budget by \$4 million, with the largest increase seen in Function 11 or instruction.

The District amended its Child Nutrition Program Fund revenue budget by \$2.9 million and amended the expenditure budget \$19 thousand. Additionally, the Debt Service Fund expenditure budget was amended by \$6.5 million.

**Economic Factors and Next Year's Budgets and Rates**

In August, the Board of Trustees adopted a deficit General Fund budget for the 2024-2025 fiscal year. Appropriations totaled \$87,226,639 million. The appraised property values for the 2024-2025 budget were projected to increase 11.07% with a 98% property tax collection rate. The Maintenance and Operations tax rate was increased to \$0.7869 per \$100 valuation while the Interest and Sinking ("I&S") tax rate remained the same at \$0.4375 per \$100 valuation. Student enrollment was projected at 6,950 students.

**Contacting the District's Financial Management**

This financial report is designed to provide the citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the funding it receives. If you have questions about this report or need additional financial information, contact the District's Finance Department at Lancaster Independent School District, 422 S. Centre Ave., Lancaster, TX 75146. You may also view previous year's financial reports on the District's website at [www.lancasterisd.org](http://www.lancasterisd.org).



## **BASIC FINANCIAL STATEMENTS**



**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**August 31, 2024**

Exhibit A-1

<u>Data Control</u>		<u>Governmental Activities</u>
<u>Codes</u>		
	<b>Assets</b>	
1110	Cash and cash equivalents	\$ 54,145,622
1225	Property taxes receivables, net	3,266,518
1240	Due from other governments	8,085,278
1290	Other receivables, net	44,011
1300	Inventories	1,406
1410	Prepaid expenses	34,929
	<b>Capital assets not subject to depreciation/amortization:</b>	
1510	Land	3,683,057
	<b>Capital assets net of depreciation/amortization:</b>	
1520	Buildings and improvements, net	198,051,438
1530	Furniture and equipment, net	3,317,531
1550	Right-to-use assets, net	1,374,408
<b>1000</b>	<b>Total Assets</b>	<u>272,004,198</u>
	<b>Deferred Outflows of Resources</b>	
	Deferred charge on refunding	1,241,317
	Deferred outflows - pension	13,194,396
	Deferred outflows - OPEB	6,833,807
<b>1700</b>	<b>Total Deferred Outflows of Resources</b>	<u>21,269,520</u>
	<b>Liabilities</b>	
2110	Accounts payable	2,055,662
2140	Interest payable	233,552
2150	Payroll deductions and withholdings	806,567
2160	Accrued wages payable	4,863,979
2180	Due to other governments	29,307
2200	Accrued expenses	323,447
2300	Unearned revenue	142,948
	<b>Noncurrent Liabilities:</b>	
2501	Due within one year	7,055,419
2502	Due in more than one year	172,086,162
2540	Net pension liability	29,600,492
2545	Net OPEB liability	12,223,176
<b>2000</b>	<b>Total Liabilities</b>	<u>229,420,711</u>
	<b>Deferred Inflows of Resources</b>	
	Deferred inflows - Pension	2,781,295
	Deferred inflows - OPEB	22,363,208
<b>2600</b>	<b>Total Deferred Inflows of Resources</b>	<u>25,144,503</u>
	<b>Net Position</b>	
3200	Net investment in capital assets	32,226,210
	Restricted for:	
3820	Federal and state programs	4,411,780
3850	Debt service	10,264,864
3900	Unrestricted	(8,194,350)
<b>3000</b>	<b>Total Net Position</b>	<u>\$ 38,708,504</u>

**LANCASTER INDEPENDENT SCHOOL DISTRICT**

*Exhibit B-1*

**STATEMENT OF ACTIVITIES**

**Year Ended August 31, 2024**

Data Control Codes	Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position
			Charges for Services	Operating Grants and Contributions	Governmental Activities
<b>Governmental activities:</b>					
11	Instruction	\$ 44,813,560	\$ -	\$ 1,317,211	\$ (43,496,349)
12	Instructional resources and media services	685,291	-	17,766	(667,525)
13	Curriculum and staff development	4,342,956	-	237,470	(4,105,486)
21	Instructional leadership	1,694,656	-	44,509	(1,650,147)
23	School leadership	4,503,359	-	143,200	(4,360,159)
31	Guidance, counseling, and evaluation services	4,370,817	-	119,912	(4,250,905)
33	Health services	793,793	-	1,069,443	275,650
34	Student transportation	4,099,526	-	100,627	(3,998,899)
35	Food service	6,642,906	163,071	9,443,806	2,963,971
36	Extracurricular activities	2,890,157	1,129,922	44,446	(1,715,789)
41	General administration	5,586,000	-	117,104	(5,468,896)
51	Facilities maintenance and operations	11,976,946	310,059	120,074	(11,546,813)
52	Security and monitoring services	2,314,509	-	37,624	(2,276,885)
53	Data processing services	2,720,432	-	40,769	(2,679,663)
61	Community services	35,138	-	350	(34,788)
72	Interest on long-term debt	4,862,268	-	1,435,651	(3,426,617)
73	Debt issuance costs and fees	13,688	-	-	(13,688)
95	Payments to Juvenile Justice Alternative Education Programs	3,000	-	-	(3,000)
99	Other intergovernmental charges	190,935	-	-	(190,935)
<b>TG</b>	<b>Total Governmental Activities</b>	<u>\$ 102,539,937</u>	<u>\$ 1,603,052</u>	<u>\$ 14,289,962</u>	<u>(86,646,923)</u>
<b>General Revenues:</b>					
Taxes:					
<b>MT</b>	Property taxes, levied for general purposes				37,485,358
<b>DT</b>	Property taxes, levied for debt service				20,709,971
<b>SF</b>	State-aid formula grants				31,752,528
<b>GC</b>	Grants and contributions not restricted				11,527,935
<b>IE</b>	Investment earnings				3,095,214
<b>MI</b>	Miscellaneous				580,566
<b>TR</b>	<b>Total General Revenues</b>				<u>105,151,572</u>
<b>CN</b>	Change in net position				18,504,649
<b>NB</b>	<b>Net Position - Beginning</b>				<u>20,203,855</u>
<b>NE</b>	<b>Net Position - Ending</b>				<u>\$ 38,708,504</u>

**LANCASTER INDEPENDENT SCHOOL DISTRICT**

*Exhibit C-1*

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
August 31, 2024**

Data Control Codes		General Fund	Debt Service Fund	ESSER III Grant Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
1110	Cash and temporary investments	\$ 42,691,692	\$ 9,576,959	\$ -	\$ 1,876,971	\$ 54,145,622
	Receivables:					
1225	Property taxes receivable, net	2,343,033	923,485	-	-	3,266,518
1240	Receivables from other governments	3,682,614	-	963,394	3,439,270	8,085,278
1260	Due from other funds	11,549,538	47,683	646,098	3,803,759	16,047,078
1290	Other receivables	44,011	-	-	-	44,011
1300	Inventories	1,406	-	-	-	1,406
1410	Prepaid items	11,832	-	-	23,097	34,929
<b>1000</b>	<b>Total Assets</b>	<u>\$ 60,324,126</u>	<u>\$ 10,548,127</u>	<u>\$ 1,609,492</u>	<u>\$ 9,143,097</u>	<u>\$ 81,624,842</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>						
<b>Liabilities:</b>						
2110	Accounts payable	\$ 755,519	\$ -	\$ 319,917	\$ 982,052	\$ 2,057,488
2150	Payroll withholdings payable	806,567	-	-	-	806,567
2160	Accrued wages payable	4,389,161	-	79,502	395,316	4,863,979
2170	Due to other funds	12,647,280	49,711	1,210,073	2,140,014	16,047,078
2180	Payable to other governments	-	-	-	27,481	27,481
2200	Accrued expenditure	323,447	-	-	-	323,447
2300	Unearned revenue	-	-	-	142,948	142,948
<b>2000</b>	<b>Total Liabilities</b>	<u>18,921,974</u>	<u>49,711</u>	<u>1,609,492</u>	<u>3,687,811</u>	<u>24,268,988</u>
<b>Deferred Inflows of Resources</b>						
2600	Unavailable revenue - property taxes	2,324,129	915,440	-	-	3,239,569
2600	Unavailable revenue - SHARS	119,103	-	-	-	119,103
<b>2600</b>	<b>Total Deferred Inflows of Resources</b>	<u>2,443,232</u>	<u>915,440</u>	<u>-</u>	<u>-</u>	<u>3,358,672</u>
<b>Fund Balances:</b>						
<b>Nonspendable:</b>						
3410	Inventories	1,406	-	-	-	1,406
3430	Prepaid items	11,832	-	-	23,097	34,929
<b>Restricted:</b>						
3450	Grant restrictions	-	-	-	4,411,780	4,411,780
3470	Capital acquisitions	-	-	-	494,479	494,479
3480	Debt service	-	9,582,976	-	-	9,582,976
<b>Committed:</b>						
3545	Other committed fund balance	3,645,000	-	-	525,930	4,170,930
3600	<b>Unassigned</b>	35,300,682	-	-	-	35,300,682
<b>3000</b>	<b>Total Fund Balances</b>	<u>38,958,920</u>	<u>9,582,976</u>	<u>-</u>	<u>5,455,286</u>	<u>53,997,182</u>
<b>4000</b>	<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 60,324,126</u>	<u>\$ 10,548,127</u>	<u>\$ 1,609,492</u>	<u>\$ 9,143,097</u>	<u>\$ 81,624,842</u>

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS**  
**TO STATEMENT OF NET POSITION**  
**August 31, 2024**

*Exhibit C-1R*

<u>Data Control Codes</u>		
	<b>Total Fund Balance, Governmental Funds</b>	<b>\$ 53,997,182</b>
	Amounts reported for governmental activities in the statement of net position are different because:	
1	Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Capital assets at historical cost, net of accumulated depreciation/amortization, where applicable.	206,426,434
2	Property taxes receivable have been levied and are due this year, but are not available soon enough to pay for the current period's expenditures, these property taxes and related penalty and interest amounts (net of allowance for uncollectible accounts).	3,239,569
3	School Health and Related Services receivable has been determined and is due to the District, but is not available soon enough to pay for the current period's expenditures.	119,103
4	Deferred inflows relating to pension activities	(2,781,295)
5	Deferred inflows relating to OPEB activities	(22,363,208)
	Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
6	General obligation bonds	(159,903,644)
7	Premium/Discount on bond issuance	(14,088,762)
8	Deferred loss on refunding	1,241,317
9	Accreted interest on premium compound interest bonds	(3,700,040)
10	Lease liability	(1,449,135)
11	Accrued interest payable	(233,552)
12	Net pension liability	(29,600,492)
13	Net OPEB liability	(12,223,176)
14	Deferred outflows relating to pension activities	13,194,396
15	Deferred outflows relating to OPEB activities	<u>6,833,807</u>
29	<b>Total Net Position- Governmental Activities</b>	<b><u>\$ 38,708,504</u></b>

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**For the Year Ended August 31, 2024**

*Exhibit C-2*

Data Control Codes		General Fund	Debt Service Fund	ESSER III Grant Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
5700	Local, intermediate, and out-of-state	\$ 40,900,947	\$ 21,432,226	\$ -	\$ 1,722,868	\$ 64,056,041
5800	State program revenues	35,782,643	1,435,651	-	1,318,238	38,536,532
5900	Federal program revenues	1,781,163	-	3,108,185	15,077,403	19,966,751
<b>5020</b>	<b>Total Revenues</b>	<u>78,464,753</u>	<u>22,867,877</u>	<u>3,108,185</u>	<u>18,118,509</u>	<u>122,559,324</u>
<b>Expenditures</b>						
<b>Current:</b>						
0011	Instruction	37,277,740	-	1,909,337	3,866,593	43,053,670
0012	Instruction resources and media services	647,329	-	-	-	647,329
0013	Curriculum and instructional staff development	905,251	-	540,937	2,791,497	4,237,685
0021	Instructional leadership	1,415,155	-	235	184,719	1,600,109
0023	School leadership	4,256,836	-	-	12,152	4,268,988
0031	Guidance, counseling and evaluation services	3,450,619	-	-	677,632	4,128,251
0033	Health services	752,567	-	-	-	752,567
0034	Student transportation	3,889,854	-	-	-	3,889,854
0035	Food services	-	-	-	6,137,157	6,137,157
0036	Extracurricular activities	2,340,661	-	-	984,790	3,325,451
0041	General administration	5,154,342	-	81,242	18,052	5,253,636
0051	Facilities maintenance and operations	10,308,752	-	377,714	3,309,793	13,996,259
0052	Security and monitoring services	1,801,926	-	-	580,554	2,382,480
0053	Data processing services	2,264,128	-	198,720	630,214	3,093,062
0061	Community services	18,583	-	-	14,119	32,702
<b>Debt service:</b>						
0071	Principal on long-term debt	601,118	13,088,361	-	-	13,689,479
0072	Interest on long-term debt	601,757	7,493,769	-	-	8,095,526
0073	Bond and issuance costs and fees	5,200	8,488	-	-	13,688
<b>Intergovernmental:</b>						
0095	Payments to Juvenile Justice Alternative Education Program	3,000	-	-	-	3,000
0099	Other intergovernmental charges	190,935	-	-	-	190,935
<b>6030</b>	<b>Total Expenditures</b>	<u>75,885,753</u>	<u>20,590,618</u>	<u>3,108,185</u>	<u>19,207,272</u>	<u>118,791,828</u>
1100	Excess (deficiency) of revenues over expenditures	<u>2,579,000</u>	<u>2,277,259</u>	<u>-</u>	<u>(1,088,763)</u>	<u>3,767,496</u>
1200	Net change in fund balances	2,579,000	2,277,259	-	(1,088,763)	3,767,496
<b>0100</b>	<b>Fund Balance - September 1 (Beginning)</b>	<u>36,379,920</u>	<u>7,305,717</u>	<u>-</u>	<u>6,544,049</u>	<u>50,229,686</u>
<b>3000</b>	<b>Fund Balance - August 31 (Ending)</b>	<u>\$ 38,958,920</u>	<u>\$ 9,582,976</u>	<u>\$ -</u>	<u>\$ 5,455,286</u>	<u>\$ 53,997,182</u>

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended August 31, 2024**

*Exhibit C-2R*

<u>Data Control Codes</u>		
	Net change in fund balances - total governmental funds (from C-2)	\$ 3,767,496
	Amounts reported for governmental activities in the statement of activities (B-1) are different because:	
<b>1</b>	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	
	Capital outlay	5,101,911
	Depreciation/amortization expense	(7,672,990)
	Loss on disposals	(130,854)
<b>2</b>	Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	24,224
<b>3</b>	State health and related service revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	119,103
<b>4</b>	Changes in deferred outflows related to pension and OPEB	3,493,665
<b>5</b>	Changes in deferred inflows related to pension and OPEB	3,283,817
<b>6</b>	Repayment of bond principal and lease liability is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position.	13,689,479
	Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:	
<b>7</b>	Changes in the net pension liabilities	(6,497,010)
<b>8</b>	Changes in the net OPEB liabilities	92,550
<b>9</b>	Decrease in interest payable not recognized in fund statements	17,805
<b>10</b>	Amortization of bond premium	876,393
<b>11</b>	Amortization of deferred loss on refunded bonds	(125,198)
<b>12</b>	Accreted interest on capital appreciation bonds	2,464,258
	<b>Change in Net Position of Governmental Activities (see B-1)</b>	<u>\$ 18,504,649</u>

**Note 1 - Summary of Significant Accounting Policies**

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

**Reporting Entity**

The Lancaster Independent School District (District) is governed by a seven-member Board of Trustees (Board), which has governance responsibilities over all activities related to public elementary and secondary education within 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.

**Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. The effect of interfund activity has been removed from these statements. *Governmental activities* normally are supported by taxes and intergovernmental revenues.

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

Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds. Agency funds also use the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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 funds utilize the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered available when they are expected to be collected during the current budgetary period or within 60 days thereafter to pay liabilities outstanding at the close of the budgetary 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.

**Note 1 - Summary of Significant Accounting Policies (continued)**

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

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 capital leases 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.

The District reports the following major governmental funds:

- The *general fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.
- The *ESSER III* Fund account for federal stimulus ESSER III funds granted to LEAs through the American Rescue Plan Act to address learning loss and the disproportionate impact of the coronavirus on certain student subgroups, identify and provide homeless children and youth with services in light of challenges of the coronavirus, and enable homeless children and youth to attend school and participate fully in school activities.

Additionally, the District reports the following fund types:

**Governmental Funds**

**Special Revenue Funds:** The District accounts for resources restricted to, or designated for, a specific purpose by the District or a grantor in a special revenue fund. Most federal and some state financial award programs are accounted for in these funds and sometimes unused balances must be returned to the grantor at the close of specified project periods.

**Capital Projects Fund:** The District accounts for the proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions in the capital projects fund.

The District does not have any fiduciary funds.

**Note 1 - Summary of Significant Accounting Policies (continued)**

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

Nonmajor governmental funds of the District include federal, state and local grant funds accounted for as *special revenue funds*. Additionally, the *capital projects fund*, which is used to account for the proceeds from sales of bonds and other revenues to be used for authorized construction and technology projects/enhancements, is included in the nonmajor governmental funds of the District.

Amounts reported as *program revenues* include 1) charges to students or users for goods, services, or privileges provided and 2) operating grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and investment income.

Operating expenses for the internal service fund include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**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 charges. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

**Receivables and Payables**

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, except for delinquent taxes receivable, which are not scheduled for collection within one year of year end. Of the \$2.8 million outstanding at August 31, 2024, it is expected that the District will collect approximately \$500,000 during the upcoming year.

**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 and when they are expected to be collected during a 60-day period after the close of the fiscal year.

**Note 1 - Summary of Significant Accounting Policies (continued)**

**Property Taxes (continued)**

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.

At August 31, 2024, net property taxes receivable is calculated as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Totals</u>
Gross property taxes receivable	\$ 2,753,029	\$ 1,089,916	\$ 3,842,945
Allowance for uncollectible taxes	(409,996)	(166,431)	(576,427)
<b>Net Property Taxes Receivable</b>	<u>\$ 2,343,033</u>	<u>\$ 923,485</u>	<u>\$ 3,266,518</u>

**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, if any, reflect costs applicable to future accounting periods and are recorded as prepaid items.

**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, and right-to use assets amortized, using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Estimated Useful Lives</u>
Buildings and improvements	50
Buses	15
Office equipment	7
Vehicles	5
Right-to-Use Assets	Lease term
Computer equipment	3

**Long-term Obligations**

In the financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. The difference between this method and the interest method is immaterial. Bonds payable are reported net of the applicable premium or discount.

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

**Note 1 - Summary of Significant Accounting Policies (continued)**

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position, deferred amounts related to pension, and deferred amounts related to OPEB. The deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB relate differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide financial statements the District reports deferred amounts related to pension and deferred amounts related to OPEB.

**Pensions**

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

**Other Post-Employment Benefits (OPEB)**

The fiduciary net position of the 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.

**Net Position and Fund Balances**

Lancaster Independent School District reports fund balances in accordance with GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

**Nonspendable fund balance** – amounts that are not in spendable form or are required to be maintained intact. As such, inventory and prepaid items have been properly classified in the Governmental Funds Balance Sheet (Exhibit C-1).

**Note 1 - Summary of Significant Accounting Policies (continued)**

**Net Position and Fund Balances (continued)**

**Restricted fund balance** – Amounts that can be spent only for specific purposes because of local, state or federal laws, or externally imposed conditions by grantors or creditors. The General Fund includes \$3,645,000 that is being set aside to pay Qualified Zone Academy Maintenance Tax Notes.

**Committed fund balance** – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e. the Board of Trustees). To be reported as committed, amounts cannot be used for any other purposes unless the District takes the same highest level of action to remove or change the constraint. The District establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. A fund balance commitment is further indicated in the budget document as a commitment of the fund. At August 31, 2024, the Board has committed funds totaling \$525,930 relative to the Campus Activity Fund and other special revenue funds, and \$3,645,000 relative the General Fund.

**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** – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

**Net Position**

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

**Net Position Flow Assumptions**

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 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.

**Note 1 - Summary of Significant Accounting Policies (continued)**

**Fund Balance Flow Assumptions**

The District will sometimes 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, and then, finally, unassigned fund balance.

**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 on the government-wide statement of net position.

**Data Control Codes**

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

**Use of Estimates**

The presentation of financial statements, in conformity with generally accepted accounting principles (GAAP) requires the use of management's estimates. Actual results could differ from those estimates.

**Leases**

Lessee: The District is a lessee for several noncancellable leases for property and equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the District measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

**Note 1 - Summary of Significant Accounting Policies (continued)**

**Leases (continued)**

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

**Implementation of New Accounting Standards**

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

**Note 2 - Deposits and Investments**

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

**Cash Deposits**

At August 31, 2024, the carrying amount of the District's deposits (including fiduciary balances, but excluding the investments listed below) was \$8.8 million and the bank balance was \$12 million. The District's cash deposits 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.

**Investments**

The District is required by Government Code Chapter 2256, The Public Funds Investment Act (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 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.

**Note 2 - Deposits and Investments (continued)**

**Investments (continued)**

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, 2024, are shown below.

<u>Investment or Investment Type</u>	<u>Weighted Maturity (Days)</u>	<u>Amortized Cost</u>
Lone Star Investment Pool	23	\$ 44,836,284
TexPool Investment Pool	36	527,737
		<u>\$ 45,364,021</u>

The District categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below. In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District's assessment of the significance of particular inputs to these fair value measurements requires judgement and considers factors specific to each asset or liability.

The District values investment pools at net asset value per unit/share.

**Public Funds Investment Pools**

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

- Lone Star Investment Pool** - The Lone Star Investment Pool (Lone Star) is a local government investment pool organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and operates under the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. Lone Star is administered by First Public, a subsidiary of the Texas Association of School Boards (TASS), with Standish and American Beacon Advisors managing the investment and reinvestment of Lone Star's assets. State Street Bank provides custody and valuation services to Lone Star. All of the board of trustees' eleven members are Lone Star participants by either being employees or elected officials of a participant. Lone Star has established an advisory board composed of both pool members and non-members. Lone Star is rated AAAM by Standard and Poor's. Lone Star has three different funds: Government Overnight, Corporate Overnight, and Corporate Overnight Plus. Each seeks to maintain a net asset value of \$1.00 per unit. The District is only invested in the Government Overnight Fund.

**Note 2 - Deposits and Investments (continued)**

**Investments (continued)**

**Public Funds Investment Pools (continued)**

- **TexPool Investment Pool** - The TexPool Local Government Investment Pool (TexPool) is a local government investment pool organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and operates under the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The State Comptroller of Public Accounts oversees TexPool. Federated Investors, Inc. is the administrator and investment manager of TexPool under a contract with the State Comptroller. In accordance with the Public Funds Investment Act, the State Comptroller has appointed the TexPool Investment Advisory Board to advise with respect to TexPool. The board is composed equally of participants in TexPool Portfolios and other persons who do not have a business relationship with TexPool Portfolios and are qualified to advise in respect to TexPool Portfolios. The Advisory Board members review the investment policy and management fee structure. TexPool is rated AAAM by Standard & Poor's. All investments are stated at amortized cost, which usually approximates the market value of the securities. The stated objective of TexPool is to maintain a stable average \$1.00 per unit net asset value; however, the \$1.00 net asset value is not guaranteed or insured. The financial statements can be obtained from the Texas Trust Safekeeping Trust Company website at [www.ttstc.org](http://www.ttstc.org).

**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.

**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.

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

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

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

**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.

**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.

**Note 3 - Receivables**

Receivables as of year-end for the District's individual major and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>ESSER III Grant Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Property taxes	\$ 2,753,029	\$ 1,089,916	\$ -	\$ -	\$ 3,842,945
Due from other governments	3,682,614	-	963,394	3,439,270	8,085,278
Other	44,011	-	-	-	44,011
Gross receivables	6,479,654	1,089,916	963,394	3,439,270	11,972,234
Less allowance for doubtful accounts	(409,996)	(166,431)	-	-	(576,427)
<b>Net Total Receivables</b>	<u>\$ 6,069,658</u>	<u>\$ 923,485</u>	<u>\$ 963,394</u>	<u>\$ 3,439,270</u>	<u>\$ 11,395,807</u>

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or in connection with resources that have been received, but not yet earned.

**Note 4 - Capital Assets**

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

	<u>Balance September 01, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance August 31, 2024</u>
<b>Capital Assets, not being Depreciated</b>				
Land	\$ 3,683,057	\$ -	\$ -	\$ 3,683,057
<b>Total Capital Assets, not being Depreciated</b>	3,683,057	-	-	3,683,057
<b>Capital Assets, being Depreciated</b>				
Buildings and improvements	288,665,641	4,247,311	-	292,912,952
Furniture and equipment	17,792,567	854,600	(356,395)	18,290,772
Right-to-Use Asset -Leases	3,179,763	-	-	3,179,763
<b>Total Capital Assets, being Depreciated</b>	309,637,971	5,101,911	(356,395)	314,383,487
<b>Less Accumulated Depreciation/Amortization for:</b>				
Buildings and improvements	(89,213,535)	(5,647,979)	-	(94,861,514)
Furniture and Equipment	(13,775,556)	(1,423,226)	225,541	(14,973,241)
Right-to-Use Asset - Leases	(1,203,570)	(601,785)	-	(1,805,355)
<b>Total Accumulated Depreciation/Amortization</b>	(104,192,661)	(7,672,990)	225,541	(111,640,110)
<b>Governmental Capital Assets</b>	<u>\$ 209,128,367</u>	<u>\$ (2,571,079)</u>	<u>\$ (130,854)</u>	<u>\$ 206,426,434</u>

**Note 4 - Capital Assets (continued)**

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

<u>Function</u>	<u>Depreciation/ Amortization Expense</u>
Instruction	\$ 3,394,833
Instructional resources and Curriculum and staff development	53,411 304,547
Instructional leadership	132,006
School leadership	352,236
Guidance, counseling and evaluation services	340,623
Health services	62,095
Student transportation	320,953
Food Services	504,975
Extracurricular activities	271,737
General administration	426,896
Facilities maintenance and operations	1,119,277
Security and monitoring services	199,400
Data processing services	187,303
Community services	2,698
<b>Total Governmental Depreciation</b>	<b>\$ 7,672,990</b>

Net investment in capital assets for governmental activities as of August 31, 2024 is calculated as follows:

Capital assets	\$ 206,426,434
Bonds payable	(159,903,644)
Premiums	(14,088,762)
Deferred amount on refunding	1,241,317
Lease liability	(1,449,135)
<b>Net Investment in Capital Assets</b>	<b>\$ 32,226,210</b>

**Note 5 - Interfund Receivables, Payables, and Transfers**

Interfund balances consist of short-term lending/borrowing arrangements that result primarily from payroll and other regularly occurring charges that are paid by the general fund and then charged back to the appropriate other fund. Additionally, some lending/borrowing may occur between two or more nonmajor governmental funds.

The composition of interfund balances as of August 31, 2024, is as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Net</u>
<b>Governmental Funds</b>			
General Fund	\$ 11,549,538	\$ 12,647,280	\$ (1,097,742)
Debt Service Fund	47,683	49,711	(2,028)
ESSER III Grant Fund	646,098	1,210,073	(563,975)
Nonmajor Governmental Funds	3,803,759	2,140,014	1,663,745
<b>Total Governmental Funds</b>	<b>16,047,078</b>	<b>16,047,078</b>	<b>-</b>
<b>Total</b>	<b>\$ 16,047,078</b>	<b>\$ 16,047,078</b>	<b>\$ -</b>

Interfund transfers are defined as “flows of assets without equivalent flow of assets in return and without a requirement for repayment.” The District did not report any interfund transfers for the fiscal year ended August 31, 2024.

**Note 5 - Interfund Receivables, Payables, and Transfers (continued)**

Interfund transfers generally fall into two categories: (1) transfers to cover debt service payments to comply with debt covenants, (2) transfers to cover operating expenditures/deficits in accordance with District policy or legal requirements and (3) transfers to the capital projects fund to be assigned for future capital expenditures.

The interfund balances are anticipated to be repaid within one year.

**Note 6 - Long-Term Liabilities**

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:

	<u>Balance</u> <u>September 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>August 31, 2024</u>	<u>Due Within</u> <u>One Year</u>
General obligation bonds	\$ 172,992,005	\$ -	\$ (13,088,361)	\$ 159,903,644	\$ 3,807,531
Accreted interest on premium compound interest bonds	6,164,299	181,267	(2,645,526)	3,700,040	2,797,469
Premiums/discounts	14,965,155	-	(876,393)	14,088,762	-
Lease liability	2,050,253	-	(601,118)	1,449,135	450,419
	<u>\$ 196,171,712</u>	<u>\$ 181,267</u>	<u>\$ (17,211,398)</u>	<u>\$ 179,141,581</u>	<u>\$ 7,055,419</u>
Deferred Loss on Refunding	<u>\$ 1,366,515</u>	<u>\$ -</u>	<u>(125,198)</u>	<u>\$ 1,241,317</u>	

**General Obligation Bonds**

General obligation bonds are direct obligations and pledge the full faith and credit of the District. These are issued as current interest bonds, term bonds, and capital appreciation bonds (CAB) with various amounts of principal maturing each year. Bonds payable for the year ended August 31, 2024 were as follows:

<u>Issue</u>	<u>Original</u> <u>Amount</u> <u>Outstanding</u>	<u>Interest Rate</u> <u>(%)</u>	<u>Maturity</u> <u>Date</u>	<u>Debt</u> <u>Outstanding</u> <u>8/31/24</u>
Qualified Zone Academy Maintenance Tax Notes, Series 2012	\$ 6,075,000	4.00%	8/15/2027	\$ 6,075,000
Unlimited Tax Refunding Bonds, Series 2013	8,975,000	2.00% to 4.00%	2/15/2035	8,110,000
Unlimited Tax Refunding Bonds, Series 2014	8,760,000	2.00% to 4.00%	2/15/2029	5,000,000
Unlimited Tax School Building Bonds, Series 2015-A	48,110,000	2.00% to 4.00%	2/15/2045	26,326,639
Unlimited Tax Refunding Bonds, Series 2015-B	9,630,000	1.50% to 4.00%	2/15/2035	6,645,000
Unlimited Tax Refunding Bonds, Series 2015-C	56,821,933	2.00% to 5.00%	2/15/2034	39,922,005
Unlimited Tax School Building Bonds, Series 2016	7,400,000	2.00% to 3.25%	2/15/2045	5,535,000
Unlimited Tax School Building Bonds, Series 2017	64,210,000	2.00% to 5.00%	2/15/2045	62,290,000
	<u>\$ 209,981,933</u>			<u>\$ 159,903,644</u>

**Note 6 - Long-Term Liabilities (continued)**

**General Obligation Bonds (continued)**

Debt service requirements to maturity are as follows:

<u>Year Ending August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2025	\$ 3,807,531	\$ 10,105,962	\$ 13,913,493
2026	6,825,000	7,087,962	13,912,962
2027	13,225,000	6,760,757	19,985,757
2028	7,470,000	6,200,307	13,670,307
2029	7,775,000	5,892,657	13,667,657
2030 - 2034	40,286,113	25,356,134	65,642,247
2035 - 2039	39,090,000	14,685,312	53,775,312
2040 - 2044	33,725,000	5,580,019	39,305,019
2045	7,700,000	188,450	7,888,450
	<u>\$ 159,903,644</u>	<u>\$ 81,857,560</u>	<u>\$ 241,761,204</u>

**Accretion on Capital Appreciation Bonds**

A portion of the bonds sold in the Unlimited Tax Refunding Bonds, Series 2013, were capital appreciation bonds. The obligations have par values of \$140,000 and maturity values of \$1,305,000. The interest on these obligations will be paid upon maturity in the fiscal year August 31, 2030. The accreted values of these bonds at August 31, 2024 are \$952,961.

A portion of the bonds sold in the Unlimited Tax Refunding Bonds, Series 2015-C, were capital appreciation bonds. The obligations have a par value of \$3,231,933 and maturity values of \$11,140,000. The interest on these obligations will be paid upon maturity in the fiscal years August 31, 2023 through 2025. The accreted value of those bonds at August 31, 2024 are \$2,747,079.

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. The information is required under SEC rule 15c2-12 to enable investors to analyze the financial condition and operations of the District.

**Note 6 - Long-Term Liabilities (continued)**

**Right to Use Lease Liabilities**

The District has two leases for buses that have an interest rate of 3.42% and a remaining term as of September 1, 2021 of 73 months. In addition, the District also had a Dell lease that has an interest rate of 5.25% that expired during the fiscal year. As of August 31, 2024, the values of the lease liabilities was \$1,449,135. Monthly lease payments range from \$593 to \$40,487 and mature in fiscal year 2027. The leases qualify as other than short-term lease as defined by Government Accounting Standards Board (GASB) Statement No. 87 ("GASB 87"). Therefore the District has recorded right-to-use lease assets and the lease liability at an amount equal to the initial measurement of the related lease liability. The liability was measured at a discount rate of 3.42%. The rights to use assets are amortized on a straight-line basis over the life of the asset. At August 31, 2024, the right to use asset related to leases is \$3,179,763 and accumulated amortization is \$1,805,355.

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

Year Ending August 31,	Lease Liability		Totals
	Principal	Interest	
2025	\$ 450,419	\$ 42,544	\$ 492,963
2026	466,067	26,896	492,963
2027	482,259	12,074	494,333
2028	50,390	10,704	61,094
	<u>\$ 1,449,135</u>	<u>\$ 92,218</u>	<u>\$ 1,541,353</u>

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

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

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Property Taxes	\$ 37,466,454	\$ 20,704,651	\$ -	\$ 58,171,105
Investment Income	2,225,797	727,575	5,866	2,959,238
Rent	310,059	-	-	310,059
Co-curricular student activities	146,190	-	-	146,190
Food Sales	-	-	163,071	163,071
Other	752,447	-	1,553,931	2,306,378
	<u>\$ 40,900,947</u>	<u>\$ 21,432,226</u>	<u>\$ 1,722,868</u>	<u>\$ 64,056,041</u>

**Note 8 - Defined Benefit Retirement Plan**

**Plan Description**

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

**Pension Plan Fiduciary Net Position**

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the internet at <https://www.trs.texas.gov/TRS%20Documents/acfr-2022.pdf> , or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

**Benefits Provided**

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

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

In May 2019, the 86th Texas Legislature approved the TRS Pension Reform Bill (Senate Bill 12) that provides for gradual contribution increases from the state, participating employers, and active employees to make the pension fund actuarially sound. This action causing the pension fund to be actuarially sound, allowed the legislature to approve funding for a 13th check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in either the matching amount of their monthly annuity or \$2,000, whichever was less.

**Note 8 - Defined Benefit Retirement Plan (continued)**

**Contributions**

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

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

	<u>Contribution Rates</u>	
	<u>September 1, 2023 to August 31, 2024</u>	<u>September 1, 2022 to August 31, 2023</u>
Member	8.25%	8.00%
Non-Employer Contributing Entity	8.25%	8.00%
Employers	8.25%	8.00%
	 <b>Current Fiscal Year Contributions</b>	
Employer (District)	\$ 2,228,248	
Employee (Member)	4,439,623	
Non-Employer Contributing Entity		
On-Behalf Contributions (State)	3,125,659	

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

**Note 8 - Defined Benefit Retirement Plan (continued)**

**Contributions (continued)**

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

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

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

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

**Actuarial Assumptions**

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

<u>Component</u>	<u>Result</u>
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 Rate	7.00%
Municipal Bond Rate as of August 2020	4.13% - The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index"
Last year ending August 31 in Projection Period (100 years)	2122
Inflation	2.30%
Salary Increases	2.95% to 8.95% including inflation
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

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

**Note 8 - Defined Benefit Retirement Plan (continued)**

**Discount Rate**

A single discount rate of 7.00 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.00 percent. The projection of flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.50 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 benefits payment of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

Asset Class	Target Allocation <sup>2</sup>	Long-Term Expected Geometric Real Rate of Return <sup>3</sup>	Expected Contribution to Long-Term Portfolio Returns
<b>Global Equity</b>			
USA	18.00%	4.00%	1.00%
Non-U.S. Developed	13.00%	4.50%	0.90%
Emerging Markets	9.00%	4.80%	0.70%
Private Equity <sup>1</sup>	14.00%	7.00%	1.50%
<b>Stable Value</b>			
Government Bonds	16.00%	2.50%	0.50%
Absolute Return <sup>1</sup>		3.60%	
Stable Value Hedge Funds	5.00%	4.10%	0.20%
<b>Real Return</b>			
Real Estate	15.00%	4.90%	1.10%
Energy, Natural Resources & Infrastructure	6.00%	4.80%	0.40%
Commodities		4.40%	
<b>Risk Parity</b>	8.00%	4.50%	0.40%
<b>Asset Allocation Leverage</b>			
Cash	2.00%	3.70%	
Asset Allocation Leverage	-6.00%	4.40%	-0.10%
Inflation Expectation			2.30%
Volatility Drag <sup>4</sup>			-0.90%
<b>Expected Return</b>	100.00%		8.00%

<sup>1</sup> Absolute Return includes Credit Sensitive Investments.

<sup>2</sup> Target allocations are based on the fiscal year 2023 policy model.

<sup>3</sup> Capital Market Assumptions come from Aon Hewitt as of August 31, 2023.

<sup>4</sup> The volatility drag results from the conversion between arithmetic and geometric mean returns.

**Note 8 - Defined Benefit Retirement Plan (continued)**

**Discount Rate Sensitivity Analysis**

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

	<b>Discount Rate</b>		
	<b>1% Decrease (6.00%)</b>	<b>Current Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
District's proportional share of the Net Pension Liability:	\$ 44,254,375	\$ 29,600,492	\$ 17,415,781

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

At August 31, 2024, the District reported a liability of \$29,600,492 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 29,600,492
State's proportionate share that is associated with the District	<u>36,576,541</u>
<b>Total</b>	<u><u>\$ 66,177,033</u></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 employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2022 thru August 31, 2023.

At August 31, 2023, the District's proportion of the collective net pension liability was 0.0431% which was an increase 0.0042% from its proportion measured as of August 31, 2022.

The General, Capital Projects and Special Revenue Funds are used to liquidate pension liabilities.

**Changes Since the Prior Actuarial Valuation**

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

For the year ended August 31, 2024, the District recognized pension expense of \$5,077,674. The District also recognized an additional on-behalf revenue and expense of \$5,522,741 representing for support provided by the State.

**Note 8 - Defined Benefit Retirement Plan (continued)**

**Changes Since the Prior Actuarial Valuation (continued)**

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

	<u>Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 1,054,676	\$ (358,430)
Changes of assumption	2,799,627	(685,132)
Net difference between projected and actual investment earnings	4,307,590	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	2,804,255	(1,737,733)
District contributions subsequent to the measurement date of the net pension liability	2,228,248	-
<b>Total</b>	<u>\$ 13,194,396</u>	<u>\$ (2,781,295)</u>

Deferred outflows of resources resulting from District contributions subsequent to the measurement date in the amount of \$2,228,248 will be recognized as a reduction of the net pension liability in the year ended August 31, 2025. The net amounts of the District's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending August 31,</u>	<u>Pension Expense Amount</u>
2025	\$ 1,595,616
2026	938,225
2027	3,814,921
2028	1,501,218
2029	334,873
	<u>\$ 8,184,853</u>

**Note 9 - Defined Other Post-Employment Benefit Plans**

**Plan Description**

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

**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 (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the internet at [https://www.trs.texas.gov/TRS%20Documents/cafr\\_2022.pdf](https://www.trs.texas.gov/TRS%20Documents/cafr_2022.pdf), or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

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

**Benefits Provided**

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

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

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

<b>TRS-Care Monthly for Retirees</b>				
	<b>Medicare</b>		<b>Non-Medicare</b>	
Retiree or Surviving Spouse	\$	135	\$	200
Retiree and Spouse		529		689
Retiree or Surviving Spouse and Children		468		408
Retiree and Family		1,020		999

**Contributions**

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

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

**Contributions (continued)**

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

	<u>Contribution Rates</u>	
	<u>September 1, 2023 to August 31, 2024</u>	<u>September 1, 2022 to August 31, 2023</u>
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding remitted by Employers	1.25%	1.25%

	<u>Current Fiscal Year Contributions</u>
District Contributions	\$ 476,040
Employee Contributions	346,790
Non-employer Contributing Entity (State)	905,142

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

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

**Actuarial Assumptions**

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

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2021. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2022 TRS pension actuarial valuation that was rolled forward to August 31, 2023: (a) Rates of Mortality, (b) Rates of Retirement, (c) Rates of Termination, (d) Rates of Disability, (e) General Inflation, and (f) Wage Inflation.

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

**Actuarial Assumptions (continued)**

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.

Additional Actuarial Methods and Assumptions:

<u>Component</u>	<u>Result</u>
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	4.13% as of August 31, 2023
Long-term Expected Rate	7.00%
Municipal Bond Rate as of August 2020	The initial medical trend rates were 7.75% for Medicare retirees and 7.00% for non-Medicare retirees. The initial prescription drug trend was 7.75% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 12 years.
Last year ending August 31 in Projection Period (100 years)	2121
Inflation	2.30%
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

**Discount Rate**

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

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

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

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

**Discount Rate Sensitivity Analysis**

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

	<b>Discount Rate</b>		
	<b>1% Decrease</b>	<b>Current Rate</b>	<b>1% Increase</b>
	<b>(3.13%)</b>	<b>(4.13%)</b>	<b>(5.13%)</b>
District's proportionate share of the Net OPEB Liability:	\$ 14,396,356	12,223,176	\$ 10,449,809

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

At August 31, 2024, the District reported a liability of \$12,223,176 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	\$ 12,223,176
State's proportionate share that is associated with District	14,749,140
<b>Total</b>	<b>\$ 26,972,316</b>

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

At August 31, 2023, the District's proportion of the collective Net OPEB Liability was 0.0552% which was an increase of 0.0038% from its proportion measured as of August 31, 2022. The General, Capital Projects and Special Revenue Funds are used to liquidate OPEB liabilities.

*Healthcare Cost Trend Rates* – The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the health trend rates assumed.

	<b>Healthcare Cost Trend Rate</b>		
	<b>1% Decrease</b>	<b>Current Rate</b>	<b>1% Increase</b>
District's proportionate share of the Net OPEB Liability:	\$ 10,065,173	\$ 12,223,176	\$ 14,999,453

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

**Changes Since the Prior Actuarial Valuation**

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

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

**Changes of Benefit Terms Since the Prior Measurement Date**

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

For the year ended August 31, 2024, the District recognized negative OPEB expense of \$2,66,567. The District also recognized negative on-behalf expense and revenue of \$3,153,055 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:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	\$ 553,006	\$ (10,283,487)
Changes in actuarial assumptions	1,668,374	(7,484,575)
Net difference between projected and actual investment earnings	5,281	-
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	4,131,107	(4,595,146)
District contributions subsequent to the measurement date of the net OPEB liability	<u>476,039</u>	<u>-</u>
<b>Total</b>	<u>\$ 6,833,807</u>	<u>\$ (22,363,208)</u>

The \$476,039 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending August 31, 2025. 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:

<b>Year Ending August 31:</b>	<b>OPEB Expense Amount</b>
2025	\$ (3,682,951)
2026	(3,122,334)
2027	(2,363,348)
2028	(2,276,398)
2029	(2,219,995)
Thereafter	<u>(2,340,414)</u>
	<u>\$ (16,005,440)</u>

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

**Medicare Part D**

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended August 31, 2024, 2023, and 2022, the subsidy payments received by TRS-Care on behalf of the District were \$275,846, \$279,203, and \$199,923, respectively. The information for the year ended August 31, 2024 is an estimate provided by the Teacher Retirement System. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

**Note 10 - Risk Management**

The District is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, natural disasters, and cyber-attacks for which the District is insured. The District purchases property, auto, liability, privacy & information security, violent acts, and workers' compensation and unemployment insurance coverage from the Texas Association of School Boards. There have been no significant reductions in insurance coverage from the prior year for any category of risk and settlements have not exceeded coverage.

**Note 11 - Commitments and Contingencies**

The District participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. The District is undergoing a forensic audit and as of the date of this report, it has not been finalized. 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.

**Note 12 - Litigation**

No reportable litigation was pending against the District as of August 31, 2024.

**Note 13 - Arbitrage Liability**

The District did not have any arbitrage liability to report for fiscal year 2024.



## **REQUIRED SUPPLEMENTARY INFORMATION**

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**For the Year Ended August 31, 2024**

*Exhibit G-1*

Data Control Codes	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual Amounts		
<b>Revenues</b>					
5700	Local revenues	\$ 36,716,150	\$ 40,326,114	\$ 40,900,947	\$ 574,833
5800	State program revenues	32,986,909	34,580,835	35,782,643	1,201,808
5900	Federal program revenues	1,385,313	1,493,811	1,781,163	287,352
<b>5020</b>	<b>Total Revenues</b>	<u>71,088,372</u>	<u>76,400,760</u>	<u>78,464,753</u>	<u>2,063,993</u>
<b>Expenditures</b>					
<b>Current:</b>					
0011	Instruction	34,787,989	36,759,054	37,277,740	(518,686)
0012	Instruction resources and media services	628,110	678,610	647,329	31,281
0013	Curriculum and instructional staff development	853,149	913,649	905,251	8,398
0021	Instructional leadership	1,654,014	1,432,114	1,415,155	16,959
0023	School leadership	4,147,802	4,008,032	4,256,836	(248,804)
0031	Guidance, counseling and evaluation services	2,896,516	3,328,771	3,450,619	(121,848)
0033	Health services	622,161	763,911	752,567	11,344
0034	Student transportation	3,272,421	3,567,921	3,889,854	(321,933)
0035	Food services	3,000	1,600	-	1,600
0036	Extracurricular activities	1,440,228	2,440,828	2,340,661	100,167
0041	General administration	5,478,998	5,328,283	5,154,342	173,941
0051	Facilities maintenance and operations	10,055,358	10,339,258	10,308,752	30,506
0052	Security and monitoring services	1,704,048	1,804,048	1,801,926	2,122
0053	Data processing services	2,123,712	2,260,580	2,264,128	(3,548)
0061	Community services	4,000	19,000	18,583	417
<b>Debt Service:</b>					
0071	Principal on long-term debt	928,107	607,409	601,118	6,291
0072	Interest on long-term debt	281,059	601,757	601,757	-
0073	Bond issuance costs and fees	2,700	2,700	5,200	(2,500)
<b>Intergovernmental:</b>					
0095	Payments to Juvenile Justice Alternative Education Programs	30,000	30,000	3,000	27,000
0099	Other intergovernmental charges	175,000	190,935	190,935	-
<b>6030</b>	<b>Total Expenditures</b>	<u>71,088,372</u>	<u>75,078,460</u>	<u>75,885,753</u>	<u>(807,293)</u>
1200	Net change in fund balances	-	1,322,300	2,579,000	1,256,700
<b>0100</b>	<b>Fund Balances - Beginning</b>	<u>36,379,920</u>	<u>36,379,920</u>	<u>36,379,920</u>	<u>-</u>
<b>3000</b>	<b>Fund Balances - Ending</b>	<u>\$ 36,379,920</u>	<u>\$ 37,702,220</u>	<u>\$ 38,958,920</u>	<u>\$ 1,256,700</u>

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**TEACHER RETIREMENT SYSTEM OF TEXAS**  
**LAST NINE MEASUREMENT YEARS**

*Exhibit G-2*

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
District's proportionate share of the net pension liability	\$ 29,600,492	\$ 23,103,482	\$ 9,036,886	\$ 20,830,611	\$ 22,966,943
State's proportionate share of the net pension liability associated with the District	36,576,541	33,742,024	15,371,327	34,651,544	33,208,490
<b>Total</b>	<b>\$ 66,177,033</b>	<b>\$ 56,845,506</b>	<b>\$ 24,408,213</b>	<b>\$ 55,482,155</b>	<b>\$ 56,175,433</b>
District's covered payroll (for Measurement Year)	\$ 52,593,671	\$ 49,325,484	\$ 46,181,716	\$ 48,661,068	\$ 47,613,447
District's proportionate share of the net pension liability as a percentage of covered payroll	56.28%	46.84%	19.57%	42.81%	48.24%
Plan fiduciary net position as a percentage of the total pension liability	73.15%	75.65%	88.79%	75.54%	75.24%
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	
District's proportionate share of the net pension liability	\$ 22,533,421	\$ 13,663,786	\$ 16,467,390	\$ 16,136,950	
State's proportionate share of the net pension liability associated with the District	35,828,375	21,111,483	24,781,944	22,499,929	
<b>Total</b>	<b>\$ 58,361,796</b>	<b>\$ 34,775,269</b>	<b>\$ 41,249,334</b>	<b>\$ 38,636,879</b>	
District's covered payroll (for Measurement Year)	\$ 44,772,174	\$ 43,664,131	\$ 42,406,525	\$ 39,881,852	
District's proportionate share of the net pension liability as a percentage of covered payroll	50.33%	31.29%	38.83%	40.46%	
Plan fiduciary net position as a percentage of the total pension liability	73.74%	82.17%	78.00%	78.43%	

The schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS**  
**TEACHER RETIREMENT SYSTEM OF TEXAS**  
**LAST NINE FISCAL YEARS**

*Exhibit G-3*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contributions	\$ 2,228,248	\$ 2,139,253	\$ 1,830,215	\$ 1,514,317	\$ 1,541,825
Contributions in relation to the contractual required contributions	<u>2,228,248</u>	<u>2,139,253</u>	<u>1,830,215</u>	<u>1,514,317</u>	<u>1,541,825</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 53,784,999	\$ 52,593,671	\$ 49,325,484	\$ 46,181,716	\$ 48,661,068
Contributions as a percentage of covered payroll	4.14%	4.07%	3.71%	3.28%	3.17%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	
Contractually required contributions	\$ 1,490,103	\$ 1,347,871	\$ 1,400,546	\$ 1,317,416	
Contributions in relation to the contractual required contributions	<u>1,490,103</u>	<u>1,347,871</u>	<u>1,400,546</u>	<u>1,317,416</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
District's covered payroll	\$ 47,613,447	\$ 44,772,174	\$ 43,664,131	\$ 42,406,525	
Contributions as a percentage of covered payroll	3.13%	3.01%	3.21%	3.11%	

The schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**TEACHER RETIREMENT SYSTEM OF TEXAS**  
**FOR THE LAST SEVEN MEASUREMENT YEARS**

*Exhibit G-4*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
District's proportionate share of the net OPEB liability	\$ 12,223,176	\$ 12,315,726	\$ 18,990,650	\$ 20,905,612
State's proportionate share of the net OPEB liability associated with the District	<u>14,749,140</u>	<u>15,023,251</u>	<u>25,443,239</u>	<u>28,092,131</u>
<b>Total</b>	<u>\$ 26,972,316</u>	<u>\$ 27,338,977</u>	<u>\$ 44,433,889</u>	<u>\$ 48,997,743</u>
District's covered payroll (Plan year end August 31)	\$ 52,593,671	\$ 49,325,484	\$ 46,181,716	\$ 48,661,068
District's proportionate share of the net OPEB liability as a percentage of covered payroll	23.24%	24.97%	41.12%	42.96%
Plan fiduciary net position as a percentage of the total OPEB liability	14.94%	11.52%	6.18%	4.99%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	
District's proportionate share of the net OPEB liability	\$ 27,606,392	\$ 26,923,117	\$ 25,586,153	
State's proportionate share of the net OPEB liability associated with the District	<u>36,682,720</u>	<u>39,297,308</u>	<u>35,003,141</u>	
<b>Total</b>	<u>\$ 64,289,112</u>	<u>\$ 66,220,425</u>	<u>\$ 60,589,294</u>	
District's covered payroll (Plan year end August 31)	\$ 47,613,447	\$ 44,772,174	\$ 43,664,131	
District's proportionate share of the net OPEB liability as a percentage of covered payroll	57.98%	60.13%	58.60%	
Plan fiduciary net position as a percentage of the total OPEB liability	2.66%	1.57%	0.91%	

The schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 74/75, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

Note - the column label is the District's fiscal year. The data is derived from the Teacher Retirement System's ACFR financial statement for the preceding year.

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS**  
**TEACHER RETIREMENT SYSTEM OF TEXAS**  
**LAST SEVEN FISCAL YEARS**

*Exhibit G-5*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contributions	\$ 476,040	\$ 473,925	\$ 421,786	\$ 383,007
Contributions in relation to the contractual required contributions	<u>476,040</u>	<u>473,925</u>	<u>421,786</u>	<u>383,007</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 53,784,999	\$ 52,593,671	\$ 49,325,484	\$ 46,181,716
Contributions as a percentage of covered payroll	0.89%	0.90%	0.86%	0.83%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	
Contractually required contributions	\$ 393,952	\$ 389,650	\$ 264,632	
Contributions in relation to the contractual required contributions	<u>393,952</u>	<u>389,650</u>	<u>264,632</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
District's covered payroll	\$ 48,661,068	\$ 47,613,447	\$ 44,772,174	
Contributions as a percentage of covered payroll	0.81%	0.82%	0.59%	

The schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 74/75, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

Note - the column label is the District's fiscal year. The data is derived from the Teacher Retirement System's ACFR financial statement for the preceding year.

**Budget**

Basis of Budgeting

The Lancaster Independent School District's (District) budget for the General Fund is prepared and presented on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Budget Process**

Budgeting

Annual budgets are legally adopted for the General Fund, Debt Service Fund, and Food Service Fund. The annual budget is presented in the accompanying schedule for the General Fund. The following procedures are used in establishing the budgetary data reflected in that schedule:

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

A meeting of the Board of Trustees is then called for the purpose of adopting the proposed budget after ten days public notice of the meeting has been given. Prior to September 1st, the budget is legally enacted through passage of a resolution by the Board of Trustees. The budget is prepared and controlled by the budget officer at the revenue object and expenditure function level.

Debt Service Fund: The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds in this fund. Food Service Fund: The District accounts for child nutrition activity in funds 240, 242 and 243. The budgetary comparison schedule includes current year activity for both funds.

During the fiscal year 2024, actual expenditures in the Debt Service Fund exceeded the budget by \$88,361 in the Interest and Fiscal Agent Fees expenses. During the fiscal year 2024, actual expenditures in the Food Service Fund exceeded the budget by \$102,027 in the Food Services expenses.

The official budget for the General Fund was prepared and adopted through Board resolution before August 31, 2023. The administration performs budget reviews by which budget requirements are re-evaluated and revisions recommended to the Board. The Board may approve amendments to the budget, which are required when a change is made to the functional expenditure categories or revenue object accounts, as defined by the Texas Education Agency. Total expenditures may exceed total appropriations, as amended, by fund as long as those expenditures are certified as being available by the budget officer to the Board. The budget amounts reflected in the accompanying schedule represent final amended budget amounts as approved by the Board. The District actual expenditures by function were under budget.

During fiscal year 2024, actual expenditures exceeded the budget in various functional categories:

<u>Functional Category</u>	<u>Amount</u>
Instruction	\$ 518,686
School leadership	248,804
Guidance, counseling and evaluation services	121,848
Student transportation	321,933
Data processing services	3,548
Bond issuance costs and fees	2,500

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in order to reserve that portion of the applicable appropriation, is used in all governmental funds. There are no outstanding encumbrances at year-end as all encumbrances at that date are canceled and re-appropriated in the subsequent fiscal year's budget to provide for their liquidation.

**Defined Benefit Pension Plan**

Change 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

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

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

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

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

Measurement Year 2023: None.

**OPEB Plan**

Change of Benefit Terms

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

**OPEB Plan (continued)**

Changes of Assumptions

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

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

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

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

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

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



## **OTHER SUPPLEMENTARY INFORMATION**

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**ALL NONMAJOR GOVERNMENTAL FUNDS**  
**August 31, 2024**

*Exhibit H-1*  
*Page 1 of 12*

<u>Data Control Codes</u>	201	202	204	206
	School Action Fund-Planning and Implementation	School Action Fund-Planning and Implementation	Title IV, Part A Subpart 1 SSAE	Education for Homeless Children & Youth
<b>Assets</b>				
1110	\$ -	\$ -	\$ -	\$ -
Receivables:				
1240	43,040	72,137	224,283	13,652
1260	-	-	-	-
1410	-	-	-	-
<b>1000 Total Assets</b>	<u>\$ 43,040</u>	<u>\$ 72,137</u>	<u>\$ 224,283</u>	<u>\$ 13,652</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Current Liabilities:				
2110	\$ -	\$ -	\$ 143,337	\$ -
2160	43,040	2,566	-	868
2170	-	69,571	80,946	12,784
2180	-	-	-	-
2300	-	-	-	-
<b>2000 Total Liabilities</b>	<u>43,040</u>	<u>72,137</u>	<u>224,283</u>	<u>13,652</u>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
3430	-	-	-	-
<b>Restricted:</b>				
3450	-	-	-	-
3470	-	-	-	-
<b>Committed:</b>				
3545	-	-	-	-
<b>3000 Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>4000 Total Liabilities and Fund Balances</b>	<u>\$ 43,040</u>	<u>\$ 72,137</u>	<u>\$ 224,283</u>	<u>\$ 13,652</u>

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**ALL NONMAJOR GOVERNMENTAL FUNDS**  
**August 31, 2024**

*Exhibit H-1*  
*Page 2 of 12*

<u>Data Control Codes</u>	209	211	213	214
	Emergency Connectivity Fund	ESEA Title I, Improving Basic Programs	Collaborative Language Acquisition Strategies for Success (CLASS)	Supporting Pathways to Achieve Rewards and Knowledge Sys (SPARK)
<b>Assets</b>				
1110	\$ -	\$ -	\$ -	\$ -
Receivables:				
1240	65,790	493,930	4,129	107,266
1260	-	452	-	-
1410	-	-	-	-
<b>1000 Total Assets</b>	<b>\$ 65,790</b>	<b>\$ 494,382</b>	<b>\$ 4,129</b>	<b>\$ 107,266</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Current Liabilities:				
2110	\$ -	\$ 2,127	\$ -	\$ -
2160	-	44,194	-	-
2170	65,790	436,726	4,129	107,266
2180	-	11,335	-	-
2300	-	-	-	-
<b>2000 Total Liabilities</b>	<b>65,790</b>	<b>494,382</b>	<b>4,129</b>	<b>107,266</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
3430	-	-	-	-
<b>Restricted:</b>				
3450	-	-	-	-
3470	-	-	-	-
<b>Committed:</b>				
3545	-	-	-	-
<b>3000 Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>4000 Total Liabilities and Fund Balances</b>	<b>\$ 65,790</b>	<b>\$ 494,382</b>	<b>\$ 4,129</b>	<b>\$ 107,266</b>

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**ALL NONMAJOR GOVERNMENTAL FUNDS**  
**August 31, 2024**

*Exhibit H-1*  
*Page 3 of 12*

	224	225	240	242	
<u>Data Control Codes</u>	<u>IDEA-B Formula</u>	<u>IDEA-B Preschool</u>	<u>National School Breakfast/ Lunch Program</u>	<u>Summer Feeding Program</u>	
<b>Assets</b>					
1110	Cash and temporary investments	\$ -	\$ -	\$ 25,659	\$ 375,793
	Receivables:				
1240	Receivables from other governments	1,017,515	535	399,177	-
1260	Due from other funds	-	-	3,790,463	-
1410	Prepaid items	-	-	1,843	-
<b>1000</b>	<b>Total Assets</b>	<u>\$ 1,017,515</u>	<u>\$ 535</u>	<u>\$ 4,217,142</u>	<u>\$ 375,793</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Current Liabilities:					
2110	Accounts payable	\$ 14,591	\$ 500	\$ 396,732	\$ -
2160	Accrued wages payable	100,069	-	3,194	-
2170	Due to other funds	893,135	35	728	-
2180	Due to other governments	9,720	-	-	-
2300	Unearned revenues	-	-	9,472	-
<b>2000</b>	<b>Total Liabilities</b>	<u>1,017,515</u>	<u>535</u>	<u>410,126</u>	<u>-</u>
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
3430	Prepaid items	-	-	1,843	-
<b>Restricted:</b>					
3450	Grant restrictions	-	-	3,805,173	375,793
3470	Capital acquisitions	-	-	-	-
<b>Committed:</b>					
3545	Other purposes	-	-	-	-
<b>3000</b>	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>3,807,016</u>	<u>375,793</u>
<b>4000</b>	<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,017,515</u>	<u>\$ 535</u>	<u>\$ 4,217,142</u>	<u>\$ 375,793</u>

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**ALL NONMAJOR GOVERNMENTAL FUNDS**  
**August 31, 2024**

		243	244	255	263
Data Control Codes		Child and Adult Care Food Program	Career & Tech Basic Grant	ESEA Title II Supporting Effective Instruction	Title III, English Language Acquisition & Enhancement
<b>Assets</b>					
1110	Cash and temporary investments	\$ 218,105	\$ 20,939	\$ -	\$ 1
	Receivables:				
1240	Receivables from other governments	-	20,752	305,513	74,073
1260	Due from other funds	-	-	-	-
1410	Prepaid items	-	-	-	-
<b>1000</b>	<b>Total Assets</b>	<u>\$ 218,105</u>	<u>\$ 41,691</u>	<u>\$ 305,513</u>	<u>\$ 74,074</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Current Liabilities:					
2110	Accounts payable	\$ -	\$ -	\$ -	\$ 5,894
2160	Accrued wages payable	-	41,353	119,827	35,771
2170	Due to other funds	-	338	181,858	29,811
2180	Due to other governments	-	-	3,828	2,598
2300	Unearned revenues	-	-	-	-
<b>2000</b>	<b>Total Liabilities</b>	<u>-</u>	<u>41,691</u>	<u>305,513</u>	<u>74,074</u>
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
3430	Prepaid items	-	-	-	-
<b>Restricted:</b>					
3450	Grant restrictions	218,105	-	-	-
3470	Capital acquisitions	-	-	-	-
<b>Committed:</b>					
3545	Other purposes	-	-	-	-
<b>3000</b>	<b>Total Fund Balances</b>	<u>218,105</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>4000</b>	<b>Total Liabilities and Fund Balances</b>	<u>\$ 218,105</u>	<u>\$ 41,691</u>	<u>\$ 305,513</u>	<u>\$ 74,074</u>

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**ALL NONMAJOR GOVERNMENTAL FUNDS**  
**August 31, 2024**

		278	281	284	287
Data Control Codes		ARP Homeless I - TEHCY	ESSER II Grant	IDEA Part B, Preschool - ARRA	Summer School LEP
<b>Assets</b>					
1110	Cash and temporary investments	\$ -	\$ 1,826	\$ -	\$ 11,059
	Receivables:				
1240	Receivables from other governments	-	-	-	-
1260	Due from other funds	-	-	-	-
1410	Prepaid items	-	-	-	-
<b>1000</b>	<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 1,826</b>	<b>\$ -</b>	<b>\$ 11,059</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Current Liabilities:					
2110	Accounts payable	\$ -	\$ 1,826	\$ -	\$ -
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	-	-	-	-
2180	Due to other governments	-	-	-	-
2300	Unearned revenues	-	-	-	-
<b>2000</b>	<b>Total Liabilities</b>	<b>-</b>	<b>1,826</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
3430	Prepaid items	-	-	-	-
<b>Restricted:</b>					
3450	Grant restrictions	-	-	-	11,059
3470	Capital acquisitions	-	-	-	-
<b>Committed:</b>					
3545	Other purposes	-	-	-	-
<b>3000</b>	<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,059</b>
<b>4000</b>	<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$ 1,826</b>	<b>\$ -</b>	<b>\$ 11,059</b>

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**ALL NONMAJOR GOVERNMENTAL FUNDS**  
**August 31, 2024**

		397	401	410	417
Data Control Codes		Advanced Placement Incentive	Optional Extended Year Program	Instructional Materials Allotment	Strong Foundation
<b>Assets</b>					
1110	Cash and temporary investments	\$ 1,218	\$ 3,200	\$ -	\$ -
	Receivables:				
1240	Receivables from other governments	-	-	341,797	84,330
1260	Due from other funds	204	-	9,512	-
1410	Prepaid items	-	-	-	-
<b>1000</b>	<b>Total Assets</b>	<u>\$ 1,422</u>	<u>\$ 3,200</u>	<u>\$ 351,309</u>	<u>\$ 84,330</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Current Liabilities:					
2110	Accounts payable	\$ -	\$ -	\$ 333,994	\$ 25,470
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	-	-	7,803	58,860
2180	Due to other governments	-	-	-	-
2300	Unearned revenues	1,422	3,200	-	-
<b>2000</b>	<b>Total Liabilities</b>	<u>1,422</u>	<u>3,200</u>	<u>341,797</u>	<u>84,330</u>
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
3430	Prepaid items	-	-	-	-
<b>Restricted:</b>					
3450	Grant restrictions	-	-	-	-
3470	Capital acquisitions	-	-	-	-
<b>Committed:</b>					
3545	Other purposes	-	-	9,512	-
<b>3000</b>	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>9,512</u>	<u>-</u>
<b>4000</b>	<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,422</u>	<u>\$ 3,200</u>	<u>\$ 351,309</u>	<u>\$ 84,330</u>

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**ALL NONMAJOR GOVERNMENTAL FUNDS**  
**August 31, 2024**

	421	423	429	461
Data Control Codes	Silent Panic Alert Grant	Texas Strategic Staffing Grant 2023-2025	State Funded Special Revenue Fund	Campus Activity Funds
<b>Assets</b>				
1110	\$ -	\$ -	\$ -	\$ 453,487
	Receivables:			
1240	-	24,832	102	-
1260	-	-	718	-
1410	-	-	-	14,254
<b>1000</b>	<b>\$ -</b>	<b>\$ 24,832</b>	<b>\$ 820</b>	<b>\$ 467,741</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Current Liabilities:				
2110	\$ -	\$ -	\$ -	\$ 14,858
2160	-	619	-	-
2170	-	24,213	749	16,468
2180	-	-	-	-
2300	-	-	71	-
<b>2000</b>	<b>-</b>	<b>24,832</b>	<b>820</b>	<b>31,326</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
3430	-	-	-	14,254
<b>Restricted:</b>				
3450	-	-	-	-
3470	-	-	-	-
<b>Committed:</b>				
3545	-	-	-	422,161
<b>3000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>436,415</b>
<b>4000</b>	<b>\$ -</b>	<b>\$ 24,832</b>	<b>\$ 820</b>	<b>\$ 467,741</b>

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**ALL NONMAJOR GOVERNMENTAL FUNDS**  
**August 31, 2024**

		462	463	466	467
Data Control Codes		Scholarship Awards	LISD Foundation Grants	Toyota	Educate Texas/Communities Foundation of Texas
<b>Assets</b>					
1110	Cash and temporary investments	\$ 62,147	\$ 32,110	\$ 35,787	\$ -
	Receivables:				
1240	Receivables from other governments	-	-	-	-
1260	Due from other funds	-	-	-	-
1410	Prepaid items	7,000	-	-	-
<b>1000</b>	<b>Total Assets</b>	<u>\$ 69,147</u>	<u>\$ 32,110</u>	<u>\$ 35,787</u>	<u>\$ -</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Current Liabilities:					
2110	Accounts payable	\$ -	\$ -	\$ 507	\$ -
2160	Accrued wages payable	-	-	3,815	-
2170	Due to other funds	-	-	2,647	-
2180	Due to other governments	-	-	-	-
2300	Unearned revenues	-	-	28,818	-
<b>2000</b>	<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>35,787</u>	<u>-</u>
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
3430	Prepaid items	7,000	-	-	-
<b>Restricted:</b>					
3450	Grant restrictions	-	-	-	-
3470	Capital acquisitions	-	-	-	-
<b>Committed:</b>					
3545	Other purposes	62,147	32,110	-	-
<b>3000</b>	<b>Total Fund Balances</b>	<u>69,147</u>	<u>32,110</u>	<u>-</u>	<u>-</u>
<b>4000</b>	<b>Total Liabilities and Fund Balances</b>	<u>\$ 69,147</u>	<u>\$ 32,110</u>	<u>\$ 35,787</u>	<u>\$ -</u>

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**ALL NONMAJOR GOVERNMENTAL FUNDS**  
**August 31, 2024**

	471	474	476	477
Data Control Codes	Rachael Ray Grow Grant	United Way	School Safety Standards	CTE Welding/MASC O
<b>Assets</b>				
1110	\$ 171	\$ 3,398	\$ -	\$ 8,000
	Receivables:			
1240	-	-	146,417	-
1260	-	-	-	-
1410	-	-	-	-
<b>1000</b>	<b>\$ 171</b>	<b>\$ 3,398</b>	<b>\$ 146,417</b>	<b>\$ 8,000</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Current Liabilities:				
2110	\$ -	\$ -	\$ 260	\$ -
2160	-	-	-	-
2170	-	-	146,157	-
2180	-	-	-	-
2300	171	3,398	-	8,000
<b>2000</b>	<b>171</b>	<b>3,398</b>	<b>146,417</b>	<b>8,000</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
3430	-	-	-	-
<b>Restricted:</b>				
3450	-	-	-	-
3470	-	-	-	-
<b>Committed:</b>				
3545	-	-	-	-
<b>3000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>4000</b>	<b>\$ 171</b>	<b>\$ 3,398</b>	<b>\$ 146,417</b>	<b>\$ 8,000</b>

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**ALL NONMAJOR GOVERNMENTAL FUNDS**  
**August 31, 2024**

		480	481	486	487
Data Control Codes		I Rock Math Grant	Greenspace Grant	Hidden Figures	STEM Professional Development
<b>Assets</b>					
1110	Cash and temporary investments	\$ 1,217	\$ 1,729	\$ 3,000	\$ 150
	Receivables:				
1240	Receivables from other governments	-	-	-	-
1260	Due from other funds	-	-	-	-
1410	Prepaid items	-	-	-	-
<b>1000</b>	<b>Total Assets</b>	<u>\$ 1,217</u>	<u>\$ 1,729</u>	<u>\$ 3,000</u>	<u>\$ 150</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Current Liabilities:					
2110	Accounts payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	-	-	-	-
2180	Due to other governments	-	-	-	-
2300	Unearned revenues	1,217	1,729	3,000	150
<b>2000</b>	<b>Total Liabilities</b>	<u>1,217</u>	<u>1,729</u>	<u>3,000</u>	<u>150</u>
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
3430	Prepaid items	-	-	-	-
<b>Restricted:</b>					
3450	Grant restrictions	-	-	-	-
3470	Capital acquisitions	-	-	-	-
<b>Committed:</b>					
3545	Other purposes	-	-	-	-
<b>3000</b>	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>4000</b>	<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,217</u>	<u>\$ 1,729</u>	<u>\$ 3,000</u>	<u>\$ 150</u>

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**ALL NONMAJOR GOVERNMENTAL FUNDS**  
**August 31, 2024**

		488	492	496	498
Data Control Codes		Accelerated Math Grant	Technology Lending Grant	Communities Foundation of Texas	Charities Aid Foundation of America
<b>Assets</b>					
1110	Cash and temporary investments	\$ 1,650	\$ 4,931	\$ 104,283	\$ 76
	Receivables:				
1240	Receivables from other governments	-	-	-	-
1260	Due from other funds	-	-	2,410	-
1410	Prepaid items	-	-	-	-
<b>1000</b>	<b>Total Assets</b>	<b>\$ 1,650</b>	<b>\$ 4,931</b>	<b>\$ 106,693</b>	<b>\$ 76</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Current Liabilities:					
2110	Accounts payable	\$ -	\$ -	\$ 29,400	\$ -
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	-	-	-	-
2180	Due to other governments	-	-	-	-
2300	Unearned revenues	-	4,931	77,293	76
<b>2000</b>	<b>Total Liabilities</b>	<b>-</b>	<b>4,931</b>	<b>106,693</b>	<b>76</b>
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
3430	Prepaid items	-	-	-	-
<b>Restricted:</b>					
3450	Grant restrictions	1,650	-	-	-
3470	Capital acquisitions	-	-	-	-
<b>Committed:</b>					
3545	Other purposes	-	-	-	-
<b>3000</b>	<b>Total Fund Balances</b>	<b>1,650</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>4000</b>	<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,650</b>	<b>\$ 4,931</b>	<b>\$ 106,693</b>	<b>\$ 76</b>

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**ALL NONMAJOR GOVERNMENTAL FUNDS**  
**August 31, 2024**

699

<b>Data Control Codes</b>		<b>Capital Projects Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets</b>			
1110	Cash and temporary investments	\$ 507,035	\$ 1,876,971
	Receivables:		
1240	Receivables from other governments	-	3,439,270
1260	Due from other funds	-	3,803,759
1410	Prepaid items	-	23,097
<b>1000</b>	<b>Total Assets</b>	<b>\$ 507,035</b>	<b>\$ 9,143,097</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Current Liabilities:			
2110	Accounts payable	\$ 12,556	\$ 982,052
2160	Accrued wages payable	-	395,316
2170	Due to other funds	-	2,140,014
2180	Due to other governments	-	27,481
2300	Unearned revenues	-	142,948
<b>2000</b>	<b>Total Liabilities</b>	<b>12,556</b>	<b>3,687,811</b>
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
3430	Prepaid items	-	23,097
<b>Restricted:</b>			
3450	Grant restrictions	-	4,411,780
3470	Capital acquisitions	494,479	494,479
<b>Committed:</b>			
3545	Other purposes	-	525,930
<b>3000</b>	<b>Total Fund Balances</b>	<b>494,479</b>	<b>5,455,286</b>
<b>4000</b>	<b>Total Liabilities and Fund Balances</b>	<b>\$ 507,035</b>	<b>\$ 9,143,097</b>

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended August 31, 2024**

Data Control Codes		201	202	204	206
		School Action Fund-Planning and Implementation	School Action Fund-Planning and Implementation	Title IV, Part A Subpart 1 SSAE	Education for Homeless Children & Youth
<b>Revenues</b>					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	43,040	164,035	311,851	30,490
<b>5020</b>	<b>Total Revenues</b>	<b>43,040</b>	<b>164,035</b>	<b>311,851</b>	<b>30,490</b>
<b>Expenditures</b>					
<b>Current:</b>					
0011	Instruction	35,502	5,230	29,160	30,490
0013	Curriculum and instructional staff development	4,248	39,233	-	-
0021	Instructional leadership	-	107,024	-	-
0023	School leadership	3,290	76	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	12,472	-	-
0051	Plant maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	234,156	-
0053	Data processing services	-	-	48,535	-
0061	Community services	-	-	-	-
<b>6030</b>	<b>Total Expenditures</b>	<b>43,040</b>	<b>164,035</b>	<b>311,851</b>	<b>30,490</b>
1200	Net change in fund balances	-	-	-	-
<b>0100</b>	<b>Fund Balance - September 1 (Beginning)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>3000</b>	<b>Fund Balance - August 31 (Ending)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended August 31, 2024**

*Exhibit H-2*  
*Page 2 of 12*

Data Control Codes		209	211	213	214
		Emergency Connectivity Fund	ESEA Title I, Improving Basic Programs	Collaborative Language Acquisition Strategies for Success (CLASS)	Supporting Pathways to Achieve Rewards and Knowledge Sys (SPARK)
<b>Revenues</b>					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	-	2,614,687	4,129	107,266
<b>5020</b>	<b>Total Revenues</b>	-	2,614,687	4,129	107,266
<b>Expenditures</b>					
<b>Current:</b>					
0011	Instruction	-	499,727	4,129	105,964
0013	Curriculum and instructional staff development	-	2,107,571	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	1,302
0031	Guidance, counseling and evaluation services	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	7,389	-	-
<b>6030</b>	<b>Total Expenditures</b>	-	2,614,687	4,129	107,266
1200	Net change in fund balances	-	-	-	-
<b>0100</b>	<b>Fund Balance - September 1 (Beginning)</b>	-	-	-	-
<b>3000</b>	<b>Fund Balance - August 31 (Ending)</b>	\$ -	\$ -	\$ -	\$ -

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended August 31, 2024**

		224	225	240	242
Data Control Codes		IDEA-B Formula	IDEA-B Preschool	National School Breakfast/ Lunch Program	Summer Feeding Program
<b>Revenues</b>					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ 168,934	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	1,806,598	10,657	9,384,783	-
<b>5020</b>	<b>Total Revenues</b>	<b>1,806,598</b>	<b>10,657</b>	<b>9,553,717</b>	<b>-</b>
<b>Expenditures</b>					
<b>Current:</b>					
0011	Instruction	1,117,058	10,657	-	-
0013	Curriculum and instructional staff development	4,400	-	-	-
0021	Instructional leadership	1,060	-	-	-
0023	School leadership	3,989	-	-	-
0031	Guidance, counseling and evaluation services	677,632	-	-	-
0035	Food service	-	-	6,137,157	-
0036	Extracurricular activities	2,459	-	-	-
0041	General administration	-	-	-	-
0051	Plant maintenance and operations	-	-	106,811	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
<b>6030</b>	<b>Total Expenditures</b>	<b>1,806,598</b>	<b>10,657</b>	<b>6,243,968</b>	<b>-</b>
1200	Net change in fund balances	-	-	3,309,749	-
<b>0100</b>	<b>Fund Balance - September 1 (Beginning)</b>	<b>-</b>	<b>-</b>	<b>497,267</b>	<b>375,793</b>
<b>3000</b>	<b>Fund Balance - August 31 (Ending)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,807,016</b>	<b>\$ 375,793</b>

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended August 31, 2024**

		243	244	255	263
Data Control Codes		Child and Adult Care Food Program	Career & Tech Basic Grant	ESEA Title II Supporting Effective Instruction	Title III, English Language Acquisition & Enhancement
<b>Revenues</b>					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	55,751	96,223	359,884	81,227
<b>5020</b>	<b>Total Revenues</b>	<u>55,751</u>	<u>96,223</u>	<u>359,884</u>	<u>81,227</u>
<b>Expenditures</b>					
<b>Current:</b>					
0011	Instruction	-	96,223	263,176	35,023
0013	Curriculum and instructional staff development	-	-	93,213	46,204
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	3,495	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
<b>6030</b>	<b>Total Expenditures</b>	<u>-</u>	<u>96,223</u>	<u>359,884</u>	<u>81,227</u>
1200	Net change in fund balances	55,751	-	-	-
<b>0100</b>	<b>Fund Balance - September 1 (Beginning)</b>	<u>162,354</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>3000</b>	<b>Fund Balance - August 31 (Ending)</b>	<u>\$ 218,105</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended August 31, 2024**

		278	281	284	287
Data Control Codes		ARP Homeless I - TEHCY	ESSER II Grant	IDEA Part B, Preschool - ARRA	Summer School LEP
<b>Revenues</b>					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	-	-	-	6,782
<b>5020</b>	<b>Total Revenues</b>	-	-	-	6,782
<b>Expenditures</b>					
<b>Current:</b>					
0011	Instruction	-	-	-	-
0013	Curriculum and instructional staff development	-	-	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
<b>6030</b>	<b>Total Expenditures</b>	-	-	-	-
1200	Net change in fund balances	-	-	-	6,782
<b>0100</b>	<b>Fund Balance - September 1 (Beginning)</b>	-	-	-	4,277
<b>3000</b>	<b>Fund Balance - August 31 (Ending)</b>	\$ -	\$ -	\$ -	\$ 11,059

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended August 31, 2024**

*Exhibit H-2*  
*Page 6 of 12*

		397	401	410	417
Data Control Codes		Advanced Placement Incentive	Optional Extended Year Program	Instructional Materials Allotment	Strong Foundation
<b>Revenues</b>					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	1,118,132	145,390
5900	Federal program revenues	-	-	-	-
<b>5020</b>	<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>1,118,132</b>	<b>145,390</b>
<b>Expenditures</b>					
<b>Current:</b>					
0011	Instruction	-	-	1,012,423	-
0013	Curriculum and instructional staff development	-	-	96,197	145,390
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
<b>6030</b>	<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>1,108,620</b>	<b>145,390</b>
1200	Net change in fund balances	-	-	9,512	-
<b>0100</b>	<b>Fund Balance - September 1 (Beginning)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>3000</b>	<b>Fund Balance - August 31 (Ending)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,512</b>	<b>\$ -</b>

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended August 31, 2024**

	421	423	429	461
<b>Data Control Codes</b>	<b>Silent Panic Alert Grant</b>	<b>Texas Strategic Staffing Grant 2023-2025</b>	<b>State Funded Special Revenue Fund</b>	<b>Campus Activity Funds</b>
<b>Revenues</b>				
5700 Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ 450,875
5800 State program revenues	15,840	22,468	1,852	-
5900 Federal program revenues	-	-	-	-
<b>5020 Total Revenues</b>	<b>15,840</b>	<b>22,468</b>	<b>1,852</b>	<b>450,875</b>
<b>Expenditures</b>				
<b>Current:</b>				
0011 Instruction	-	-	1,852	3,823
0013 Curriculum and instructional staff development	-	-	-	-
0021 Instructional leadership	-	22,468	-	-
0023 School leadership	-	-	-	-
0031 Guidance, counseling and evaluation services	-	-	-	-
0035 Food service	-	-	-	-
0036 Extracurricular activities	-	-	-	357,385
0041 General administration	-	-	-	-
0051 Plant maintenance and operations	-	-	-	-
0052 Security and monitoring services	15,840	-	-	-
0053 Data processing services	-	-	-	-
0061 Community services	-	-	-	-
<b>6030 Total Expenditures</b>	<b>15,840</b>	<b>22,468</b>	<b>1,852</b>	<b>361,208</b>
1200 Net change in fund balances	-	-	-	89,667
<b>0100 Fund Balance - September 1 (Beginning)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>346,748</b>
<b>3000 Fund Balance - August 31 (Ending)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 436,415</b>

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended August 31, 2024**

*Exhibit H-2*  
*Page 8 of 12*

Data Control Codes		462	463	466	467
		Scholarship Awards	LISD Foundation Grants	Toyota	Educate Texas/Communities Foundation of Texas
<b>Revenues</b>					
5700	Local, intermediate, and out-of-state	\$ 38,979	\$ -	\$ 429,163	\$ 25,611
5800	State program revenues	3,199	-	-	-
5900	Federal program revenues	-	-	-	-
<b>5020</b>	<b>Total Revenues</b>	<b>42,178</b>	<b>-</b>	<b>429,163</b>	<b>25,611</b>
<b>Expenditures</b>					
<b>Current:</b>					
0011	Instruction	4,472	1,153	347,204	24,651
0013	Curriculum and instructional staff development	-	-	27,792	960
0021	Instructional leadership	-	-	54,167	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	5,580	-	-	-
0051	Plant maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	3,730	-	-	-
<b>6030</b>	<b>Total Expenditures</b>	<b>13,782</b>	<b>1,153</b>	<b>429,163</b>	<b>25,611</b>
1200	Net change in fund balances	28,396	(1,153)	-	-
<b>0100</b>	<b>Fund Balance - September 1 (Beginning)</b>	<b>40,751</b>	<b>33,263</b>	<b>-</b>	<b>-</b>
<b>3000</b>	<b>Fund Balance - August 31 (Ending)</b>	<b>\$ 69,147</b>	<b>\$ 32,110</b>	<b>\$ -</b>	<b>\$ -</b>

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended August 31, 2024**

		471	474	476	477
Data Control Codes		Rachael Ray Grow Grant	United Way	School Safety Standards	CTE Welding/MASCO
<b>Revenues</b>					
5700	Local, intermediate, and out-of-state	\$ -	\$ 24,000	\$ 146,417	\$ -
5800	State program revenues	-	11,007	-	-
5900	Federal program revenues	-	-	-	-
<b>5020</b>	<b>Total Revenues</b>	-	35,007	146,417	-
<b>Expenditures</b>					
<b>Current:</b>					
0011	Instruction	-	35,007	-	-
0013	Curriculum and instructional staff development	-	-	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	146,417	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
<b>6030</b>	<b>Total Expenditures</b>	-	35,007	146,417	-
1200	Net change in fund balances	-	-	-	-
<b>0100</b>	<b>Fund Balance - September 1 (Beginning)</b>	-	-	-	-
<b>3000</b>	<b>Fund Balance - August 31 (Ending)</b>	\$ -	\$ -	\$ -	\$ -

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended August 31, 2024**

		480	481	486	487
Data Control Codes		I Rock Math Grant	Greenspace Grant	Hidden Figures	STEM Professional Development
<b>Revenues</b>					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	-	-	-	-
<b>5020</b>	<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>					
<b>Current:</b>					
0011	Instruction	-	-	-	-
0013	Curriculum and instructional staff development	-	-	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
<b>6030</b>	<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1200	Net change in fund balances	-	-	-	-
<b>0100</b>	<b>Fund Balance - September 1 (Beginning)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>3000</b>	<b>Fund Balance - August 31 (Ending)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended August 31, 2024**

		488	492	496	498
Data Control Codes		Accelerated Math Grant	Technology Lending Grant	Communities Foundation of Texas	Charities Aid Foundation of America
<b>Revenues</b>					
5700	Local, intermediate, and out-of-state	\$ -	\$ 5,069	\$ 433,817	\$ -
5800	State program revenues	350	-	-	-
5900	Federal program revenues	-	-	-	-
<b>5020</b>	<b>Total Revenues</b>	<b>350</b>	<b>5,069</b>	<b>433,817</b>	<b>-</b>
<b>Expenditures</b>					
<b>Current:</b>					
0011	Instruction	-	5,069	198,600	-
0013	Curriculum and instructional staff development	-	-	226,289	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	5,928	-
0061	Community services	-	-	3,000	-
<b>6030</b>	<b>Total Expenditures</b>	<b>-</b>	<b>5,069</b>	<b>433,817</b>	<b>-</b>
1200	Net change in fund balances	350	-	-	-
<b>0100</b>	<b>Fund Balance - September 1 (Beginning)</b>	<b>1,300</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>3000</b>	<b>Fund Balance - August 31 (Ending)</b>	<b>\$ 1,650</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended August 31, 2024**

699

<u>Data Control Codes</u>		<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues</b>			
5700	Local, intermediate, and out-of-state	\$ 3	\$ 1,722,868
5800	State program revenues	-	1,318,238
5900	Federal program revenues	-	15,077,403
<b>5020</b>	<b>Total Revenues</b>	<u>3</u>	<u>18,118,509</u>
<b>Expenditures</b>			
<b>Current:</b>			
0011	Instruction	-	3,866,593
0013	Curriculum and instructional staff development	-	2,791,497
0021	Instructional leadership	-	184,719
0023	School leadership	-	12,152
0031	Guidance, counseling and evaluation services	-	677,632
0035	Food service	-	6,137,157
0036	Extracurricular activities	624,946	984,790
0041	General administration	-	18,052
0051	Plant maintenance and operations	3,202,982	3,309,793
0052	Security and monitoring services	184,141	580,554
0053	Data processing services	575,751	630,214
0061	Community services	-	14,119
<b>6030</b>	<b>Total Expenditures</b>	<u>4,587,820</u>	<u>19,207,272</u>
1200	Net change in fund balances	(4,587,817)	(1,088,763)
<b>0100</b>	<b>Fund Balance - September 1 (Beginning)</b>	<u>5,082,296</u>	<u>6,544,049</u>
<b>3000</b>	<b>Fund Balance - August 31 (Ending)</b>	<u>\$ 494,479</u>	<u>\$ 5,455,286</u>



## **REQUIRED TEA SCHEDULES**

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF DELINQUENT TAXES RECEIVABLE**  
**For the Year Ended August 31, 2024**

*Exhibit J-1*  
*Page 1 of 2*

Last Ten Fiscal Years	1		2	3	10	20
	Tax Rates			Net Assessed/Appraised Value For School Tax Purposes	Beginning Balance 9/1/23	Current Year's Total Levy
	Maintenance	Debt Service				
2015 and prior	Various	Various		Various	\$ 920,748	\$ -
2016	1.040000	0.500000		1,642,781,752	101,385	-
2017	1.040000	0.500000		1,728,683,657	116,228	-
2018	1.040000	0.500000		2,026,974,091	134,544	-
2019	1.170000	0.360000		2,246,183,896	155,750	-
2020	1.068350	0.460000		2,554,951,307	225,402	-
2021	1.052400	0.447500		3,027,678,749	265,772	-
2022	1.032900	0.437500		3,346,768,051	357,835	-
2023	0.940600	0.437500		4,325,559,668	878,273	-
2024	0.789200	0.437500		4,804,702,866	-	58,939,290
<b>1000 Totals</b>					<u>\$ 3,155,937</u>	<u>\$ 58,939,290</u>

**8000 Taxes Refunded**

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF DELINQUENT TAXES RECEIVABLE**  
**For the Year Ended August 31, 2024**

*Exhibit J-1*  
*Page 2 of 2*

	31	32	40	50	99
<u>Last Ten Fiscal Years</u>	<u>Maintenance Total Collections</u>	<u>Debt Service Total Collections</u>	<u>Entire Year's Adjustments</u>	<u>Ending Balance 8/31/24</u>	<u>Total Taxes Refunded Under Section 26.1115(c)</u>
2015 and prior	\$ 17,152	\$ 7,006	\$ (90,646)	\$ 805,944	
2016	3,262	1,568	(6,542)	90,013	
2017	3,745	1,801	(4,517)	106,165	
2018	3,562	1,713	(4,687)	124,582	
2019	7,149	2,199	(5,822)	140,580	
2020	25,953	11,175	(11,334)	176,940	
2021	112,525	47,847	87,310	192,710	
2022	124,591	52,772	62,904	243,376	
2023	(42,159)	(19,609)	(452,776)	487,265	
2024	<u>36,969,533</u>	<u>20,494,387</u>	<u>-</u>	<u>1,475,370</u>	<u>23,705</u>
<b>1000 Totals</b>	<u>\$ 37,225,313</u>	<u>\$ 20,600,859</u>	<u>\$ (426,110)</u>	3,842,945	
	Allowance for taxes receivable			<u>(576,427)</u>	
	<b>Total taxes receivable per Exhibit C-1</b>			<u>\$ 3,266,518</u>	
<b>8000 Taxes Refunded</b>					<u>\$ 23,705</u>

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**CHILD NUTRITION PROGRAM FUND**  
**For the Year Ended August 31, 2024**

*Exhibit J-2*

Data Control Codes		Budget		Actual	Variance with Final Budget
		Original	Final	Amounts GAAP Basis	
<b>Revenues</b>					
5700	Local, Intermediate, and Out-of-State	\$ 215,130	\$ 161,237	\$ 168,934	\$ 7,697
5800	State Program Revenues	11,000	-	-	-
5900	Federal Program Revenues	5,410,000	8,415,039	9,440,534	1,025,495
5020	<b>Total Revenues</b>	<u>5,636,130</u>	<u>8,576,276</u>	<u>9,609,468</u>	<u>1,033,192</u>
<b>Expenditures</b>					
<b>Current:</b>					
0035	Food Services	6,035,130	6,035,130	6,137,157	(102,027)
0051	Facilities maintenance and operations	101,000	120,000	106,811	13,189
6030	<b>Total Expenditures</b>	<u>6,136,130</u>	<u>6,155,130</u>	<u>6,243,968</u>	<u>(88,838)</u>
1200	Increase (Decrease) in Fund Balance	(500,000)	2,421,146	3,365,500	944,354
0100	<b>Fund Balance - September 1 (Beginning)</b>	<u>659,621</u>	<u>659,621</u>	<u>659,621</u>	<u>-</u>
3000	<b>Fund Balance - August 31 (Ending)</b>	<u>\$ 159,621</u>	<u>\$ 3,080,767</u>	<u>\$ 4,025,121</u>	<u>\$ 944,354</u>

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**DEBT SERVICE FUND**  
**For the Year Ended August 31, 2024**

*Exhibit J-3*

Data Control Codes	Budget		Actual Amounts GAAP Basis	Variance with Final Budget	
	Original	Final			
<b>Revenues</b>					
5700	Local, Intermediate, and Out-of-State	\$ 21,270,280	\$ 21,270,280	\$ 21,432,226	\$ 161,946
5800	State Program Revenues	-	-	1,435,651	1,435,651
5020	<b>Total Revenues</b>	<u>21,270,280</u>	<u>21,270,280</u>	<u>22,867,877</u>	<u>1,597,597</u>
<b>Expenditures</b>					
<b>Debt Service:</b>					
0071	Principal	3,854,474	13,088,361	13,088,361	-
0072	Interest and Fiscal Agent Fees	10,139,295	7,405,408	7,493,769	(88,361)
0073	Debt service costs and fees	549,999	549,999	8,488	541,511
6030	<b>Total Expenditures</b>	<u>14,543,768</u>	<u>21,043,768</u>	<u>20,590,618</u>	<u>453,150</u>
1200	Increase (Decrease) in Fund Balance	6,726,512	226,512	2,277,259	2,050,747
0100	<b>Fund Balance - September 1 (Beginning)</b>	<u>7,305,717</u>	<u>7,305,717</u>	<u>7,305,717</u>	<u>-</u>
3000	<b>Fund Balance - August 31 (Ending)</b>	<u>\$ 14,032,229</u>	<u>\$ 7,532,229</u>	<u>\$ 9,582,976</u>	<u>\$ 2,050,747</u>

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**COMPENSATORY EDUCATION PROGRAM AND BILINGUAL EDUCATION PROGRAM COMPLIANCE RESPONSES**  
*For the Year Ended August 31, 2024*

*Exhibit J-4*

<b>Data Codes</b>	<b>Section A: Compensatory Education Programs</b>	<b>Responses</b>
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.	\$ 9,790,043
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30)	\$ 5,802,006
<b>Section B: Bilingual Education Programs</b>		
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.	\$ 498,553
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PIC 25)	\$ 338,026

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS**  
**For the Year Ended August 31, 2024**

*Schedule L-1*

SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
	(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 <b>to not have made</b> 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.	
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.	\$ 3,700,040

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



## **FEDERAL AWARDS SECTION**



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

To the Board of Trustees  
Lancaster Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lancaster 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 District's basic financial statements, and have issued our report thereon dated January 17, 2025.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

Board of Trustees  
Lancaster Independent School District

**Purpose of this Report**

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

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

Dallas, Texas  
January 17, 2025

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

To the Board of Trustees  
Lancaster Independent School District

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Program***

We have audited Lancaster Independent School District’s (the “District”) 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 the District’s major federal programs for the year ended August 31, 2024. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District’s complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended 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 the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District’s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control Over Compliance**

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

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

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.

Board of Trustees  
Lancaster Independent School District

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.

*Whitley Penn LLP*

Dallas, Texas  
January 17, 2025

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
*For the Year Ended August 31, 2024*

**I. Summary of Auditors' Results**

**Financial Statements**

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

**Federal Awards**

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

**Identification of major programs:**

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number (ALN)</u>
U.S. Department of Agriculture	
Child Nutrition Cluster:	
School Breakfast Program	10.553
National School Lunch Program	10.555
U.S. Department of Education	
Special Education Cluster:	
IDEA - Part B, Formula	84.027A
IDEA - Part B, Preschool	84.173A
Dollar Threshold Considered Between Type A and Type B Federal Programs	\$750,000
Auditee qualified as low risk auditee?	Yes

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
***SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)***  
***For the Year Ended August 31, 2024***

**II. Financial Statement Findings**

None reported

**III. Federal Awards Findings and Questioned Costs**

None reported

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended August 31, 2024**

*Exhibit K-1*

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Federal Expenditures
<b>U.S. Department of Education</b>			
<b>Passed Through State Department of Education:</b>			
<i>ESEA Title I Part A - Improving Basic Programs</i>	84.010A	22610101057913	\$ 2,529,972
<i>ESEA Title I Part A - Improving Basic Programs</i>	84.010A	23610101057913	250,075
<i>School Action Fund Continuation</i>	84.010A	256101107110005	43,040
<i>2023-2024 School Action Fund-Planning and Implementation</i>	84.010A	23610137057913	175,519
<i>Total ALN 84.010</i>			<u>2,998,606</u>
<i>IDEA - Part B, Formula</i>	84.027A	226600010579136000	1,752,882
<i>IDEA - Part B, Formula</i>	84.027A	236600010579136000	53,717
<i>IDEA - Part B, Preschool</i>	84.173A	246610010579136610	11,403
<i>Total Special Education Cluster (ALN 84.027 and 84.173)</i>			<u>1,818,002</u>
<i>Career and Technical - Basic Formula</i>	84.048A	23420006057913	101,033
<i>Education for Homeless Children and Youth</i>	84.196A	234600057110049	32,624
<i>Title III Part A English Language Acquisition &amp; Lang. Enhancement</i>	84.365A	23671001057913	86,913
<i>Title II, Part A - Supporting Effective Instruction</i>	84.367A	23694501057913	385,075
<i>Title IV, Part A, Subpart 1</i>	84.424A	23680101057913	314,654
<i>ARPA ESSER III (COVID-19)</i>	84.425U	21528001057913	3,108,185
<i>Collaborative Language Acquisition Strategies for Success (Class)</i>	84.365Z	T365Z220058	4,129
<i>Supporting Pathways to Achieve Rewards and Knowledge System (SPARK)</i>	84.374A	S374A230023	107,266
<b>Total U.S. Department of Education</b>			<u><b>8,956,487</b></u>
<b>U.S. Department of Defense</b>			
<b>Direct Program:</b>			
<i>AF JROTC Program</i>	12.000	TX310348	70,257
<b>Total U.S. Department of Defense</b>			<u><b>70,257</b></u>
<b>U.S. Department of Agriculture</b>			
<b>Passed Through Texas Department of Agriculture:</b>			
<i>National School Lunch Program (Non-cash)</i>	10.555	NT4XL1YGLGC5	328,761
<b>Passed Through State Department of Education:</b>			
Cash Assistance:			
<i>National School Lunch Program</i>	10.555	71302401	6,531,582
<i>National School Lunch Program - SSO</i>	10.555	71302401	41,494
<i>School Breakfast Program</i>	10.553	71402401	2,466,162
<i>School Breakfast Program - SSO</i>	10.553	71302401	16,785
<i>Total Child Nutrition Cluster (ALN 10.555 and 10.553)</i>			<u>9,384,784</u>
<i>Child and Adult Care Food Program</i>	10.558	057-913	55,751
<b>Total U.S. Department of Agriculture</b>			<u><b>9,440,535</b></u>
<b>Total Expenditures of Federal Awards</b>			<u><b>\$ 18,467,279</b></u>

**Note 1 - Summary of Significant Accounting Policies**

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

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the modified accrual basis of accounting. Such 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. The District has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned. Generally, unused balances are returned to the grantor at the close of specified project periods. All federal grants are subject to review by the grantor agencies. Any expenditures identified by the grantor agencies as disallowed could require reimbursement to the grantor agency from the District's general fund.

**Note 2 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the District under programs of the federal government for the year ended August 31, 2024. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Uniform Guidance. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

**Note 3 - Reconciliation to Basic Financial Statements**

The following is a reconciliation of expenditures of federal awards program per the Schedule of Expenditures of Federal Awards ("SEFA") and expenditures reported on the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds:

<b>Total Expenditures of Federal Awards - Exhibit K-1</b>	\$ 18,467,279
Medicaid SHARS	924,988
E-Rate	331,484
QZAB Interest Subsidy	243,000
<b>Total Federal Revenue - Exhibit C-2</b>	<u>\$ 19,966,751</u>

**LANCASTER INDEPENDENT SCHOOL DISTRICT**  
**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended August 31, 2024**

**Note 4 - General Fund Expenditures**

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

Medicaid SHARS	\$ 924,988
QZAB Interest Subsidy	243,000
E-Rate	324,705
AF JROTC Program	70,257
Indirect Costs:	
2023-2024 School Action Fund-Planning and Implementation	11,483
Title I, Part A	164,693
Title IV, Part A Subpart 1 SSAE	2,802
Education for Homeless Children and Youth	2,134
IDEA B Part B - Preschool	746
Career and Technical Education	4,811
ESEA Title II, Part A, Supporting Effective Instruction	25,192
Title III - Part A, ELA	<u>6,352</u>
Total Indirect Costs	<u>218,213</u>
<b>Total Federal Revenue - Exhibit C-2</b>	<b><u><u>\$ 1,781,163</u></u></b>

**LANCASTER INDEPENDENT SCHOOL DISTRICT**

***SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS***

***For the Year Ended August 31, 2024***

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

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

**I. Prior Audit Findings**

None Noted.

**LANCASTER INDEPENDENT SCHOOL DISTRICT**

***CORRECTIVE ACTION PLAN***

***For the Year Ended August 31, 2024***

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

**I. Corrective Action Plan**

Not Applicable.