

**RIO GRANDE CITY GRULLA  
INDEPENDENT SCHOOL  
DISTRICT**



**Annual Financial Report  
For the fiscal year ended  
June 30, 2024**

**Raul Hernandez & Company, P.C.**

**CERTIFIED PUBLIC ACCOUNTANTS**

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**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT**  
**ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED**  
**JUNE 30, 2024**



RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2024

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## **INDEPENDENT AUDITORS' REPORT**

Board of Trustees  
Rio Grande City Grulla Independent School District  
1 S. Fort Ringgold  
Rio Grande City, Texas

### **Report on the Financial Statements**

#### ***Opinions***

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

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

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter – Change in Accounting Principle***

As discussed in Note A to the basic financial statements, during the year ended June 30, 2024, the District implemented Governmental Standards Board (GASB) Statement No. 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62. Our opinions are not modified with respect to this matter.

### ***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 Rio Grande City Grulla Independent School District's ability to continue as a going concern for twelve months beyond the financial statement due date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibility 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining statements, required TEA schedules, and the Schedule of Expenditures of Federal Awards, as required by audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 statements, required TEA schedules, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report November 18, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 District's internal control over financial reporting and compliance.

*Raul Hernandez & Company, P.C.*  
Corpus Christi, Texas  
November 18, 2024

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the Annual Financial and Compliance Report, we, the managers of Rio Grande City Grulla Independent School District, discuss and analyze the District's financial performance for the year ended June 30, 2024. Please read it in conjunction with the independent auditors' report on page 1, and the District's Basic Financial Statements, which begin on page 12.

### FINANCIAL HIGHLIGHTS

- The District's net position totaled \$64,991,555 which was a net increase of \$9,471,901 when compared to last year's balance of \$55,519,654.
- For the fiscal year ended 2024, the District had tax revenues of \$17,044,936 which included \$9,889,473 and \$7,155,463 for property taxes, levied for general purposes and debt service, respectively.
- The General Fund ended the fiscal year with a fund balance of \$38,833,839, which is an increase of \$642,305 from the prior year. The Debt Service Fund ended the year with a fund balance of \$9,250,660, which represents an increase of \$384,785 compared to the prior year.
- Revenues from governmental activities were \$153,725,137, which represents a \$4,651,762 increase from the prior year. The majority of the increase was from Operating Grants and Contributions and State Aid – Formula Grants.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*. The District maintains one type of proprietary fund, an internal service fund. The Internal service fund is used to report activities of the District's self-insurance program. Because these services predominately benefit governmental rather than business-type functions, the Internal Service Fund is reported with *governmental activities* in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Internal Service Fund is presented as a single, aggregated presentation in the proprietary fund financial statements.

- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee or custodian* for the benefit of others, to whom the resources in question belong.
- *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.
- *Other information.* In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the district's progress in funding its obligation to provide pension benefits to its employees. Immediately following the required supplementary information on pensions are the two budgetary schedules on the general fund and major special revenue fund. The combining statements in connection to nonmajor governmental funds and fiduciary funds are then presented.

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

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**Figure A-1 Major Features of the District's Government-wide and Fund Financial Statements**

<u>Type of Statements</u>	<u>Government-wide</u>	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
<u>Scope</u>	Entire district Government (except Fiduciary funds) and the district's component units	The activities of the district that are not proprietary or fiduciary	Activities of District similar to private business; self insurance	Instances in which the district is the trustee or custodian for someone else's resources
<u>Required Financial Statements</u>	<i>Statement of Net position</i> <i>Statement of Activities</i>	<i>Balance Sheet</i> <i>Statement of revenues, expenditures &amp; changes in fund balances</i> <i>Statement of cash flows</i>	<i>Statement of net position</i> <i>Statement of rev, exp, &amp; changes in net position</i> <i>Statement of flows</i>	<i>Statement of fiduciary net position</i> <i>Statement of in fiduciary net position</i>
<u>Accounting basis and measurement focus</u>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial	Accrual accounting and economic focus	Accrual accounting economic resources focus

## USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net position and the Statement of Activities (on pages 12 and 13). These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (starting on page 14) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how goods or services of the District were sold to departments within the District or to external customers and how the sales revenues covered the expenses of the goods or services. The remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as a trustee or custodian for the benefit of those outside of the district.

The notes to the financial statements (starting on page 25) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The combining statements for nonmajor funds contain even more information about the District's individual funds. These are not required by TEA. The section labeled Other Schedules contain data used by monitoring or regulatory agencies for assurance that the District is using funds supplied in compliance with the terms of grants.

### Reporting the District as a Whole

#### *The Statement of Net position and the Statement of Activities*

The analysis of the District's overall financial condition and operations begins on page 12. Its primary purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net position includes all the District's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The District's revenues are divided into those provided by outside parties who share the costs of some programs, such as tuition received from students from outside the district and grants provided by the U.S. Department of Education to assist children with disabilities or from disadvantaged backgrounds (program revenues), and revenues provided by the taxpayers or by TEA in equalization funding processes (general revenues). All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

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

In the Statement of Net position and the Statement of Activities, we present the District's one kind of activity:

- Governmental activities—Most of the District's basic services are reported here, including the instruction, counseling, co-curricular activities, food services, transportation, maintenance, community services, and general administration. Property taxes, tuition, fees, and state and federal grants finance most of these activities.

## Reporting the District's Most Significant Funds

### *Fund Financial Statements*

The fund financial statements begin on page 14 and provide detailed information about the most significant funds—not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received under the No Child Left Behind Act from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes (like campus activities). The District's governmental funds use the following accounting approach:

- **Governmental funds**—Most of the District's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.
- **Proprietary funds**—The District maintains one type of proprietary fund, an internal service fund. The Internal Service Fund is used to report activities of the District's self-insurance program. Because these services predominantly benefit governmental rather than business-type functions, the Internal Service Fund is reported with *government activities* in the *government-wide financial statements*.

Proprietary funds provide the same type of information as the government-wide financial statements, but in more detail. The Internal Service Fund is presented as a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

### **The District as Trustee**

#### ***Reporting the District's Fiduciary Responsibilities***

- The District is the trustee, or fiduciary, for money raised by student activities and alumnae scholarship programs. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net position on page 23. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The District implemented GASB Statement #34 in a prior year. Our analysis focuses on the net position (Table I) and changes in net position (Table II) of the District's governmental-type activities between current and prior year.

Net position of the District's governmental activities increased from \$55,519,654 to \$64,991,555. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – was (\$41,238,725) at June 30, 2024 which represents a \$2,963,670 increase from prior year. The District's revenues exceeded the expenditures by \$9,471,901. The District paid bonds and other long-term debt in the amount of 7,643,228. Furthermore, acquired capital assets, including completed capital projects, amounted to a net after disposals, before depreciation, of \$342,498,094. The District recorded depreciation in the amount of \$8,021,481. In addition, accumulated depreciation was \$128,279,312 as of June 30, 2024. (See note E on page 36)

Total Revenue increased by \$4,651,762 for the fiscal year ended June 30, 2024. The biggest increases were \$3,616,197 for Operating Grants and Contributions and \$3,751,823 for State Aid – Formula Grants. Total Expenditures decreased by (\$557,901) during the year. Significant decreases included Community Services.

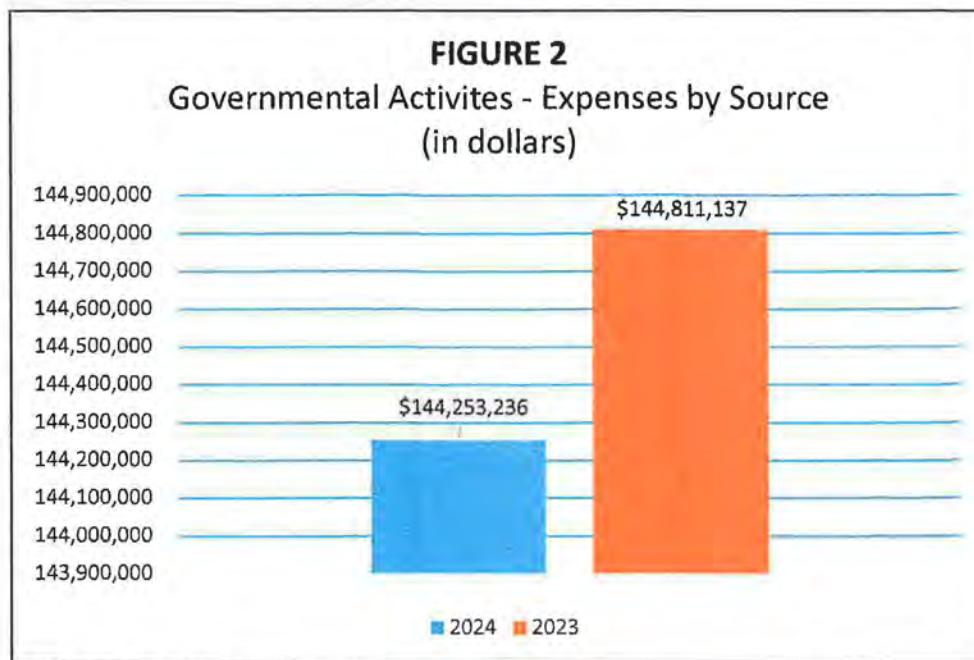
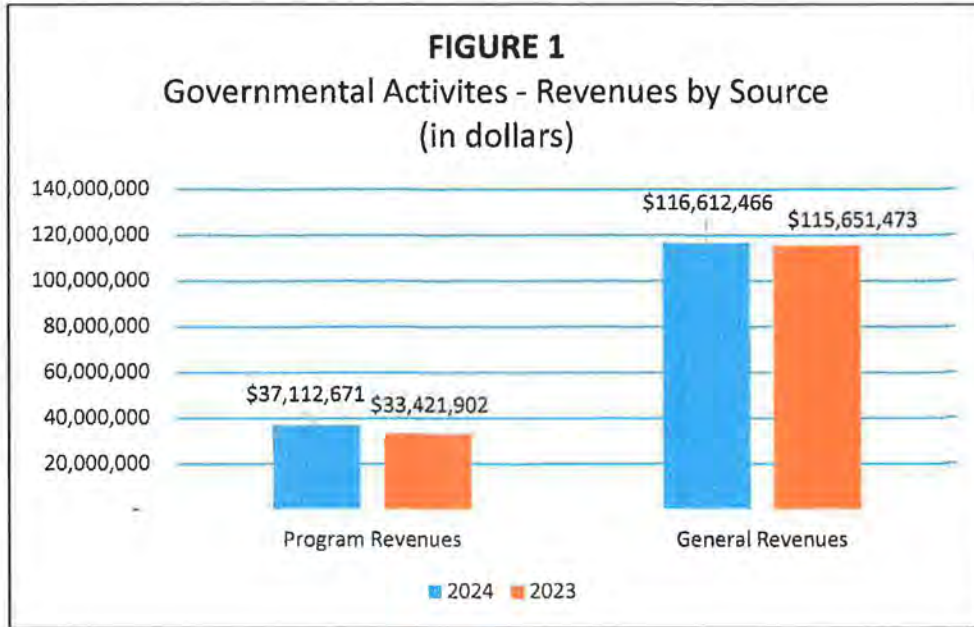
The District has no business-type activities.

**Table 1**  
**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT'S NET POSITION**

ASSETS	Governmental Activities		Change
	2024	2023	
Cash and Cash Equivalents	\$ 45,328,018	\$ 51,014,011	\$ (5,685,993)
Current Investments	28,949,810	62,727,186	(33,777,376)
Property Taxes Receivable (net)	13,455,796	12,326,390	1,129,406
Due from Other Governments	20,137,156	8,467,823	11,669,333
Due From Fiduciary Funds	190,958	372,961	(182,003)
Other Receivables, Net	920,204	-	920,204
Inventories	885,383	623,383	262,000
Prepayments	6,693	8,180	(1,487)
<b>Total Current Assets:</b>	<b>109,874,018</b>	<b>135,539,934</b>	<b>(25,665,916)</b>
Capital Assets:			
Land	6,647,463	6,647,463	-
Buildings, Net	150,182,040	155,173,940	(4,991,900)
Furniture and Equipment, Net	5,628,337	5,601,775	26,562
Leased Property Under Capital Lease, Net	917,381	917,381	-
Right-to-Use Leased Assets, Net	-	198,656	(198,656)
Construction In Progress	50,843,561	20,425,888	30,417,673
<b>Total Noncurrent Assets</b>	<b>214,218,782</b>	<b>188,965,103</b>	<b>25,253,679</b>
<b>Total Assets</b>	<b>\$ 324,092,800</b>	<b>\$ 324,505,037</b>	<b>\$ (412,237)</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charge for Refunding	1,645,217	1,850,147	(204,930)
Deferred Outflow Related to TRS Pension	19,568,539	19,113,360	455,179
Deferred Outflow Related to TRS OPEB	7,446,294	8,992,500	(1,546,206)
<b>Total Deferred Outflows of Resources</b>	<b>28,660,050</b>	<b>29,956,007</b>	<b>(1,295,957)</b>
<b>LIABILITIES</b>			
Accounts Payable	4,292,892	7,058,472	(2,765,580)
Interest Payable	1,986,484	2,084,295	(97,811)
Payroll Liabilities	730,543	891,918	(161,375)
Accrued Wages	12,734,036	11,448,086	1,285,950
Due to Fiduciary Funds	59,974	11,362	48,612
Due to Other Governments	1,407,929	1,595,203	(187,274)
Due to Student Groups	182,059	182,059	-
Unearned Revenue	486,595	201,262	285,333
Noncurrent Liabilities			
Due Within One Year	8,223,243	7,872,030	351,213
Due In More Than One Year	145,626,690	153,850,116	(8,223,426)
Net Pension Liability (District's Share)	49,387,149	41,942,623	7,444,526
Net OPEB Liability (District's Share)	22,062,797	24,318,851	(2,256,054)
<b>Total Liabilities</b>	<b>247,180,391</b>	<b>251,456,277</b>	<b>(4,275,886)</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Inflow Related to TRS Pension	3,934,863	5,967,027	(2,032,164)
Deferred Inflow Related to TRS OPEB	36,646,040	41,518,086	(4,872,046)
<b>Total Deferred Inflows of Resources</b>	<b>40,580,903</b>	<b>47,485,113</b>	<b>(6,904,210)</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	62,014,065	29,093,103	32,920,962
Restricted for Federal and State Programs	2,706,865	3,137,973	(431,108)
Restricted for Debt Service	9,250,659	8,865,875	384,784
Restricted for Capital Projects	27,378,753	54,099,992	(26,721,239)
Restricted for Other Purposes	4,879,938	4,525,106	354,832
Unrestricted	(41,238,725)	(44,202,395)	2,963,670
<b>Total Net Position</b>	<b>\$ 64,991,555</b>	<b>\$ 55,519,654</b>	<b>\$ 9,471,901</b>

TABLE II  
RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT

	Governmental Activities <u>2024</u>	Governmental Activites <u>2023</u>	Change
<b>REVENUES</b>			
Program Revenues:			
Charges for Services	\$ 995,891	\$ 921,319	\$ 74,572
Operating Grants and Contributions	36,116,780	32,500,583	3,616,197
General Revenues:			
Property Taxes, Levied for General Purposes	9,889,473	12,050,530	(2,161,057)
Property Taxes, Levied for Debt Service	7,155,463	7,567,551	(412,088)
State Aid - Formula Grants	93,418,539	89,666,716	3,751,823
Investment Earnings	3,909,679	3,591,530	318,149
Miscellaneous Local and Intermediate Revenue	2,239,312	2,775,146	(535,834)
Total Revenue	<u>153,725,137</u>	<u>149,073,375</u>	<u>4,651,762</u>
<b>EXPENSES</b>			
Instruction	72,712,078	71,248,965	1,463,113
Instructional Resources and Media Services	2,367,785	2,598,677	(230,892)
Curriculum and Instructional Staff Development	1,090,737	1,271,599	(180,862)
Instructional Leadership	4,349,555	3,920,641	428,914
School Leadership	7,577,741	7,526,127	51,614
Guidance, Counseling, and Evaluation Services	5,149,820	5,174,372	(24,552)
Social Work Services	631,025	741,757	(110,732)
Health Services	1,614,880	1,647,841	(32,961)
Student (Pupil) Transportation	4,100,119	4,449,996	(349,877)
Food Services	11,727,837	10,256,968	1,470,869
Extracurricular Activities	4,906,846	5,590,032	(683,186)
General Administration	4,089,814	4,226,450	(136,636)
Facilities Maintenance and Operations	15,368,496	15,541,937	(173,441)
Security and Monitoring Services	2,845,781	3,450,196	(604,415)
Data Processing Services	372,184	335,735	36,449
Community Services	274,254	1,508,456	(1,234,202)
Debt Service - Interest on Long Term Debt	4,538,029	4,784,875	(246,846)
Debt Service - Bond Issuance Costs and Fees	9,800	8,550	1,250
Other Intergovernmental Charges	526,455	527,963	(1,508)
Total Expenses	<u>144,253,236</u>	<u>144,811,137</u>	<u>(557,901)</u>
Change in Net Position	9,471,901	4,262,238	5,209,663
Net Position - Beginning of Year	<u>55,519,654</u>	<u>51,257,416</u>	<u>4,262,238</u>
Net Position - End of Year	<u>\$ 64,991,555</u>	<u>\$ 55,519,654</u>	<u>\$ 9,471,901</u>



**THE DISTRICT'S FUNDS**

As the District completed the year, its governmental funds (as presented in the balance sheet on page 14) reported a combined fund balance of 75,710,128 which represents a decrease of \$25,447,273 over last year's total of \$101,157,401. The decrease is due, in part, to Facilities Acquisition and Construction in the Capital Projects Fund.

The District's General Fund balance of \$38,833,839 reported on page 55, differs from the General Fund's budgetary fund balance of \$21,005,001 reported in the budgetary comparison schedule, which is a difference of \$17,828,838.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

For the fiscal year ended June 30, 2024, the District had \$214 million invested in a broad range of capital assets, including land, construction in progress, buildings, and furniture and equipment.

This year's major additions included:

	2024	2023
Land	\$ 6,647,463	\$ 6,647,463
Construction In Progress	50,843,561	20,425,888
Buildings and Improvements	257,802,818	256,410,207
Furniture and Equipment	27,204,252	26,593,163
Right-to-Use Leased Assets	-	691,556
Totals at Historical Costs	<u>342,498,094</u>	<u>310,768,277</u>
Accumulated Depreciation	<u>(128,279,312)</u>	<u>(121,803,174)</u>
Total Capital Assets (Net)	<u>\$ 214,218,782</u>	<u>\$ 188,965,103</u>

More detailed information about the District's capital assets is presented in Note E (page 36) to the financial statements.

### Debt

For the fiscal year ended June 30, 2024, the District had \$153,849,933 in bonds and other long-term debt outstanding, which is a net decrease of \$7,643,228 from the prior year balance.

More detailed information about the District's long-term liabilities is presented in Note F (page 37) to the financial statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised value used for the 2023-2024 fiscal year decreased by 10 million from \$ 2.01 billion to \$ 1.91 billion
- The district's refined average daily attendance for 2023-2024 was 8,527 which is a decrease of 141 students.

These indicators were taken into account when adopting the General Fund budget for 2025. Amounts available for appropriation in the General Fund budget are \$110.6 million, an increase of 1.94 percent over the original 2024 budget of \$108.5 million. The District will use its revenues to finance programs currently being offered.

If these estimates are realized, the District's budgetary General Fund balance is expected to decrease by the close of 2025.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office, at Rio Grande City Grulla Independent School District, Fort Ringgold, Rio Grande City, Texas.

# **BASIC FINANCIAL STATEMENTS**

RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2024

EXHIBIT A-1

Data Control Codes	Primary Government Governmental Activities
<b>ASSETS</b>	
1110 Cash and Cash Equivalents	\$ 45,328,018
1120 Current Investments	28,949,810
1220 Property Taxes - Delinquent	18,461,295
1230 Allowance for Uncollectible Taxes	(5,005,499)
1240 Due from Other Governments	20,137,156
1267 Due from Fiduciary Funds	190,958
1290 Other Receivables, Net	920,204
1300 Inventories	885,383
1410 Prepayments	6,693
Capital Assets:	
1510 Land	6,647,463
1520 Buildings, Net	150,182,040
1530 Furniture and Equipment, Net	5,628,337
1540 Other Capital Assets, Net	917,381
1580 Construction in Progress	50,843,561
1000 Total Assets	324,092,800
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
1701 Deferred Charge for Refunding	1,645,217
1705 Deferred Outflow Related to TRS Pension	19,568,539
1706 Deferred Outflow Related to TRS OPEB	7,446,294
1700 Total Deferred Outflows of Resources	28,660,050
<b>LIABILITIES</b>	
2110 Accounts Payable	4,292,892
2140 Interest Payable	1,986,484
2150 Payroll Deductions and Withholdings	730,543
2160 Accrued Wages Payable	12,734,036
2177 Due to Fiduciary Funds	59,974
2180 Due to Other Governments	1,407,929
2190 Due to Student Groups	182,059
2300 Unearned Revenue	486,595
Noncurrent Liabilities:	
2501 Due Within One Year: Loans, Note, Leases, etc.	8,223,243
Due in More than One Year:	
2502 Bonds, Notes, Loans, Leases, etc.	145,626,690
2540 Net Pension Liability (District's Share)	49,387,149
2545 Net OPEB Liability (District's Share)	22,062,797
2000 Total Liabilities	247,180,391
<b>DEFERRED INFLOWS OF RESOURCES</b>	
2605 Deferred Inflow Related to TRS Pension	3,934,863
2606 Deferred Inflow Related to TRS OPEB	36,646,040
2600 Total Deferred Inflows of Resources	40,580,903
<b>NET POSITION</b>	
3200 Net Investment in Capital Assets and Right-to-Use Lease Assets	62,014,065
Restricted:	
3820 Restricted for Federal and State Programs	2,706,865
3850 Restricted for Debt Service	9,250,659
3860 Restricted for Capital Projects	27,378,753
3890 Restricted for Other Purposes	4,879,938
3900 Unrestricted	(41,238,725)
3000 Total Net Position	\$ 64,991,555

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

RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

EXHIBIT B-1

Data Control Codes	1	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		3	4	6	
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities	
<b>Primary Government:</b>					
GOVERNMENTAL ACTIVITIES:					
11	Instruction	\$ 72,712,078	\$ 441,542	\$ 20,482,830	\$ (51,787,706)
12	Instructional Resources and Media Services	2,367,785	-	89,744	(2,278,041)
13	Curriculum and Instructional Staff Development	1,090,737	-	132,787	(957,950)
21	Instructional Leadership	4,349,555	-	1,997,386	(2,352,169)
23	School Leadership	7,577,741	-	463,192	(7,114,549)
31	Guidance, Counseling, and Evaluation Services	5,149,820	-	881,613	(4,268,207)
32	Social Work Services	631,025	-	196,542	(434,483)
33	Health Services	1,614,880	-	198,752	(1,416,128)
34	Student (Pupil) Transportation	4,100,119	-	170,026	(3,930,093)
35	Food Services	11,727,837	444,202	10,739,166	(544,469)
36	Extracurricular Activities	4,906,846	110,147	27,281	(4,769,418)
41	General Administration	4,089,814	-	42,692	(4,047,122)
51	Facilities Maintenance and Operations	15,368,496	-	218,628	(15,149,868)
52	Security and Monitoring Services	2,845,781	-	207,380	(2,638,401)
53	Data Processing Services	372,184	-	3,886	(368,298)
61	Community Services	274,254	-	264,875	(9,379)
72	Debt Service - Interest on Long-Term Debt	4,538,029	-	-	(4,538,029)
73	Debt Service - Bond Issuance Cost and Fees	9,800	-	-	(9,800)
99	Other Intergovernmental Charges	526,455	-	-	(526,455)
	<b>[TP] TOTAL PRIMARY GOVERNMENT:</b>	<b>\$ 144,253,236</b>	<b>\$ 995,891</b>	<b>\$ 36,116,780</b>	<b>(107,140,565)</b>

Data Control Codes	General Revenues:	
	Taxes:	
MT	Property Taxes, Levied for General Purposes	9,889,473
DT	Property Taxes, Levied for Debt Service	7,155,463
GC	Grants and Contributions not Restricted	93,418,539
IE	Investment Earnings	3,909,679
MI	Miscellaneous Local and Intermediate Revenue	2,239,312
TR	<b>Total General Revenues</b>	<b>116,612,466</b>
CN	Change in Net Position	9,471,901
NB	Net Position - Beginning	55,519,654
NE	Net Position - Ending	<b>\$ 64,991,555</b>

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

RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024

Data Control Codes	10 General Fund	ESSER III ARP Act Fund	50 Debt Service Fund
<b>ASSETS</b>			
1110 Cash and Cash Equivalents	\$ 32,757,421	\$ 2,847,845	\$ 9,309,089
1120 Investments - Current	3,533	-	-
1220 Property Taxes - Delinquent	13,526,952	-	4,934,343
1230 Allowance for Uncollectible Taxes	(4,071,473)	-	(934,026)
1240 Due from Other Governments	8,148,783	5,982,211	-
1260 Due from Other Funds	13,158,402	69,317	-
1290 Other Receivables	919,864	-	-
1300 Inventories	885,383	-	-
1410 Prepayments	6,693	-	-
1000 Total Assets	<u>\$ 65,335,558</u>	<u>\$ 8,899,373</u>	<u>\$ 13,309,406</u>
<b>LIABILITIES</b>			
2110 Accounts Payable	\$ 1,756,808	\$ -	\$ 1,300
2150 Payroll Deductions and Withholdings Payable	730,203	-	-
2160 Accrued Wages Payable	10,798,635	706,539	-
2170 Due to Other Funds	2,307,448	8,192,834	33,421
2180 Due to Other Governments	1,361,447	-	23,710
2190 Due to Student Groups	-	-	-
2300 Unearned Revenue	91,699	-	-
2000 Total Liabilities	<u>17,046,240</u>	<u>8,899,373</u>	<u>58,431</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2601 Unavailable Revenue - Property Taxes	9,455,479	-	4,000,316
2600 Total Deferred Inflows of Resources	<u>9,455,479</u>	<u>-</u>	<u>4,000,316</u>
<b>FUND BALANCES</b>			
<b>Nonspendable Fund Balance:</b>			
3410 Inventories	885,383	-	-
3430 Prepaid Items	6,693	-	-
<b>Restricted Fund Balance:</b>			
3450 Federal or State Funds Grant Restriction	2,459,987	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	-
3480 Retirement of Long-Term Debt	-	-	9,250,659
3490 Other Restricted Fund Balance	3,987,862	-	-
3600 Unassigned Fund Balance	31,493,914	-	-
3000 Total Fund Balances	<u>38,833,839</u>	<u>-</u>	<u>9,250,659</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 65,335,558</u>	<u>\$ 8,899,373</u>	<u>\$ 13,309,406</u>

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

60 Capital Projects	Other Funds	Total Governmental Funds
\$ 86,424	\$ (486,827)	\$ 44,513,952
28,946,277	-	28,949,810
-	-	18,461,295
-	-	(5,005,499)
-	6,006,162	20,137,156
416,862	417,766	14,062,347
-	340	920,204
-	-	885,383
-	-	6,693
<u>\$ 29,449,563</u>	<u>\$ 5,937,441</u>	<u>\$ 122,931,341</u>
\$ 2,057,545	\$ 477,239	\$ 4,292,892
-	340	730,543
-	1,228,862	12,734,036
13,265	3,384,396	13,931,364
-	22,772	1,407,929
-	182,059	182,059
-	394,896	486,595
<u>2,070,810</u>	<u>5,690,564</u>	<u>33,765,418</u>
-	-	13,455,795
-	-	13,455,795
-	-	885,383
-	-	6,693
-	246,877	2,706,864
27,378,753	-	27,378,753
-	-	9,250,659
-	-	3,987,862
-	-	31,493,914
<u>27,378,753</u>	<u>246,877</u>	<u>75,710,128</u>
<u>\$ 29,449,563</u>	<u>\$ 5,937,441</u>	<u>\$ 122,931,341</u>

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RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
 STATEMENT OF NET POSITION  
 JUNE 30, 2024

EXHIBIT C-2

<b>Total Fund Balances - Governmental Funds</b>	<b>\$</b>	<b>75,710,128</b>
1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.		814,066
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$310,768,276 and the accumulated depreciation was (\$121,803,174). In addition, 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. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to decrease net position.		27,008,808
3 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2024 capital outlays and debt principal payments is to decrease net position.		41,040,255
4 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of \$19,568,539, a deferred resource inflow in the amount of \$3,934,863, and a net pension liability in the amount of \$49,387,149. This resulted in an increase (decrease) in net position.		(33,753,473)
5 Included in the items related to debt is the recognition of the District's proportionate share of the net OPEB liability required by GASB 75. The net position related to TRS included a deferred resource outflow in the amount of \$7,446,294, a deferred resource inflow in the amount of \$36,646,040, and a net OPEB liability in the amount of \$22,062,797. This resulted in an increase (decrease) in net position.		(51,262,543)
6 The 2024 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(8,021,481)
7 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.		13,455,795
<b>29 Net Position of Governmental Activities</b>	<b>\$</b>	<b>64,991,555</b>

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

RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	10 General Fund	ESSER III ARP Act Fund	50 Debt Service Fund
<b>REVENUES:</b>			
5700 Total Local and Intermediate Sources	\$ 11,498,951	\$ -	\$ 7,514,217
5800 State Program Revenues	88,877,427	-	3,851,957
5900 Federal Program Revenues	13,343,879	9,420,743	-
5020 Total Revenues	<u>113,720,257</u>	<u>9,420,743</u>	<u>11,366,174</u>
<b>EXPENDITURES:</b>			
Current:			
0011 Instruction	50,381,712	7,794,956	-
0012 Instructional Resources and Media Services	2,178,948	36,807	-
0013 Curriculum and Instructional Staff Development	904,115	113,931	-
0021 Instructional Leadership	2,271,585	188,705	-
0023 School Leadership	6,822,316	232,101	-
0031 Guidance, Counseling, and Evaluation Services	4,095,608	365,734	-
0032 Social Work Services	417,687	88,503	-
0033 Health Services	1,360,818	66,816	-
0034 Student (Pupil) Transportation	3,920,127	118,994	-
0035 Food Services	11,303,601	91,075	-
0036 Extracurricular Activities	4,628,247	12,675	-
0041 General Administration	3,869,816	42,692	-
0051 Facilities Maintenance and Operations	14,368,338	202,120	-
0052 Security and Monitoring Services	2,521,333	58,417	-
0053 Data Processing Services	349,792	3,886	-
0061 Community Services	8,755	3,331	-
Debt Service:			
0071 Principal on Long-Term Liabilities	1,099,505	-	5,724,999
0072 Interest on Long-Term Liabilities	232,030	-	5,246,590
0073 Bond Issuance Cost and Fees	-	-	9,800
Capital Outlay:			
0081 Facilities Acquisition and Construction	307,065	-	-
Intergovernmental:			
0099 Other Intergovernmental Charges	491,470	-	-
6030 Total Expenditures	<u>111,532,868</u>	<u>9,420,743</u>	<u>10,981,389</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,187,389</u>	<u>-</u>	<u>384,785</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
7915 Transfers In	-	-	-
7949 Other Resources	1,347,031	-	-
8911 Transfers Out (Use)	(2,892,115)	-	-
7080 Total Other Financing Sources (Uses)	<u>(1,545,084)</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balances	642,305	-	384,785
0100 Fund Balance - July 1 (Beginning)	38,191,534	-	-
1300 Change from Nonmajor to Major Fund	-	-	8,865,874
3000 Fund Balance - June 30 (Ending)	<u>\$ 38,833,839</u>	<u>\$ -</u>	<u>\$ 9,250,659</u>

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

	60 Capital Projects	Other Funds	Total Governmental Funds
\$	2,700,212	\$ 43,267	\$ 21,756,647
	-	3,021,039	95,750,423
	-	12,983,640	35,748,262
	2,700,212	16,047,946	153,255,332
	-	12,687,873	70,864,541
	-	52,938	2,268,693
	-	18,856	1,036,902
	-	1,808,680	4,268,970
	-	231,092	7,285,509
	-	515,879	4,977,221
	-	108,039	614,229
	-	131,936	1,559,570
	-	51,032	4,090,153
	-	-	11,394,676
	-	14,606	4,655,528
	-	-	3,912,508
	-	16,508	14,586,966
	-	154,950	2,734,700
	-	-	353,678
	-	261,544	273,630
	-	-	6,824,504
	-	-	5,478,620
	-	-	9,800
	32,060,703	-	32,367,768
	-	-	491,470
	32,060,703	16,053,933	180,049,636
	(29,360,491)	(5,987)	(26,794,304)
	2,639,251	252,864	2,892,115
	-	-	1,347,031
	-	-	(2,892,115)
	2,639,251	252,864	1,347,031
	(26,721,240)	246,877	(25,447,273)
	54,099,993	8,865,874	101,157,401
	-	(8,865,874)	-
\$	27,378,753	\$ 246,877	\$ 75,710,128

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RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2024

EXHIBIT C-4

<b>Total Net Change in Fund Balances - Governmental Funds</b>	<b>\$ (25,447,273)</b>
The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to increase net position.	146,282
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2024 capital outlays and debt principal payments is to decrease net position.	41,040,255
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.	(8,021,481)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net position.	1,129,407
GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$2,939,154. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in the change in net position totaling \$3,117,995. Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense (increased) decreased the change in net position by \$4,778,342. The net result is an increase (decrease) in the change in net position.	(4,957,183)
GASB 75 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$1,402,066. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net OPEB liability. This caused a decrease in the change in net position totaling \$1,501,949. Finally, the proportionate share of the TRS OPEB expense on the plan as a whole had to be recorded. The net OPEB expense (increased) decreased the change in net position by (\$5,681,777). The net result is an increase (decrease) in the change in net position.	5,581,894
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 9,471,901</b>

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

RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
 STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2024

EXHIBIT D-1

	Governmental Activities -
	Internal Service Fund
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 814,066
Total Assets	814,066
<b>NET POSITION</b>	
Unrestricted Net Position	814,066
Total Net Position	\$ 814,066

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

RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

EXHIBIT D-2

	Governmental Activities -
	Internal Service Fund
<b>OPERATING REVENUES:</b>	
Local and Intermediate Sources	\$ 706,831
Total Operating Revenues	706,831
<b>OPERATING EXPENSES:</b>	
Professional and Contracted Services	560,549
Total Operating Expenses	560,549
Operating Income	146,282
Total Net Position - July 1 (Beginning)	667,784
Total Net Position - June 30 (Ending)	\$ 814,066

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

RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

EXHIBIT D-3

		Governmental Activities -
		Internal Service Fund
<u>Cash Flows from Operating Activities:</u>		
Cash Received from User Charges	\$	706,831
Cash Payments for Suppliers		(556,622)
Net Cash Provided by Operating Activities		150,209
Net Increase in Cash and Cash Equivalents		150,209
Cash and Cash Equivalents at Beginning of Year		663,857
Cash and Cash Equivalents at End of Year	\$	814,066
<u>Reconciliation of Operating Income to Net Cash</u>		
<u>Provided by Operating Activities:</u>		
Operating Income:	\$	146,282
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Receivables		3,927
Net Cash Provided by Operating Activities	\$	150,209

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

RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2024

EXHIBIT E-1

	Private Purpose Trust Funds	Total Custodial Funds
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 223,797	\$ 648,156
Due from Other Funds	-	59,974
Total Assets	<u>223,797</u>	<u>\$ 708,130</u>
<b>LIABILITIES</b>		
Accounts Payable	-	94,962
Due to Other Funds	5,600	185,358
Total Liabilities	<u>5,600</u>	<u>280,320</u>
<b>NET POSITION</b>		
Restricted for Other Purposes	<u>218,197</u>	<u>427,810</u>
Total Net Position	<u>\$ 218,197</u>	<u>\$ 427,810</u>

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

RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Private Purpose Trust Funds	Total Custodial Funds
<b>ADDITIONS:</b>		
Earnings from Temporary Deposits	\$ 849	\$ -
Miscellaneous Additions	-	23,137,428
Total Additions	<u>849</u>	<u>23,137,428</u>
<b>DEDUCTIONS:</b>		
Payment To Others	23,326	23,119,864
Total Deductions	<u>23,326</u>	<u>23,119,864</u>
Change in Fiduciary Net Position	(22,477)	17,564
Total Net Position - July 1 (Beginning)	<u>240,674</u>	<u>410,246</u>
Total Net Position - June 30 (Ending)	<u>\$ 218,197</u>	<u>\$ 427,810</u>

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

## **NOTES TO THE FINANCIAL STATEMENTS**

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**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Rio Grande City Grulla Independent School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and other authoritative sources identified in *Statement on Auditing Standards No. 76* of the American Institute of Certified Public Accountants; and it complies with the requirements of the appropriate version of Texas Education Agency's *Financial Accountability System Resource Guide* (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds.

**A. REPORTING ENTITY**

The Board of Trustees (the "Board") is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board ("GASB") in its Statement No. 14, "The Financial Reporting Entity." There is a blended component unit included within the reporting entity. As required by generally accepted accounting principles, the basic financial statements of the reporting entity include those of the District (the primary government) and its blended component unit. A blended component unit, although a legally separate entity, is in substance, part of the government's operations and so data from this unit is combined with data of the primary unit.

Blended Component Unit:

The Rio Grande City Grulla Independent School District Public Facilities Corporation (PFC) was established on January 31, 1995. The PFC was organized on behalf of the District for the specific purpose of obtaining financing to provide for the acquisition, construction, rehabilitation, renovation, repair, equipping, furnishing and placement in service of public facilities of the District under the terms of the Texas Public Facility Corporation Act. All powers are vested in the Board of Directors, each of whom is a member of the Board of School Trustees of the District.

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Rio Grande City Grulla Independent School District non-fiduciary activities with most of the inter-fund activities removed. *Governmental activities* include programs supported primarily by taxes, State foundation funds, grants and other intergovernmental revenues. *Business-type activities* include operations that rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the District. Examples include tuition paid by students not residing in the district, school lunch charges, etc. The "grants and contributions" column includes amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. Examples include grants under the Elementary and Secondary Education Act. If revenue is not program revenue, it is general revenue used to support all of the District's functions. Taxes are always general revenues.

**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

The fund financial statements provide reports on the financial condition and results of operations for three fund categories - governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The District considers some governmental funds major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues result from providing goods and services in connection with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are non-operating. Operating expenses can be tied specifically to the production of the goods and services, such as materials and labor and direct overhead. Other expenses are non-operating.

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues available if they are collectible within 60 days after year end.

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, that is, when they are both measurable and available. The District considers them "available" if they will be collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The Proprietary Fund Types and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into invested in capital assets net of related debt, restricted net assets, and unrestricted net assets.

In the fund financial statements, governmental funds report fund balances based on the following classifications: non-spendable, restricted, committed or unassigned. Restricted fund balances are amounts legally restricted by outside parties for use by a specific purpose. Commitments of fund balance require approval of the Board of Trustees through action. The Board of Trustees delegates the responsibility to assign fund balance to the Superintendent or his designee, when appropriate. Funds will be utilized in the following spending order: restricted, committed, assigned and unassigned.

**D. FUND ACCOUNTING**

The District reports the following major governmental funds:

1. **General Fund** – The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
2. **ESSER III ARP Act Fund** – The District accounts for resources restricted to, or designated for, specific purposes by the District or a grantor in a special revenue fund. Most federal and some state financial assistance is accounted for in a Special Revenue Fund, and sometimes unused balances must be returned to the grantor at the close of specified project periods.
3. **Debt Service Funds** – The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund
4. **Capital Projects Fund** – The other major fund is the capital projects fund which accounts for capital expenditure projects.

Additionally, the District reports the following fund type(s):

Governmental Funds:

1. **Special Revenue Funds** – The District accounts for resources restricted to, or designated for, specific purposes by the District or a grantor in a special revenue fund. Most federal and some state financial assistance is accounted for in a Special Revenue Fund, and sometimes unused balances must be returned to the grantor at the close of specified project periods.
2. **Internal Service Funds** – Revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis are accounted for in an internal service fund. The District's Internal Service Funds are the Dental Insurance Fund, and the Worker's Compensation Fund.

Fiduciary Funds:

3. **Private Purpose Trust Funds** – The District accounts for donations for which the donor has stipulated that both principal and the income may be used for the purposes that benefit parties outside the District. The District's private purpose trust funds are the Scholarship Funds.

**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

4. **Custodial Funds** – The District accounts for resources held for others in a custodial capacity in custodial funds. These funds are used to account for assets held by the District as a custodian for student and other organizations. These funds were previously reported in an agency fund. This change resulted in reporting the detail of additions to and deductions from custodial funds causing a change in the fund net position whereas these details were not reported for agency funds. This change is a result of the implementation of GASB 84.

**E. OTHER ACCOUNTING POLICIES**

1. For purposes of the statement of cash flows for proprietary funds, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.
2. The District reports inventories of supplies at weighted average cost including consumable maintenance, instructional, office and transportation items. Supplies are recorded as expenditures when they are consumed. Inventories of food commodities are recorded at market values supplied by the Texas Department of Human Services. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of Human Services and recorded as inventory and deferred revenue when received. When requisitioned, inventory and deferred revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount.
3. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

4. Capital assets, which include land, buildings, furniture and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Right-to-use leased assets and SBITA assets are depreciated/amortized using the straight line method over the term of the respective agreements.

**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	50
Portable Buildings	20
Building Improvements	Remaining life of building or 20 years whichever is less
Furniture, Fixtures & Equipment	5-10
Vehicles	8
Information Systems (computer equipment)	5

5. Since Internal Service Funds support the operations of governmental funds, they are consolidated with the governmental funds in the government-wide financial statements. The expenditures of governmental funds that create the revenues of internal service funds are eliminated to avoid "grossing up" the revenues and expenses of the District as a whole.

6. Self-Insurance Plans

Workers' Compensation – Self Funded

On September 1, 1991, the District established its self-funding Worker's Compensation Program. This program is accounted for in the Worker's Compensation Fund, an Internal Service Fund.

The District has maintained a self-insured retention of \$500,000 per occurrence and an aggregate retention of \$1,000,000 since becoming self-funded. The District currently purchases excess coverage to statutory limits and aggregate excess insurance from a commercial insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code. Claims administration was provided by York Risk Services Group, Inc., for the period beginning July 1, 2023 through June 30, 2024.

The accrued liability for Worker's Compensation self-insurance included incurred but not reported claims at June 30, 2024. This liability is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred as of the date of the financial statements, and the amount of loss can be reasonably estimated. Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing the liabilities does not result necessarily in an exact amount.

7. In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.
8. In the fund financial statements, certain resources of the governmental funds are set aside for the repayment or use of specific programs and are recorded to categories of designations:
- Non-spendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of these classifications are prepaid items and inventories.
  - Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.

**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

- Committed: fund balances that contain self-imposed constraints of the government from its highest level of decision making authority. The responsibility to commit funds rests with the Board of Trustees. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action.
- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose. The Board has by Local Policy CE authorized the Superintendent, or designee, to assign fund balance. The Board, Superintendent or designee may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. An additional action does not have to be taken for the removal of an assignment.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose. A negative unassigned fund balance could result in other governmental fund, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

When the District incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first whenever they will have to be returned if they are not used.

9. The District complies with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net position*, which provides guidance for reporting the financial statement elements of deferred outflows of resources, which represent the consumption of the District's net position that is applicable to a future reporting period, and deferred inflows of resources, which represent the District's acquisition of net position applicable to a future reporting period.
10. The District complies with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.
11. The District complies with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment to GASB Statement No. 27*. The fiduciary net position of the Teacher Retirement System of Texas ("TRS") has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.
12. The District complies with GASB Statement No. 72, *Fair Value Measurement and Application*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows:
  - Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.
  - Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.
  - Level 3 are unobservable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

There are three general valuation techniques that may be used to measure fair value:

- Market approach - uses prices generated by market transactions involving identical or comparable assets or liabilities
  - Cost approach - uses the amount that currently would be required to replace the service capacity of an asset (replacement cost)
  - Income approach - uses valuation techniques to convert future amounts to present amounts based on current market expectations.
13. The Data Control Codes refer to the account code structure prescribed by TEA in the *Financial Accountability System Resource Guide*. Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to insure accuracy in building a State-wide data base for policy development and funding plans.
  14. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
  15. The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury for investment income received at yields that exceed the issuer's tax exempt borrowing rates. The Treasury requires payment for each issue every five years. The estimated liability is updated annually for all tax-exempt issuances or changes in yields until such time payment of the calculated liability is due. The District had no tax liability as of June 30, 2024.
  16. Pensions - The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.
  17. The District complies with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Other Post-Employment Benefits - The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to 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.
  18. Change in Accounting Principle - GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, was adopted effective July 1, 2023. 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 form making decisions or assessing accountability.

**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Finance-Related Legal and Contractual Provisions**

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

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

**B. Deficit Fund Balance or Fund net Assets of Individual Funds**

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

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

**C. Budgetary Data**

The Board of Trustees adopts an "appropriated budget" for the General Fund, Debt Service Fund and the Food Service Fund which is included in the General Fund. The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears in Exhibit G-1 and the other two reports are in Exhibit J2 and J3.

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

1. Prior to June 1, 2024, the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must be given.
5. Prior to July 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year. However, none of these were significant.
4. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end. A reconciliation of fund balances for both appropriated budget and nonappropriated budget special revenue funds is as follows;

**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

5. Excess of expenditure over appropriations

The following is a list of the excess of expenditures over appropriations, at the legal control by an individual fund.

Fund	Function	Amount of Excess
N/A		N/A

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**A. DEPOSITS AND INVESTMENTS**

The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. At June 30, 2024 the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$45,976,174. The District's cash deposits at June 30, 2024 and for the fiscal year ended June 30, 2024 were entirely covered by FDIC insurance and by pledged collateral held by the District's agent bank in the District's name.

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

- a. Depository: Lone Star National Bank
- b. The market value of securities pledged as of the date of the highest combined balance on deposit was \$71,303,096.
- c. The highest combined balances of cash, savings, and time deposit accounts amounted to \$64,630,778 and occurred during the month of February 2024.
- d. Total amount of FDIC coverage at the time of the highest combined balance was \$ 250,000.

**Legal and Contractual Provisions Governing Deposits and Investments**

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District 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, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The district is in substantial compliance with the requirements of the Act and with local policies.

**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The District's investments at June 30, 2024, are shown below:

<u>Investment or Investment Type</u>	<u>Carrying Value</u>	<u>Market Value</u>	<u>Investment Maturities (in years)</u>	
			<u>Less than 1</u>	<u>1-5</u>
Texas Class				
General Fund	\$ 28,949,810	\$ 28,949,810	X	
Total - Texas Class	<u>28,949,810</u>	<u>28,949,810</u>		
Total - Investments	<u>\$ 28,949,810</u>	<u>\$ 28,949,810</u>		

**Policies Governing Deposits and Investments**

In compliance with the **Public Funds Investment Act**, the District has adopted a deposit and investment policy. That policy however does not address all of the following risks:

- a. **Custodial Credit Risk – Deposits and Investments:** In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy regarding types of deposits allowed and collateral requirements is defined in BDAE Legal as: Secure public funds by eligible securities to the extent and in the manner required by the Public Funds Collateral Act. *Gov't Code Ch.2257.*
- b. **Interest-rate Risk -** Interest-rate risk occurs when potential purchasers of debt securities do not agree to pay face value for those securities if interest rates rise. The District manages its exposure to interest rate risk by purchasing a combination of short and long term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time to provide the cash flow and liquidity needed for operations. The District policy does not address interest-rate risk.
- c. **Other Credit Risk Exposure -** The District is not exposed to other credit risk for all deposits are collateralized by US Government Securities. The District policy does not address other credit risk.
- d. **Concentration Risk -** The District is not exposed to concentration credit risk for all deposits are collateralized by US Government Securities. The District policy does not address concentration risk. As of June 30, 2024, the District had .001% of its investments in Texas Class rated at AAAM as noted above.
- e. **Foreign Currency Risk for Investments –** The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment. At year-end, the District was not exposed to foreign currency risk.

**B. PROPERTY TAXES**

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

**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**C. DELINQUENT TAXES RECEIVABLE**

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

**D. INTERFUND BALANCES AND TRANSFERS**

Inter-fund balances and Transfers at June 30, 2024, consisted of the following amounts:

<u>Due From Fund</u>	<u>Due To Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	General Fund	\$ 1,406,003	Short-term loans
General Fund	Special Revenue Fund	471,795	Short-term loans
General Fund	Capital Projects Fund	403,597	Short-term loans
General Fund	Trust and Custodial Fund	26,053	Short-term loans
Special Revenue Fund	General Fund	11,561,442	Short-term loans
Special Revenue Fund	Special Revenue Fund	15,288	Short-term loans
Special Revenue Fund	Trust and Custodial Fund	500	Short-term loans
Debt Service Fund	Trust and Custodial Fund	33,421	Short-term loans
Capital Projects Fund	Capital Projects Fund	13,265	Short-term loans
Trust and Custodial Fund	General Fund	190,958	Short-term loans
	Total	<u>\$ 14,122,321</u>	

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

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	
General Fund	Capital Projects Fund	\$ 2,639,251	Supplement other funds
General Fund	Special Revenue Fund	252,864	Supplement other funds
	Total	<u>\$ 2,892,115</u>	

**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**E. CAPITAL ASSET ACTIVITY**

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

<u>Governmental activities:</u>	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Primary Government:				
Land	\$ 5,625,329	\$ -	\$ -	\$ 5,625,329
Construction In Progress	20,425,888	31,668,436	(1,250,763)	50,843,561
Buildings and improvements	235,417,349	1,392,611	-	236,809,960
Furniture and Equipment	19,387,522	1,464,876	(301,376)	20,551,022
Furniture and Equipment - Financed Purchase	7,205,641	-	(552,411)	6,653,230
Right-to-use lease assets - Furniture and Equipment	691,556	-	(691,556)	-
Blended Component Unit:				
Land	1,022,134	-	-	1,022,134
Buildings and improvements	20,992,858	-	-	20,992,858
Totals at Historical Cost	<u>310,768,277</u>	<u>34,525,923</u>	<u>(2,796,106)</u>	<u>342,498,094</u>
Less accumulated depreciation for:				
Buildings and improvements	(101,236,267)	(6,384,511)	-	(107,620,778)
Furniture and Equipment	(13,785,747)	(1,226,052)	301,376	(14,710,423)
Capital Lease	(6,288,260)	(212,262)	552,411	(5,948,111)
Right-to-use lease assets - Furniture and Equipment	(492,900)	(198,656)	691,556	-
Total accumulated depreciation	<u>(121,803,174)</u>	<u>(8,021,481)</u>	<u>1,545,343</u>	<u>(128,279,312)</u>
Governmental activities capital assets, net	<u>\$ 188,965,103</u>	<u>\$ 26,504,442</u>	<u>\$ (1,250,763)</u>	<u>\$ 214,218,782</u>
Depreciation was charged to functions as follows:				
Instruction	\$ 3,577,596			
Instructional Resources and Media Services	155,108			
Curriculum and Staff Development	73,186			
Instructional Leadership	161,703			
School Leadership	485,647			
Guidance, Counseling, & Evaluation Services	291,546			
Social Work Services	29,733			
Health Services	96,870			
Student Transportation	279,054			
Food Services	804,647			
Extracurricular Activities	329,462			
General Administration	474,129			
Plant Maintenance and Operations	1,022,810			
Security and Monitoring Services	179,481			
Data Processing Services	24,900			
Community Services	624			
Other Intergovernmental Charges	34,985			
	<u>\$ 8,021,481</u>			

**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT**  
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**F. BONDS AND LONG-TERM NOTES PAYABLE**

Bonded indebtedness of the District is reflected in the General Long-Term Debt Account Group. Current requirements for principal and interest expenditures are accounted for in the Debt Service Fund.

A summary of changes in general long-term debt for the fiscal year ended June 30, 2024 is as follows:

Governmental activities:	Original Issue Amount	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Bond Series 2012 2.0% to 4.0% Interest	\$ 8,925,000	\$ 3,055,000	\$ -	\$ 570,000	\$ 2,485,000	\$ 590,000
Bond Series 2013 2.0% to 3.5% Interest	18,590,000	13,010,000	-	850,000	12,160,000	895,000
Bond Series 2021 3.0% to 5.0% Interest	60,625,000	59,660,000	-	1,090,000	58,570,000	1,135,000
Refunding Bonds Series 2015A 2.0% to 5.0% Interest	14,880,000	5,990,000	-	1,390,000	4,600,000	1,460,000
Refunding Bonds Series 2015 B 4.0% to 5.0% Interest	29,700,000	23,350,000	-	1,120,000	22,230,000	1,180,000
Refunding Bonds Series 2016 4.0% to 5.0% Interest	4,900,000	4,795,000	-	-	4,795,000	-
Refunding Bonds Series 2020 3.0% to 5.0% Interest	21,835,000	21,430,000	-	-	21,430,000	290,000
Refunding Bond Series 2021A 4.0% to 5.0% Interest	4,605,000	3,830,000	-	705,000	3,125,000	725,000
Maintenance Tax Notes Series 2017 2.54% Interest	7,290,000	5,115,000	-	455,000	4,660,000	470,000
Maintenance Tax Notes Series 2018 3.38% Interest	2,560,000	1,834,959	-	155,000	1,679,959	165,000
Maintenance Tax Notes Series 2021 2.289% Interest	923,750	817,738	-	109,128	708,610	111,536
Time Warrants Series 2021 2.289% Interest	1,000,000	885,237	-	118,135	767,102	120,742
Bond Premiums on Refunding		17,720,227	-	1,080,965	16,639,262	1,080,965
<b>Total Long-Term Debt</b>	<b>\$ 175,833,750</b>	<b>\$ 161,493,161</b>	<b>\$ -</b>	<b>\$ 7,643,228</b>	<b>\$ 153,849,933</b>	<b>\$ 8,223,243</b>
Net Pension Liability		41,942,623	7,444,526	-	49,387,149	-
Net OPEB Liability		24,318,851	-	2,256,054	22,062,797	-
<b>Total Other Long-Term Debt</b>		<b>66,261,474</b>	<b>7,444,526</b>	<b>2,256,054</b>	<b>71,449,946</b>	<b>-</b>
<b>Total Governmental Activities</b>		<b>\$ 227,754,635</b>	<b>\$ 7,444,526</b>	<b>\$ 9,899,282</b>	<b>\$ 225,299,879</b>	<b>\$ 8,223,243</b>

\*Refunding Bonds Series 2016 - principal payment of \$1,120,000 is due in fiscal year 2026

**Debt Service Requirements**

Debt service requirements on long-term debt at June 30, 2024, are as follows:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 7,142,278	\$ 5,177,977	\$ 12,320,255
2026	8,327,595	4,831,931	13,159,526
2027	8,678,033	4,448,245	13,126,278
2028	7,378,596	4,110,935	11,489,531
2029	6,124,286	3,836,826	9,961,112
2030	6,375,107	3,578,212	9,953,319
Thereafter	93,184,776	30,899,362	124,084,138
<b>Totals</b>	<b>\$ 137,210,671</b>	<b>\$ 56,883,488</b>	<b>\$ 194,094,159</b>

**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT**  
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Bond Refunding-Series 2012

The \$8,925,000 Unlimited Tax Refunding Bonds, Series 2012 were issued and sold in June 2012 to partially defease the following bond issue:

Unlimited Tax School Building Bonds Issue 2002	<u>9,180,000</u>
Total Bonds Refunded	<u>\$9,180,000</u>

Bond proceeds were placed in an irrevocable trust to provide for all future debt payments on the old bonds. Accordingly, the trust account asset and the defeased bonds are not included in the District's government-wide statement of net assets. On August 31, 2012, \$ 9,180,000 of bonds outstanding are considered defeased. The difference in cash flows associated with the refunding amounted to a decrease of \$359,547 in debt service, or \$1,711,965 in economic gain.

Bond Refunding-Series 2013

The \$18,590,000 Unlimited Tax Refunding Bonds, Series 2013 were issued and sold in May 2013 to partially defease the following bond issue:

Unlimited Tax School Building Bonds Issue 2004	<u>18,590,000</u>
Total Bonds Refunded	<u>\$18,590,000</u>

Bond proceeds were placed in an irrevocable trust to provide for all future debt payments on the old bonds. Accordingly, the trust account asset and the defeased bonds are not included in the District's government-wide statement of net assets. On August 31, 2013, \$18,590,000 of bonds outstanding are considered defeased. The difference in cash flows associated with the refunding amounted to a decrease of \$2,439,322 in debt service, or \$1,801,258 in economic gain.

Bond Refunding-Series 2015A

The \$29,700,000 Unlimited Tax Refunding Bonds, Series 2015B were issued and sold in May 2015 to defease the following bond issue:

Unlimited Tax School Building Bonds Issue 2006	<u>31,015,000</u>
Total Bonds Refunded	<u>\$31,015,000</u>

Bond proceeds were placed in an irrevocable trust to provide for all future debt payments on the old bonds. Accordingly, the trust account asset and the defeased bonds are not included in the District's government-wide statement of net assets. On August 31, 2016, \$31,015,000 of bonds outstanding are considered defeased. The difference in cash flows associated with the refunding amounted to a decrease of \$5,109,625 in debt service, or \$3,704,088 in economic gain.

Bond Refunding-Series 2015B

The \$14,880,000 Unlimited Tax Refunding Bonds, Series 2015 were issued and sold in May 2015 to defease the following bond issue:

Unlimited Tax School Building Bonds Issue 2005	<u>15,880,000</u>
Total Bonds Refunded	<u>\$15,880,000</u>

Bond proceeds were placed in an irrevocable trust to provide for all future debt payments on the old bonds. Accordingly, the trust account asset and the defeased bonds are not included in the District's government-wide statement of net assets. On August 31, 2015, \$15,880,000 of bonds outstanding are considered defeased. The difference in cash flows associated with the refunding amounted to a decrease of \$2,445,398 in debt service, or \$2,130,534 in economic gain.

**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT**  
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**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Bond Refunding-Series 2016

The \$4,900,000 Unlimited Tax Refunding Bonds, Series 2016 were issued and sold in December 2016 to partially defease the following bond issue:

Unlimited Tax School Building Bonds Issue 2010	<u>4,910,000</u>
Total Bonds Refunded	<u>\$4,910,000</u>

Bond proceeds were placed in an irrevocable trust to provide for all future debt payments on the old bonds. Accordingly, the trust account asset and the defeased bonds are not included in the District's government-wide statement of net assets. On August 31, 2017, \$4,910,000 of bonds outstanding are considered defeased.

Maintenance Tax Notes-Series 2017

The \$7,290,000 Maintenance Tax Notes, Series 2017 were issued and sold in December 2017 to finance the RGCCISD Facility Improvement Project for Energy Efficiency.

Maintenance Tax Notes-Series 2018

The \$2,560,000 Maintenance Tax Notes, Series 2018 were issued and sold in July 2018 to finance the Renovation of Athletic Facilities that include turf improvements.

Bond Refunding-Series 2020

On June 17, 2020, the District issued Unlimited Tax Refunding Bonds Series 2020 totaling \$21,835,000 with an interest rate ranging from 3.00% to 5.00% to advance refund \$23,765,000 of Tax School Building Bonds Series 2010 with an interest rate of 2.00% to 5.00%. The net proceeds were used to purchase U.S. Government securities, which were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, \$23,765,000 of Series 2020 Unlimited Tax Refunding Bonds are considered to be defeased and the liability for those bonds was removed from long-term debt. The premiums of \$2,728,970 is being amortized over the life of the bonds. The net present value savings is \$1,930,000.

Bond Refunding-Series 2021A

On June 29, 2021, the District issued Unlimited Tax Refunding Bonds Series 2021A totaling \$4,605,000 with an interest rate ranging from 4.00% to 5.00% to advance refund \$5,030,000 of Unlimited Tax Refunding Bonds Series 2011 with an interest rate of 4.25%. The net proceeds were used to purchase U.S. Government securities, which were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, \$5,030,000 of Series 2011 Unlimited Tax Refunding Bonds are considered to be defeased and the liability for those bonds was removed from long-term debt. The premiums of \$665,225 is being amortized over the life of the bonds. The net present value savings is \$425,000.

Maintenance Tax Notes-Series 2021

The \$923,750 Maintenance Tax Notes, Series 2021 were issued and sold in November 2021 to finance Renovation of Athletic Facilities that include synthetic turf improvements.

Time Warrants-Series 2021

The \$1,000,000 Time Warrants, Series 2021 were issued and sold in November 2021 to finance the Renovation of Athletic Facilities that include synthetic turf improvements.

There are a number of limitations and restrictions contained in the general obligation bond indenture. Rio Grande City CISD is in compliance with all significant limitations and restrictions at June 30, 2024.

**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT**  
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**Right-To-Use Lease Liabilities Payable**

The District leases photocopy machines with an agreement having a 3-year term. Average payments of \$21,305 are made monthly which consist of principal and imputed annual interest of ranging from 4.67% to 10.42%. No assets were pledged as collateral for these leases.

A summary of Right-To-Use Lease arrangements for the year ended June 30, 2024 is as follows:

	Interest Rate Payable	Original Lease Liability	Current Year Interest	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance	Amounts Due Within One Year
De Lage Landen Leases, December 2021	6.40%	\$ 98,880	\$ -	\$ 36,346	\$ -	\$ 36,346	\$ -	\$ -
De Lage Landen Leases, May 2022	4.67%	627,244	-	187,681	-	187,681	-	-
De Lage Landen Leases, January 2022	10.42%	13,225	-	4,959	-	4,959	-	-
Total			<u>\$ -</u>	<u>\$ 228,985</u>	<u>\$ -</u>	<u>\$ 228,985</u>	<u>\$ -</u>	<u>\$ -</u>

Future principal and interest payments due to maturity as of the end of the fiscal year are as follows:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2025	\$ -	\$ -	\$ -
Totals	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**G. DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES**

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the fund level financial statements, the District has the following deferred inflows of resources:

	General Fund	Debt Service	Ending Balance
Property Taxes Receivable	\$ 13,526,952	\$ 4,934,343	\$ 18,461,295
Allowance for Uncollectible Taxes	(4,071,473)	(934,026)	(5,005,499)
Total Exhibit C-1	<u>\$ 9,455,479</u>	<u>\$ 4,000,316</u>	<u>\$ 13,455,795</u>

Deferred outflows of resources and deferred inflows resources related to pensions is \$19,568,539 and \$3,934,863, respectively. Deferred outflows of resources and deferred inflows resources related to other post-employment benefits is \$7,446,294 and \$36,646,040, respectively See related details of pension plan obligations in Note I and other post-employment benefits in Note J.

**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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At the government-wide financial statements (Exhibit A-1), the District reports cumulative charges on refunding as net deferred outflows in the amount of \$1,645,217.

	Beginning Balance	Additions	Reductions	Ending Balance
Deferred Loss on Refunding 2012	\$ (31,763)	\$ -	\$ (14,655)	\$ (17,108)
Deferred Loss on Refunding 2013	(602,108)	-	(65,692)	(536,416)
Deferred Loss on Refunding 2015A	(77,863)	-	(35,936)	(41,927)
Deferred Loss on Refunding 2015B	(654,633)	-	(49,718)	(604,915)
Deferred Loss on Refunding 2020	(400,338)	-	(22,241)	(378,097)
Deferred Loss on Refunding 2021A	(83,442)	-	(16,688)	(66,754)
Total	<u>\$ (1,850,147)</u>	<u>\$ -</u>	<u>\$ (204,930)</u>	<u>\$ (1,645,217)</u>

**H. MEDICARE PART D – ON BEHALF PAYMENTS**

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for 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. Payments made on behalf of the District for fiscal years 2022, 2023, and 2024 were \$373,468, \$485,541 and \$457,695, respectively.

**I. DEFINED BENEFIT PENSION PLAN**

**A. Plan Description**

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

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

**B. Pension Plan Fiduciary Net Position**

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

**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**I. PENSION PLAN OBLIGATIONS (CONTINUED)**

**C. Benefits Provided**

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

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

**D. Contributions**

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

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

**I. PENSION PLAN OBLIGATIONS (CONTINUED)**

Contribution Rates	2023	2024
Member	8.00%	8.25%
Non-Employer Contributing Entity (State)	8.00%	8.25%
Employers	8.00%	8.25%
Rio Grande City Grulla Independent School District's 2023 Employer Contributions		\$3,468,982
Rio Grande City Grulla Independent School District's 2023 Member Contributions		\$7,066,197
Rio Grande City Grulla Independent School District's 2023 NECE On-Behalf Contributions		\$4,351,268

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).

**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT**  
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**I. PENSION PLAN OBLIGATIONS (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 percent of the state contribution rate for certain instructional or administrative employees; and 100 percent of the state contribution rate for all other employees.

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

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

**E. Actuarial Assumptions**

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

Valuation Date	August 31, 2022 rolled forward to August 31, 2023
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term Expected Rate	7.00%
Municipal Bond Rate as of August 2022	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 Income Including Inflation	2.95% to 8.95%
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.

**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**I. PENSION PLAN OBLIGATIONS (CONTINUED)**

**F. Discount Rate**

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

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

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

Asset Class*	Target Allocation %*	Long-term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
<b>Global Equity</b>			
USA	18.0%	4.0%	1.00%
Non-U.S. Developed	13.0	4.5	0.90
Emerging Markets	9.0	4.8	0.70
Private Equity	14.0	7.0	1.50
<b>Stable Value</b>			
Government Bonds	16.0%	2.5%	0.50%
Absolute Return	0.0	3.6	0.00
Stable Value Hedge	5.0	4.1	0.20
<b>Real Return</b>			
Real Estate	15.0%	4.9%	1.10%
Energy, Natural Resources & Infrastructure	6.0	4.8	0.40
Commodities	0.0	4.4	0.00
<b>Risk Parity</b>	8.0%	4.5%	0.40%
<b>Asset Allocation Leverage</b>			
Cash	2.0%	3.7%	0.00%
Asset Allocation Leverage	-6.0	4.4	-0.10
Inflation Expectation			2.30%
Volatility Drag****			-0.90%
<b>Total</b>	<b>100.0%</b>		<b>8.00%</b>

\* Absolute Return includes Credit Sensitive Investments.

\*\*Target allocations are based on the FY2023 policy model

\*\*\*Capital Market Assumptions come from Aon Hewitt (as of 06/30/2023).

\*\*\*\*The volatility drag results from the conversion between arithmetic and geometric mean returns.

**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**I. PENSION PLAN OBLIGATIONS (CONTINUED)**

**G. 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.

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Rio Grande City Grulla ISD's proportionate share of the net pension liability:	\$ 73,836,522	\$ 49,387,149	\$ 29,057,481

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

At June 30, 2024, the District reported a liability of \$49,387,149 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	\$ 49,387,149
State's proportionate share that is associated with the District	58,147,132
Total	<u>\$ 107,534,281</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 employer's proportion of the collective net pension liability was .0718982332%, which was an increase (decrease) of .0012490174% from its proportion measured as of August 31, 2022.

**Changes In Assumptions and Benefits since the Prior Actuarial Valuation**

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

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

The amount of pension expense recognized by the District in the reporting period was \$16,676,051.

For the year ended June 30, 2024, the District recognized pension expense of \$16,676,051 and revenue of \$8,779,714 for support provided by the State.

**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**I. PENSION PLAN OBLIGATIONS (CONTINUED)**

At June 30, 2024, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,759,681	\$ 598,024
Changes in actuarial assumptions	4,671,057	1,143,114
Difference between projected and actual investment earnings	7,187,029	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	3,011,618	2,193,725
Total as August 31, 2023 measurement date	16,629,385	3,934,863
Contributions paid to TRS subsequent to the measurement date	2,939,154	-
Total as of fiscal year ended	\$ 19,568,539	\$ 3,934,863

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

Year ended June 30,	Pension Expense Amount
2025	\$ 2,786,858
2026	1,700,124
2027	6,223,285
2028	1,734,130
2029	250,125
Thereafter	-

**J. DEFINED OTHER POST-EMPLOYMENT BENEFITS PLAN**

**A. Plan Description**

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

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

**B. OPEB Plan Fiduciary Net Position**

Detail information about the 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 [http://www.trs.texas.gov/Pages/about\\_publications.aspx](http://www.trs.texas.gov/Pages/about_publications.aspx); by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**J. DEFINED OTHER POST-EMPLOYMENT BENEFITS PLAN (Continued)**

**C. Benefits Provided**

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

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

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

**TRS-Care Monthly for Retirees**

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

**D. 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 does not have the authority to set or amend contribution rates.

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

**Contribution Rates**

	2023	2024
Member	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%
Rio Grande City Grulla Independent School District's 2023 Employer Contributions		\$ 1,683,043
Rio Grande City Grulla Independent School District's 2023 Member Contributions		\$ 7,066,197
Rio Grande City Grulla Independent School District's 2023 NECE On-Behalf Contributions		\$ 1,043,171

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (*regardless of whether they participate in the TRS Care OPEB program*). When hiring a TRS retiree, employers are required to pay TRS-Care a monthly surcharge of \$535 per retiree.

**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**J. DEFINED OTHER POST-EMPLOYMENT BENEFITS PLAN (Continued)**

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 87<sup>th</sup> Legislature. These amounts were re-appropriated amounts received by the pension and TRS-Care funds in excess of the state's actual obligation and then transferred to TRS-Care.

**E. Actuarial Assumptions**

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

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2021. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2022 TRS pension actuarial valuation that was rolled forward to August 31, 2023:

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

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

**Additional Actuarial Methods and Assumptions:**

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

**F. Discount Rate:**

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

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

**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**J. DEFINED OTHER POST-EMPLOYMENT BENEFITS PLAN (Continued)**

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/Date Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

**G. Discount Rate Sensitivity Analysis**

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

	1% Decrease in Discount Rate (3.13%)	Current Single Discount Rate (4.13%)	1% Increase in Discount Rate (5.13%)
District's proportionate share of the Net OPEB liability:	\$ 25,985,380	\$ 22,062,797	\$ 18,861,876

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

At June 30, 2024, the District reported a liability of \$22,062,797 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	\$ 22,062,797
State's proportionate share that is associated with the District	<u>26,622,155</u>
Total	<u>\$ 48,684,952</u>

The net OPEB liability was measured as of August 31, 2022 and rolled forward to August 31, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer's proportion of the net OPEB liability was based on the employer's contributions to the OPEB 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 employer's proportion of the collective Net OPEB Liability was .0996589244%, which was an increase (decrease) of (.0019065858%) from its proportion measured as of August 31, 2022.

**Healthcare Cost Trend Rates Sensitivity Analysis**

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

	1% Decrease in Healthcare Trend Rate	Current Healthcare Cost Trend Rate	1% Increase in Healthcare Trend Rate
District's proportionate share of the Net OPEB liability:	\$ 20,038,843	\$ 24,318,851	\$ 29,867,331

**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**J. DEFINED OTHER POST-EMPLOYMENT BENEFITS PLAN (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 percent as of August 31, 2022 to 4.13 percent as of August 31, 2023, accompanied by revised demographic and economic assumptions based on the TRS experience study.

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

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

The amount of OPEB expense recognized by the District in the reporting period was (\$9,871,083).

For the ended June 30, 2024, the District recognized OPEB expense of (\$9,871,083) and revenue of (\$5,691,255) for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 998,174	\$ 18,561,664
Changes in actuarial assumptions	3,011,411	13,509,636
Difference between projected and actual investment earnings	9,532	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	2,025,111	4,574,740
Total as of August 31, 2023 measurement date	6,044,228	36,646,040
Contributions paid to TRS subsequent to the measurement date	1,402,066	-
Total as of fiscal year-end	\$ 7,446,294	\$ 36,646,040

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

Year ended June 30:	Pension Expense Amount
2025	\$ (6,653,637)
2026	(5,641,721)
2027	(4,271,758)
2028	(4,456,423)
2029	(3,856,891)
Thereafter	(5,721,382)

**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**K. HEALTH CARE COVERAGE**

For the year ended June 30, 2024, employees of the District were covered by health insurance plan (the Plan). The District paid premiums of \$300 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a third party administrator, acting on behalf of the licensed insurer. The Plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreement. The contract between the District and the third-party administrator is renewable September 1, 2024, and terms of coverage and premium costs are included in the contractual provisions.

**L. DEFERRED REVENUE**

Deferred revenue at year-end consisted of the following:

	General Fund	Special Revenue Funds	Total
Revenue	\$ 91,699	\$ 394,896	\$ 486,595
Total Deferred Revenue	\$ 91,699	\$ 394,896	\$ 486,595

**M. DUE FROM STATE AGENCIES**

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of June 30, 2024, are summarized below. All federal grants shown below are passed through the Texas Education Agency and are reported on the combined financial statements as Due from State Agencies.

DUE FROM	STATE ENTITLEMENTS	FEDERAL GRANTS	TOTAL
General Fund	\$ 8,148,783	\$ -	\$ 8,148,783
Special Revenue Fund	-	11,988,373	11,988,373
Total	\$ 8,148,783	\$ 11,988,373	\$ 20,137,156

DUE TO	STATE ENTITLEMENTS	FEDERAL GRANTS	TOTAL
General Fund	\$ 1,361,447	\$ -	\$ 1,361,447
Special Revenue Fund	-	22,772	22,772
Debt Service Fund	23,710	-	23,710
Total	\$ 1,385,157	\$ 22,772	\$ 1,407,929

**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**N. DISAGGREGATION OF RECEIVABLES AND PAYABLES**

Receivables at June 30, 2024, were as follows:

	<u>Property Taxes</u>	<u>Other Governments</u>	<u>Due From Other Funds</u>	<u>Total</u>
General Fund	\$ 13,526,952	\$ 8,148,783	\$ 13,158,402	\$ 34,834,137
Special Revenue Fund	-	11,988,373	487,083	12,475,456
Debt Service Fund	4,934,343	-	-	4,934,343
Capital Projects Fund	-	-	416,862	416,862
Trust and Custodial Fund	-	-	59,974	59,974
<b>Total</b>	<b><u>\$ 18,461,295</u></b>	<b><u>\$ 20,137,156</u></b>	<b><u>\$ 14,122,321</u></b>	<b><u>\$ 52,720,772</u></b>

Payables at June 30, 2024, were as follows:

	<u>Accounts Payables</u>	<u>Salaries and Benefits</u>	<u>Due to Other Funds</u>	<u>Due to Other Governments</u>	<u>Other</u>	<u>Total</u>
General Fund	\$ 1,756,808	\$ 11,528,838	\$ 2,307,448	\$ 1,361,447	\$ -	\$ 16,954,541
Special Revenue Fund	477,239	1,935,741	11,577,230	22,772	182,059	14,195,041
Debt Service Fund	1,300	-	33,421	23,710	-	58,431
Capital Projects Fund	2,057,545	-	13,265	-	-	2,070,810
Trust and Custodial Fund	94,962	-	190,958	-	-	285,920
<b>Total</b>	<b><u>\$ 4,387,854</u></b>	<b><u>\$ 13,464,579</u></b>	<b><u>\$ 14,122,321</u></b>	<b><u>\$ 1,407,929</u></b>	<b><u>\$ 182,059</u></b>	<b><u>\$ 33,564,742</u></b>

**O. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES**

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

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Internal Service Fund</u>	<u>Other Funds</u>	<u>Total</u>
Property Taxes	\$ 8,760,066	\$ 7,155,463	\$ -	\$ -	\$ -	\$ 15,915,529
Penalties, Interest and Other Tax-related Income	702,488	214,618	-	-	-	917,106
Investment Income	1,065,331	144,136	2,700,212	16,996	-	6,626,887
Food Sales	444,202	-	-	-	-	444,202
Other	526,865	-	-	689,835	43,267	1,259,967
<b>Total</b>	<b><u>\$ 11,498,951</u></b>	<b><u>\$ 7,514,217</u></b>	<b><u>\$ 2,700,212</u></b>	<b><u>\$ 706,831</u></b>	<b><u>\$ 43,267</u></b>	<b><u>\$ 25,163,690</u></b>

**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**P. DISAGGREGATION OF MISCELLANEOUS LOCAL AND INTERMEDIATE REVENUE**

	Total
Penalties, Interest & Other Tax Revenues for General Purposes	\$ 677,663
Penalties, Interest & Other Tax Revenues for Debt Service	214,618
Other Resources	1,347,031
Total Exhibit B-1	\$ 2,239,312

**Q. LITIGATION**

The District is the defendant in various lawsuits arising out of the normal course of operations. In the opinion of administration, the outcome of these lawsuits will not have a material adverse effect on the accompanying combined financial statements and accordingly, no provision for potential loss has been recorded.

**R. MAINTENANCE OF EFFORT**

The total amount paid by the District (a self-funded plan) for the employee health care premiums is as follows:

a) Total District Premium paid for health care 2023-2024	\$ 3,312,461
b) Subtract any non-medical expenditures	
Life Insurance	\$ 19,859
Long-Term Disability	-
(19,859)	(19,859)
c) 2023-2024 Maintenance of Effort	3,292,602

**S. FUND BALANCES**

The District has nonspendable, restricted, committed, and unassigned fund balance as follows.

Nonspendable Fund Balances:	
Inventories	\$ 885,383
Prepaid Items	6,693
Restricted Fund Balances:	
Federal/State Funds Grant Restrictions	2,706,864
Capital Projects	27,378,753
Debt Service	9,250,659
Other	3,987,862
	43,324,138
Unassigned:	31,493,914
Total Fund Balance	\$ 75,710,128

The District has designated \$3,987,862 out of the general fund to be used for specific projects in the future.

**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**T. OTHER RESOURCE**

The District received \$897,662 from Duke Energy Renewables Wind, LLC, \$69,369 from Hidalgo Wind Farm, LLC and \$380,000 from Mesteno Windpower, LLC, as hold harmless payments to offset the loss of revenue due to the Value Limitation applied to both companies. These items have been recorded as other resources in accordance with generally accepted accounting principles.

**U. GASB 87**

The District implemented GASB 87 for reporting leases during the reporting period. A right-to-use lease is defined as a contract that conveys control of another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. To be accounted for as a lease, the lease must meet the definition of a "longterm" lease provided in GASB 87 and must meet the capitalization level set by the Board. The right-to-use lease liability is reported in the government-wide statements. The lease liability is calculated as the present value of the reasonably certain expected payments to be made over the term of the lease and the interest included in the lease payment is recorded as an expense.

With GASB 87, the initial measure of a new right-to-use lease arrangement is reported in government fund types as an other financial source during the current period. Monthly payments are reported as principal and interest payments during the reporting period of the fund level statements.

The right-to-use lease asset capitalization level is determined by the Board of Trustees. The term of the lease must be the noncancelable period during which the District has the right to use the tangible assets of another entity plus any periods in which either the lessee or the lessor has the sole option to extend the lease if it is reasonably certain the option will be exercised, plus any periods in which either the lessee or the lessor has the sole option to terminate the lease if it is reasonably certain the option will not be exercised by that party and must not meet the definition of a short-term lease under GASB 87. If the lease is in a governmental fund, the full amount of the lease asset will be reported as an expenditure in the fund level statements the year the agreement is made. This statement had no significant impact to the District.

**V. GASB 96**

The District implemented GASB 96 for reporting subscription-based information technology arrangements (SBITAs) during this reporting period. A SBITA is defined as a contract that conveys control over another entity's IT software as specified in the contract for a period of time in an exchange or exchange-like transaction. To be accounted for as a SBITA, it must meet the definition of a "long-term" SBITA provided in GASB 96. The right-to-use SBITA liability is reported in the government-wide statements. The SBITA liability is calculated as the present value of the reasonably certain expected payments made over the term of the contract and the interest included in the SBITA payments is recorded as an expense. There were no SBITAs material to the financial statements that were recorded during the year audited.

**W. CHANGES WITHIN THE FINANCIAL REPORTING ENTITY**

For the current year, the District reported a change in its financial reporting entity. The District previously reported the Debt Service Fund as a non-major governmental fund. In the prior year, that classification was required based on quantitative factors. However, that threshold was met in the current year, and management concluded that the fund was significant enough to merit presentation as a major fund for qualitative purposes. Thus, the Debt Service Fund was reclassified to a major fund in the current year.

**X. SUBSEQUENT EVENTS**

The District has evaluated subsequent events through November 18, 2024, the date which the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

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RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 13,792,727	\$ 11,487,129	\$ 11,498,951	\$ 11,822
5800 State Program Revenues	85,322,565	88,976,068	88,877,427	(98,641)
5900 Federal Program Revenues	10,504,000	11,321,179	13,343,879	2,022,700
5020 Total Revenues	<u>109,619,292</u>	<u>111,784,376</u>	<u>113,720,257</u>	<u>1,935,881</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	56,453,045	56,007,003	50,381,712	5,625,291
0012 Instructional Resources and Media Services	2,318,899	2,323,570	2,178,948	144,622
0013 Curriculum and Instructional Staff Development	1,361,545	905,055	904,115	940
0021 Instructional Leadership	2,730,028	3,299,277	2,271,585	1,027,692
0023 School Leadership	6,924,044	8,038,631	6,822,316	1,216,315
0031 Guidance, Counseling, and Evaluation Services	4,368,605	4,172,503	4,095,608	76,895
0032 Social Work Services	440,599	490,599	417,687	72,912
0033 Health Services	1,439,347	1,439,437	1,360,818	78,619
0034 Student (Pupil) Transportation	4,225,622	5,025,622	3,920,127	1,105,495
0035 Food Services	8,983,000	12,441,676	11,303,601	1,138,075
0036 Extracurricular Activities	3,981,987	4,676,346	4,628,247	48,099
0041 General Administration	4,803,678	5,874,789	3,869,816	2,004,973
0051 Facilities Maintenance and Operations	14,618,386	16,798,386	14,368,338	2,430,048
0052 Security and Monitoring Services	2,715,000	2,980,392	2,521,333	459,059
0053 Data Processing Services	373,356	423,356	349,792	73,564
0061 Community Services	35,467	35,467	8,755	26,712
Debt Service:				
0071 Principal on Long-Term Liabilities	837,080	1,130,197	1,099,505	30,692
0072 Interest on Long-Term Liabilities	225,147	232,030	232,030	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	416,000	516,000	307,065	208,935
Intergovernmental:				
0099 Other Intergovernmental Charges	598,320	698,320	491,470	206,850
6030 Total Expenditures	<u>117,849,155</u>	<u>127,508,656</u>	<u>111,532,868</u>	<u>15,975,788</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,229,863)</u>	<u>(15,724,280)</u>	<u>2,187,389</u>	<u>17,911,669</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
7915 Transfers In	-	200,000	-	(200,000)
7949 Other Resources	1,229,862	1,229,862	1,347,031	117,169
8911 Transfers Out (Use)	-	(2,892,115)	(2,892,115)	-
7080 Total Other Financing Sources (Uses)	<u>1,229,862</u>	<u>(1,462,253)</u>	<u>(1,545,084)</u>	<u>(82,831)</u>
1200 Net Change in Fund Balances	<u>(7,000,001)</u>	<u>(17,186,533)</u>	<u>642,305</u>	<u>17,828,838</u>
0100 Fund Balance - July 1 (Beginning)	<u>38,191,534</u>	<u>38,191,534</u>	<u>38,191,534</u>	<u>-</u>
3000 Fund Balance - June 30 (Ending)	<u>\$ 31,191,533</u>	<u>\$ 21,005,001</u>	<u>\$ 38,833,839</u>	<u>\$ 17,828,838</u>

RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED JUNE 30, 2024

	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021
District's Proportion of the Net Pension Liability (Asset)	0.071898233%	0.070649216%	0.077042583%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 49,387,149	\$ 41,942,623	\$ 19,620,020
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	58,147,132	56,311,844	26,242,169
Total	<u>\$ 107,534,281</u>	<u>\$ 98,254,467</u>	<u>\$ 45,862,189</u>
District's Covered Payroll	\$ 89,608,078	\$ 88,560,361	\$ 85,600,317
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	55.11%	47.36%	22.92%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.15%	75.62%	88.79%

Note: GASB Codification, Vol. 2, P20.183 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2023 for year 2024, August 31, 2022 for year 2023, August 31, 2021 for year 2022, August 31, 2020 for year 2021, August 31, 2019 for year 2020, August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, August 31, 2015 for year 2016 and August 31, 2014 for year 2015.

<u>FY 2021</u> <u>Plan Year 2020</u>	<u>FY 2020</u> <u>Plan Year 2019</u>	<u>FY 2019</u> <u>Plan Year 2018</u>	<u>FY 2018</u> <u>Plan Year 2017</u>	<u>FY 2017</u> <u>Plan Year 2016</u>	<u>FY 2016</u> <u>Plan Year 2015</u>	<u>FY 2015</u> <u>Plan Year 2014</u>
0.067792886%	0.070026274%	0.06665033%	0.067693717%	0.073160616%	0.0828182%	0.0490699%
\$ 36,308,487	\$ 36,401,847	\$ 36,685,959	\$ 21,644,804	\$ 27,646,309	\$ 29,275,131	\$ 13,107,249
59,568,729	59,981,368	65,676,556	41,076,320	47,800,504	46,244,666	39,001,836
<u>\$ 95,877,216</u>	<u>\$ 96,383,215</u>	<u>\$ 102,362,515</u>	<u>\$ 62,721,124</u>	<u>\$ 75,446,813</u>	<u>\$ 75,519,797</u>	<u>\$ 52,109,085</u>
\$ 83,302,333	\$ 80,653,280	\$ 77,369,980	\$ 79,378,697	\$ 77,828,482	\$ 78,362,575	\$ 71,637,273
43.59%	45.13%	47.42%	27.27%	35.52%	37.36%	18.30%
75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023	2022
Contractually Required Contribution	\$ 3,468,982	\$ 3,647,806	\$ 3,561,124
Contribution in Relation to the Contractually Required Contribution	(3,468,982)	(3,647,806)	(3,561,124)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 86,008,509	\$ 90,176,237	\$ 89,355,663
Contributions as a Percentage of Covered Payroll	4.03%	4.05%	3.99%

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

	2021	2020	2019	2018	2017	2016	2015
\$	2,920,511	\$ 2,816,610	\$ 2,411,812	\$ 2,251,690	\$ 2,218,605	\$ 2,324,498	\$ 2,452,283
	(2,920,511)	(2,816,610)	(2,411,812)	(2,251,690)	(2,218,605)	(2,324,498)	(2,452,283)
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	84,067,061	\$ 82,557,334	\$ 80,653,280	\$ 77,369,980	\$ 79,378,697	\$ 77,828,482	\$ 78,362,575
	3.47%	3.41%	2.99%	2.91%	2.79%	2.99%	3.13%

RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED JUNE 30, 2024

	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.099658924%	0.10156551%	0.104578679%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 22,062,797	\$ 24,318,851	\$ 40,340,670
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	26,622,155	29,665,178	54,047,507
<b>Total</b>	<b>\$ 48,684,952</b>	<b>\$ 53,984,029</b>	<b>\$ 94,388,177</b>
District's Covered Payroll	\$ 89,608,078	\$ 88,560,361	\$ 85,600,317
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	24.62%	27.46%	47.13%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	14.94%	11.52%	6.18%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. The amounts for FY 2024 are for the measurement date of August 31, 2023. The amounts for FY 2023 are for the measurement date of August 31, 2022. The amounts reported for FY 2022 are for measurement date August 31, 2021. The amounts reported for FY 2021 are for the measurement date of August 31, 2020. The amounts for FY 2020 are for the measurement date August 31, 2019. The amounts for FY 2019 are for the measurement date August 31, 2018. The amounts for FY 2018 are based on the August 31, 2017 measurement date.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
0.09991884%	0.104084946%	0.103734532%	0.107400423%
\$ 37,983,663	\$ 49,223,045	\$ 51,795,601	\$ 46,704,415
51,040,939	65,406,418	62,095,366	58,172,797
\$ 89,024,602	\$ 114,629,463	\$ 113,890,967	\$ 104,877,212
\$ 83,302,333	\$ 80,653,280	\$ 77,369,980	\$ 79,378,697
45.60%	61.03%	66.95%	58.84%
4.99%	2.66%	1.57%	0.91%

RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023	2022
Contractually Required Contribution	\$ 1,683,043	\$ 1,782,926	\$ 1,833,458
Contribution in Relation to the Contractually Required Contribution	(1,683,043)	(1,782,926)	(1,833,458)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 86,008,509	\$ 90,176,237	\$ 89,355,663
Contributions as a Percentage of Covered Payroll	1.96%	1.98%	2.05%

Note: GASB Codification, Vol. 2, P50.238 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

Information in this schedule should be provided only for the years where data is available. Eventually 10 years of data should be presented.

	2021	2020	2019	2018
\$	1,290,252	\$ 760,568	\$ 744,066	\$ 1,215,820
	(1,290,252)	(760,568)	(744,066)	(1,215,820)
\$	-	\$ -	\$ -	\$ -
\$	84,067,061	\$ 82,557,334	\$ 80,653,280	\$ 77,369,980
	1.53%	0.92%	0.92%	1.57%

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## **COMBINING AND OTHER STATEMENTS**

RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2024

Data Control Codes	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
<b>ASSETS</b>				
1110 Cash and Cash Equivalents	\$ 582,092	\$ (288,286)	\$ (252,427)	\$ 623
1240 Due from Other Governments	2,837,457	620,904	562,703	43
1260 Due from Other Funds	117,842	45,936	13,083	-
1290 Other Receivables	-	-	-	-
1000 Total Assets	<u>\$ 3,537,391</u>	<u>\$ 378,554</u>	<u>\$ 323,359</u>	<u>\$ 666</u>
<b>LIABILITIES</b>				
2110 Accounts Payable	\$ 20,810	\$ 26,744	\$ 95,309	-
2150 Payroll Deductions and Withholdings Payable	-	-	-	-
2160 Accrued Wages Payable	569,669	301,399	163,057	-
2170 Due to Other Funds	2,946,912	50,411	64,993	666
2180 Due to Other Governments	-	-	-	-
2190 Due to Student Groups	-	-	-	-
2300 Unearned Revenue	-	-	-	-
2000 Total Liabilities	<u>3,537,391</u>	<u>378,554</u>	<u>323,359</u>	<u>666</u>
<b>FUND BALANCES</b>				
<b>Restricted Fund Balance:</b>				
3450 Federal or State Funds Grant Restriction	-	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ 3,537,391</u>	<u>\$ 378,554</u>	<u>\$ 323,359</u>	<u>\$ 666</u>

EXHIBIT H-1 (Cont'd)

244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	265 Title IV, B Community Learning	270 ESEA V, B,2 Rural & Low Income	274 GEAR UP	279 ESSER III TCLAS ARP Act	280 ESSER III Homeless Children
\$ 2,210	\$ (8,806)	\$ (61,717)	\$ (100,216)	\$ (40,400)	\$ (124,567)	\$ (62,621)	\$ (15,768)
71,286	118,973	117,011	-	41,335	115,692	93,611	40,693
7,743	428	26,856	100,216	9,212	13,448	-	-
340	-	-	-	-	-	-	-
<u>\$ 81,579</u>	<u>\$ 110,595</u>	<u>\$ 82,150</u>	<u>\$ -</u>	<u>\$ 10,147</u>	<u>\$ 4,573</u>	<u>\$ 30,990</u>	<u>\$ 24,925</u>
\$ 61,648	\$ -	\$ 3,862	\$ -	\$ -	\$ -	\$ 2,732	\$ 11,574
-	-	-	-	-	-	-	-
-	92,090	54,497	-	-	-	-	-
19,931	18,505	23,791	-	10,147	4,573	28,258	13,351
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>81,579</u>	<u>110,595</u>	<u>82,150</u>	<u>-</u>	<u>10,147</u>	<u>4,573</u>	<u>30,990</u>	<u>24,925</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 81,579</u>	<u>\$ 110,595</u>	<u>\$ 82,150</u>	<u>\$ -</u>	<u>\$ 10,147</u>	<u>\$ 4,573</u>	<u>\$ 30,990</u>	<u>\$ 24,925</u>

RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2024

Data Control Codes	281 ESSER II CRRSA Act Supplemental	287 School Violence Prev Program FY22	288 COPS School Violence Prev Program FY23	289 Other Federal Special Revenue Funds
<b>ASSETS</b>				
1110 Cash and Cash Equivalents	\$ -	\$ 80,630	\$ 166,247	\$ (29,694)
1240 Due from Other Governments	-	-	-	36,004
1260 Due from Other Funds	-	-	-	18,318
1290 Other Receivables	-	-	-	-
1000 Total Assets	<u>\$ -</u>	<u>\$ 80,630</u>	<u>\$ 166,247</u>	<u>\$ 24,628</u>
<b>LIABILITIES</b>				
2110 Accounts Payable	\$ -	\$ -	\$ -	\$ 11,967
2150 Payroll Deductions and Withholdings Payable	-	-	-	-
2160 Accrued Wages Payable	-	-	-	-
2170 Due to Other Funds	-	-	-	12,579
2180 Due to Other Governments	-	-	-	-
2190 Due to Student Groups	-	-	-	-
2300 Unearned Revenue	-	-	-	82
2000 Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,628</u>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	80,630	166,247	-
3000 Total Fund Balances	<u>-</u>	<u>80,630</u>	<u>166,247</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 80,630</u>	<u>\$ 166,247</u>	<u>\$ 24,628</u>

EXHIBIT H-1 (Cont'd)

331 SSA - Career & Technical - Basic Grant	397 Advanced Placement Incentives	410 State Instructional Materials	425 TWC Jet Welding Grant	427 Criminal Justice Grant	428 Social & Health Research	429 Other State Special Revenue Funds	461 Campus Activity Funds
\$ -	\$ 1	\$ 500,012	\$ (132,522)	\$ (27,744)	\$ 51	\$ (319,961)	\$ 182,059
-	-	-	129,522	27,744	-	505,800	-
15,692	-	-	3,000	-	-	42,398	-
-	-	-	-	-	-	-	-
<u>\$ 15,692</u>	<u>\$ 1</u>	<u>\$ 500,012</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51</u>	<u>\$ 228,237</u>	<u>\$ 182,059</u>
\$ -	\$ -	\$ 208,652	\$ -	\$ -	\$ -	\$ 33,161	\$ -
340	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
15,352	-	-	-	-	-	172,304	-
-	-	-	-	-	-	22,772	-
-	-	-	-	-	-	-	182,059
-	1	291,360	-	-	51	-	-
<u>15,692</u>	<u>1</u>	<u>500,012</u>	<u>-</u>	<u>-</u>	<u>51</u>	<u>228,237</u>	<u>182,059</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 15,692</u>	<u>\$ 1</u>	<u>\$ 500,012</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51</u>	<u>\$ 228,237</u>	<u>\$ 182,059</u>

RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2024

Data Control Codes	474 Empowering Educator to Excel Grant	489 National Philanthropic Trust Grant	490 Driscoll Grant	491 GATES Foundation UT Austin	
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ (367,559)	\$ 14,296	\$ 658	\$ 72,954
1240	Due from Other Governments	412,115	-	-	-
1260	Due from Other Funds	3,594	-	-	-
1290	Other Receivables	-	-	-	-
1000	<b>Total Assets</b>	<b>\$ 48,150</b>	<b>\$ 14,296</b>	<b>\$ 658</b>	<b>\$ 72,954</b>
<b>LIABILITIES</b>					
2110	Accounts Payable	-	-	-	-
2150	Payroll Deductions and Withholdings Payable	-	-	-	-
2160	Accrued Wages Payable	48,150	-	-	-
2170	Due to Other Funds	-	-	-	392
2180	Due to Other Governments	-	-	-	-
2190	Due to Student Groups	-	-	-	-
2300	Unearned Revenue	-	14,296	658	72,562
2000	<b>Total Liabilities</b>	<b>48,150</b>	<b>14,296</b>	<b>658</b>	<b>72,954</b>
<b>FUND BALANCES</b>					
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
3000	<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4000	<b>Total Liabilities and Fund Balances</b>	<b>\$ 48,150</b>	<b>\$ 14,296</b>	<b>\$ 658</b>	<b>\$ 72,954</b>

EXHIBIT H-1 (Cont'd)

492 Walmart Grant J & O Hinojosa Elem	493 Welding Grant Fund	494 United Way Initiative	495 Educate Texas Communities Fdn of Texas	496 Youth Literacy Grant	497 Obesity Grant	498 Project Fit America Grant	499 Other Local Special Revenue Funds
\$ 34	\$ (264,076)	\$ 450	\$ 3,734	\$ 3,954	\$ 653	\$ 7,673	\$ (8,794)
-	264,076	-	-	-	-	1,000	10,193
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 34</u>	<u>\$ -</u>	<u>\$ 450</u>	<u>\$ 3,734</u>	<u>\$ 3,954</u>	<u>\$ 653</u>	<u>\$ 8,673</u>	<u>\$ 1,399</u>
\$ -	\$ -	\$ -	\$ 780	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	200	132	-	-	500	1,399
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
34	-	250	2,822	3,954	653	8,173	-
<u>34</u>	<u>-</u>	<u>450</u>	<u>3,734</u>	<u>3,954</u>	<u>653</u>	<u>8,673</u>	<u>1,399</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 34</u>	<u>\$ -</u>	<u>\$ 450</u>	<u>\$ 3,734</u>	<u>\$ 3,954</u>	<u>\$ 653</u>	<u>\$ 8,673</u>	<u>\$ 1,399</u>

RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2024

Data Control Codes	Total Nonmajor Special Revenue Funds	59G Non-Major PY Debt Service Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
1110 Cash and Cash Equivalents	\$ (486,827)	-	\$ (486,827)
1240 Due from Other Governments	6,006,162	-	6,006,162
1260 Due from Other Funds	417,766	-	417,766
1290 Other Receivables	340	-	340
1000 Total Assets	<u>\$ 5,937,441</u>	<u>\$ -</u>	<u>\$ 5,937,441</u>
<b>LIABILITIES</b>			
2110 Accounts Payable	\$ 477,239	-	\$ 477,239
2150 Payroll Deductions and Withholdings Payable	340	-	340
2160 Accrued Wages Payable	1,228,862	-	1,228,862
2170 Due to Other Funds	3,384,396	-	3,384,396
2180 Due to Other Governments	22,772	-	22,772
2190 Due to Student Groups	182,059	-	182,059
2300 Unearned Revenue	394,896	-	394,896
2000 Total Liabilities	<u>5,690,564</u>	<u>-</u>	<u>5,690,564</u>
<b>FUND BALANCES</b>			
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	246,877	-	246,877
3000 Total Fund Balances	<u>246,877</u>	<u>-</u>	<u>246,877</u>
4000 Total Liabilities and Fund Balances	<u>\$ 5,937,441</u>	<u>\$ -</u>	<u>\$ 5,937,441</u>

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RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	5,741,665	1,289,177	2,204,043	22,633
5020 Total Revenues	5,741,665	1,289,177	2,204,043	22,633
<b>EXPENDITURES:</b>				
<b>Current:</b>				
0011 Instruction	4,704,892	558,236	2,124,968	22,633
0012 Instructional Resources and Media Services	8,522	-	-	-
0013 Curriculum and Instructional Staff Development	15,000	-	-	-
0021 Instructional Leadership	684,840	111,606	73,703	-
0023 School Leadership	63,834	-	-	-
0031 Guidance, Counseling, and Evaluation Services	10,681	445,867	5,372	-
0032 Social Work Services	-	108,039	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	51,032	-	-	-
0036 Extracurricular Activities	-	-	-	-
0051 Facilities Maintenance and Operations	9,540	870	-	-
0052 Security and Monitoring Services	-	-	-	-
0061 Community Services	193,324	64,559	-	-
6030 Total Expenditures	5,741,665	1,289,177	2,204,043	22,633
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
7915 Transfers In	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
1300 Change from Nonmajor to Major Fund	-	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

244	255	263	265	270	274	279	280
Career and Technical - Basic Grant	ESEA II,A Training and Recruiting	Title III, A English Lang. Acquisition	Title IV, B Community Learning	ESEA V, B,2 Rural & Low Income	GEAR UP	ESSER III TCLAS ARP Act	ESSER III Homeless Children
\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ 5,657	\$ -	\$ -
-	-	-	-	-	-	-	-
184,396	589,664	625,691	-	268,119	234,076	265,075	94,647
199,396	589,664	625,691	-	268,119	239,733	265,075	94,647
184,396	560,162	593,619	-	249,660	233,412	141,136	11,159
-	-	-	-	-	-	-	-
-	-	1,725	-	-	80	-	-
7,500	29,502	28,636	-	-	-	123,939	77,750
-	-	-	-	18,459	363	-	-
7,500	-	-	-	-	5,878	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	5,738
-	-	-	-	-	-	-	-
-	-	1,711	-	-	-	-	-
199,396	589,664	625,691	-	268,119	239,733	265,075	94,647
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	281 ESSER II CRRSA Act Supplemental	287 School Violence Prev Program FY22	288 COPS School Violence Prev Program FY23	289 Other Federal Special Revenue Funds
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ 313
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	-	-	-	474,195
5020 Total Revenues	-	-	-	474,508
<b>EXPENDITURES:</b>				
<b>Current:</b>				
0011 Instruction	-	-	-	240,718
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	-	-	-	61,273
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	-	-	40,581
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	131,936
0034 Student (Pupil) Transportation	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	5,987	-	-
0061 Community Services	-	-	-	-
6030 Total Expenditures	-	5,987	-	474,508
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(5,987)	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
7915 Transfers In	-	86,617	166,247	-
1200 Net Change in Fund Balance	-	80,630	166,247	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
1300 Change from Nonmajor to Major Fund	-	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ 80,630	\$ 166,247	\$ -

331 SSA - Career & Technical - Basic Grant	397 Advanced Placement Incentives	410 State Instructional Materials	425 TWC Jet Welding Grant	427 Criminal Justice Grant	428 Social & Health Research	429 Other State Special Revenue Funds	461 Campus Activity Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	1,014,151	129,522	96,432	14,606	1,661,963	-
-	-	-	-	-	-	-	-
-	-	1,014,151	129,522	96,432	14,606	1,661,963	-
-	-	1,014,151	129,522	-	-	1,269,679	-
-	-	-	-	-	-	2,051	-
-	-	-	-	-	-	2,051	-
-	-	-	-	-	-	337,045	-
-	-	-	-	-	-	192	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	14,606	-	-
-	-	-	-	-	-	360	-
-	-	-	-	96,432	-	50,585	-
-	-	-	-	-	-	-	-
-	-	1,014,151	129,522	96,432	14,606	1,661,963	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	474 Empowering Educator to Excel Grant	489 National Philanthropic Trust Grant	490 Driscoll Grant	491 GATES Foundation UT Austin
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	28,904
5900 Federal Program Revenues	990,259	-	-	-
5020 Total Revenues	990,259	-	-	28,904
<b>EXPENDITURES:</b>				
<b>Current:</b>				
0011 Instruction	590,114	-	-	11,200
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	256,146	-	-	16,740
0023 School Leadership	143,999	-	-	964
0031 Guidance, Counseling, and Evaluation Services	-	-	-	-
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0061 Community Services	-	-	-	-
6030 Total Expenditures	990,259	-	-	28,904
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
7915 Transfers In	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
1300 Change from Nonmajor to Major Fund	-	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

492 Walmart Grant J & O Hinojosa Elem	493 Welding Grant Fund	494 United Way Initiative	495 Educate Texas Communities Fdn of Texas	496 Youth Literacy Grant	497 Obesity Grant	498 Project Fit America Grant	499 Other Local Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,442	\$ 18,855
-	-	1,950	31,146	-	42,365	-	-
-	-	-	-	-	-	-	-
-	-	1,950	31,146	-	42,365	3,442	18,855
-	-	-	29,087	-	-	1,496	17,633
-	-	-	-	-	42,365	-	-
-	-	-	-	-	-	-	-
-	-	-	2,059	-	-	-	1,222
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,946	-
-	-	1,950	-	-	-	-	-
-	-	1,950	31,146	-	42,365	3,442	18,855
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	Total Nonmajor Special Revenue Funds	59G Non-Major PY Debt Service Fund	Total Nonmajor Governmental Funds
<b>REVENUES:</b>			
5700 Total Local and Intermediate Sources	\$ 43,267	-	\$ 43,267
5800 State Program Revenues	3,021,039	-	3,021,039
5900 Federal Program Revenues	12,983,640	-	12,983,640
5020 Total Revenues	<u>16,047,946</u>	-	<u>16,047,946</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
0011 Instruction	12,687,873	-	12,687,873
0012 Instructional Resources and Media Services	52,938	-	52,938
0013 Curriculum and Instructional Staff Development	18,856	-	18,856
0021 Instructional Leadership	1,808,680	-	1,808,680
0023 School Leadership	231,092	-	231,092
0031 Guidance, Counseling, and Evaluation Services	515,879	-	515,879
0032 Social Work Services	108,039	-	108,039
0033 Health Services	131,936	-	131,936
0034 Student (Pupil) Transportation	51,032	-	51,032
0036 Extracurricular Activities	14,606	-	14,606
0051 Facilities Maintenance and Operations	16,508	-	16,508
0052 Security and Monitoring Services	154,950	-	154,950
0061 Community Services	261,544	-	261,544
6030 Total Expenditures	<u>16,053,933</u>	-	<u>16,053,933</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,987)	-	(5,987)
<b>OTHER FINANCING SOURCES (USES):</b>			
7915 Transfers In	252,864	-	252,864
1200 Net Change in Fund Balance	246,877	-	246,877
0100 Fund Balance - July 1 (Beginning)	-	8,865,874	8,865,874
1300 Change from Nonmajor to Major Fund	-	(8,865,874)	(8,865,874)
3000 Fund Balance - June 30 (Ending)	<u>\$ 246,877</u>	<u>-</u>	<u>\$ 246,877</u>

RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 CUSTODIAL FUNDS  
 JUNE 30, 2024

	865 Custodial Fund Student Activity Acct	880 Tax Office Account	Total Custodial Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 427,310	\$ 220,846	\$ 648,156
Due from Other Funds	500	59,474	59,974
Total Assets	<u>427,810</u>	<u>280,320</u>	<u>708,130</u>
<b>LIABILITIES</b>			
Accounts Payable	-	94,962	94,962
Due to Other Funds	-	185,358	185,358
Total Liabilities	<u>-</u>	<u>280,320</u>	<u>280,320</u>
<b>NET POSITION</b>			
Restricted for Other Purposes	427,810	-	427,810
Total Net Position	<u>\$ 427,810</u>	<u>\$ -</u>	<u>\$ 427,810</u>

RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 CUSTODIAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2024

	865 Custodial Fund Student Activity Acct	880 Tax Office Account	Total Custodial Funds
<b>ADDITIONS:</b>			
Miscellaneous Additions	\$ 1,025,655	\$ 22,111,773	\$ 23,137,428
Total Additions	<u>1,025,655</u>	<u>22,111,773</u>	<u>23,137,428</u>
<b>DEDUCTIONS:</b>			
Payment To Others	1,008,091	22,111,773	23,119,864
Total Deductions	<u>1,008,091</u>	<u>22,111,773</u>	<u>23,119,864</u>
Change in Net Position	17,564	-	17,564
Net Position - July 1 (Beginning)	<u>410,246</u>	<u>-</u>	<u>410,246</u>
Net Position - June 30 (Ending)	<u>\$ 427,810</u>	<u>\$ -</u>	<u>\$ 427,810</u>

RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 PRIVATE PURPOSE TRUST FUNDS  
 JUNE 30, 2024

EXHIBIT H-5

	816 Private Purpose Trust Fund	817 Scholarship Fund Qtrback Club	Total Private Purpose Trust Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 211,812	\$ 11,985	\$ 223,797
<b>Total Assets</b>	<u>211,812</u>	<u>11,985</u>	<u>223,797</u>
<b>LIABILITIES</b>			
Due to Other Funds	<u>5,600</u>	<u>-</u>	<u>5,600</u>
<b>Total Liabilities</b>	<u>5,600</u>	<u>-</u>	<u>5,600</u>
<b>NET POSITION</b>			
Restricted for Other Purposes	<u>206,212</u>	<u>11,985</u>	<u>218,197</u>
<b>Total Net Position</b>	<u>\$ 206,212</u>	<u>\$ 11,985</u>	<u>\$ 218,197</u>

RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 PRIVATE PURPOSE TRUST FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2024

	816 Private Purpose Trust Fund	817 Scholarship Fund Qtrback Club	Total Private Purpose Trust Funds
<b>ADDITIONS:</b>			
Earnings from Temporary Deposits	\$ 539	\$ 310	\$ 849
Total Additions	<u>539</u>	<u>310</u>	<u>849</u>
<b>DEDUCTIONS:</b>			
Payment To Others	23,326	-	23,326
Total Deductions	<u>23,326</u>	<u>-</u>	<u>23,326</u>
Change in Net Position	(22,787)	310	(22,477)
Net Position - July 1 (Beginning)	<u>228,999</u>	<u>11,675</u>	<u>240,674</u>
Net Position - June 30 (Ending)	<u>\$ 206,212</u>	<u>\$ 11,985</u>	<u>\$ 218,197</u>

## **T.E.A. REQUIRED SCHEDULES**

RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FOR THE YEAR ENDED JUNE 30, 2024

Last 10 Years Ended	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2015 and prior years	Various	Various	\$ 6,081,210,320
2016	1.170000	0.277200	1,291,658,510
2017	1.170000	0.281400	1,486,559,170
2018	1.170000	0.260900	1,669,352,720
2019	1.083900	0.275300	1,741,665,979
2020	1.012500	0.309900	1,771,596,089
2021	0.998900	0.301700	1,793,007,017
2022	0.912400	0.351700	1,943,457,657
2023	0.887100	0.479200	1,362,490,229
2024 (School year under audit)	0.701700	0.469100	1,365,867,384
1000 TOTALS			
8000 Total Taxes Refunded Under Section 26.1115, Tax Code			

	(10) Beginning Balance 7/1/2023	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2024	(99) Taxes Refunded Under Section 26.1115c
\$	6,969,914	\$ -	\$ 127,357	\$ 22,675	\$ (298,770)	\$ 6,521,112	
	830,061	-	27,078	6,212	(218)	796,553	
	852,385	-	29,001	6,975	(220)	816,189	
	866,278	-	38,148	8,507	(389)	819,234	
	923,581	-	54,113	13,744	(1,703)	854,021	
	1,038,978	-	69,032	21,129	(4,890)	943,927	
	1,283,520	-	88,268	26,660	(5,377)	1,163,215	
	1,766,748	-	159,256	61,388	(53,661)	1,492,443	
	2,800,424	-	345,020	1,758,481	1,418,588	2,115,511	
	-	16,556,419	7,822,793	5,229,692	(564,844)	2,939,090	
\$	17,331,889	\$ 16,556,419	\$ 8,760,066	\$ 7,155,463	\$ 488,516	\$ 18,461,295	

\$ -

RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM  
 FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 420,000	\$ 435,000	\$ 550,747	\$ 115,747
5800 State Program Revenues	30,000	30,000	31,313	1,313
5900 Federal Program Revenues	8,900,000	9,717,180	10,616,778	899,598
5020 Total Revenues	9,350,000	10,182,180	11,198,838	1,016,658
<b>EXPENDITURES:</b>				
<b>Current:</b>				
0035 Food Services	8,980,000	12,428,676	11,297,173	1,131,503
0051 Facilities Maintenance and Operations	370,000	700,000	483,977	216,023
6030 Total Expenditures	9,350,000	13,128,676	11,781,150	1,347,526
1200 Net Change in Fund Balances	-	(2,946,496)	(582,312)	2,364,184
0100 Fund Balance - July 1 (Beginning)	3,042,299	3,042,299	3,042,299	-
3000 Fund Balance - June 30 (Ending)	\$ 3,042,299	\$ 95,803	\$ 2,459,987	\$ 2,364,184

RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - DEBT SERVICE FUND  
 FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 8,167,941	\$ 8,167,941	\$ 7,514,217	\$ (653,724)
5800 State Program Revenues	2,818,649	2,818,649	3,851,957	1,033,308
5020 Total Revenues	10,986,590	10,986,590	11,366,174	379,584
<b>EXPENDITURES:</b>				
Debt Service:				
0071 Principal on Long-Term Liabilities	5,725,000	5,725,000	5,724,999	1
0072 Interest on Long-Term Liabilities	5,246,590	5,246,590	5,246,590	-
0073 Bond Issuance Cost and Fees	15,000	15,000	9,800	5,200
6030 Total Expenditures	10,986,590	10,986,590	10,981,389	5,201
1200 Net Change in Fund Balances	-	-	384,785	384,785
0100 Fund Balance - July 1 (Beginning)	8,865,874	8,865,874	8,865,874	-
3000 Fund Balance - June 30 (Ending)	\$ 8,865,874	\$ 8,865,874	\$ 9,250,659	\$ 384,785

RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
STATE COMPENSATORY EDUCATION AND BILINGUAL EDUCATION PROGRAM EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2024

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**Section A: Compensatory Education Programs**

AP1	Did your district expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the district have written policies and procedures for its state compensatory education program?	Yes
AP3	Total state allotment funds received for state compensatory education programs during the district's fiscal year.	14,625,923
AP4	Actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24,26,28,29,30)	7,846,378

**Section B: Bilingual Education Programs**

AP5	Did your district expend any bilingual education program state allotment funds during the district's fiscal year?	Yes
AP6	Does the district have written policies and procedures for its bilingual education program?	Yes
AP7	Total state allotment funds received for bilingual education programs during the district's fiscal year.	4,987,415
AP8	Actual direct program expenditures for bilingual education programs during the district's fiscal year. (PIC 25)	2,296,412

**REPORTS ON  
INTERNAL CONTROLS, COMPLIANCE  
AND  
FEDERAL AWARDS**

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**Raul Hernandez & Company, P.C.**  
Certified Public Accountants  
5402 Holly Rd., Suite 102  
Corpus Christi, Texas 78411  
Office (361)980-0482 Fax (361)980-1002

**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***

**Independent Auditors' Report**

Board of Trustees  
Rio Grande City Grulla Independent School District  
1 S. Fort Ringgold  
Rio Grande City, Texas

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 Rio Grande City Grulla Independent School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Rio Grande City Grulla Independent School District's basic financial statements, and have issued our report thereon dated November 18, 2024.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Rio Grande City Grulla Independent School District's internal control over financial reporting (internal control) to determine the 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 Rio Grande City Grulla Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Rio Grande City Grulla Independent School District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 may exist that have not been identified.

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Raul Hernandez & Company, P.C.*

Corpus Christi, Texas

November 18, 2024

**Raul Hernandez & Company, P.C.**

Certified Public Accountants

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Corpus Christi, Texas 78411

Office (361)980-0482 Fax (361)980-1002

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

Board of Trustees  
Rio Grande City Grulla Independent School District  
1 S. Fort Ringgold  
Rio Grande City, Texas

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

***Opinion on Each Major Federal Program***

We have audited Rio Grande City Grulla Independent School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Rio Grande City Grulla Independent School District's major federal programs for the year ended June 30, 2024. Rio Grande City Grulla Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Rio Grande City Grulla Independent School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Rio Grande City Grulla Independent School District's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

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

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

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

#### **Report on Internal Control over Compliance**

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

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

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

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

*Raul Hernandez & Company, P.C.*

Corpus Christi, TX  
November 18, 2024

**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**A. Summary of Auditor's Results**

**1. Financial Statements**

Type of auditor's report issued:	Unmodified
Internal control over financial reporting: Material weakness(es) identified?	No
Significant deficiency(ies) identified that were not considered material weakness?	None reported
Material noncompliance to financial statements noted?	No

**2. Federal Awards**

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that were not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200.516(a)?	No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	Special Education Grants to States
84.173	Special Education Preschool Grants
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs:	\$990,635
Auditee qualified as low-risk auditee?	Yes

**B. Financial Statement Findings  
NONE**

**C. Federal Award Findings and Questioned Costs  
NONE**

**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

N/A

**RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2024**

N/A

RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<u>Passed Through Texas Education Agency</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	24-610101214901	\$ 5,741,665
ESEA, Title I, Part C - Migratory Children	84.011A	24-615001214901	1,289,177
*IDEA - Part B, Formula	84.027A	24-6600012149016600	2,204,043
Total Special Education Cluster (IDEA)			<u>2,226,676</u>
Career and Technical - Basic Grant	84.048A	24-420006214901	184,396
*IDEA - Part B, Preschool	84.173A	24-6610012149016610	22,633
Total Special Education Cluster (IDEA)			<u>2,226,676</u>
GEAR UP	84.334A	24-P334A210014	234,076
ESEA, Title V, Part B,2 - Rural & Low Income Prog.	84.358A	24-696001214901	268,119
Title III, Part A - English Language Acquisition	84.365A	24-671001214901	625,691
ESEA, Title II, Part A, Teacher Principal Training	84.367A	24-694501214901	589,664
Title IV, Part, Subpart I	84.424	24-680101214901	342,260
COVID 19 - ESSER III - School Emergency Relief	84.425D	24-528001214901	9,420,743
COVID 19 - Learning Supports - (TCLAS) ESSER III	84.425U	24-528042214901	265,075
COVID 19 - ARP Education for Homeless Children	84.425W	24-533002214901	94,647
Total Assistance Listing Number 84.425			<u>9,780,465</u>
E3+ Project Grant	84.374A	24-S374A210024	990,259
Total Passed Through Texas Education Agency			<u>22,272,448</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<u>22,272,448</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<u>Passed Through Texas Health and Human Services Commission</u>			
COVID-19 Public Health Workforce Supplemental Funding Grant	93.354	39352201	131,936
Total Passed Through Texas Health and Human Services Commission			<u>131,936</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u>131,936</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<u>Passed Through the Texas Department of Agriculture</u>			
*School Breakfast Program	10.553		3,138,408
*National School Lunch Program - Cash Assistance	10.555		5,373,667
*National School Lunch Prog. - Non-Cash Assistance	10.555		564,644
*National School Lunch Prog. - Supply Chain Assistance	10.555		362,577
Total Assistance Listing Number 10.555			<u>6,300,888</u>
*National School Lunch Prog. - Equipment Assistance	10.579		97,039
Total Child Nutrition Cluster			<u>9,536,335</u>
Child & Adult Care Food Program - Cash Assistance	10.558		1,080,441
Total Passed Through the Texas Department of Agriculture			<u>10,616,776</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u>10,616,776</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 33,021,160</u>
*Clustered Programs			

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT  
 NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2024

**Basis of Presentation:**

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

**Summary of Significant Accounting Policies:**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and OMB Compliance Supplement, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Sub-recipients:**

For the year ended June 30, 2024, the District had no sub-recipients.

**Federal Loans and Loan Guarantees:**

For the year ended June 30, 2024, the District had no outstanding federal loans payable or loan guarantees.

**Federally Funded Insurance:**

For the year ended June 30, 2024, the District had no federally funded insurance.

**Noncash awards:**

For the year ended June 30, 2024, the District received \$564,644 of federal awards in the form of noncash assistance.

**Indirect Cost Rate:**

The Uniform Guidance allows an organization to elect a 10% de minimis indirect cost rate. For the year ended June 30, 2024, the District did not elect to use this rate.

**Reconciliation from the Schedule of Expenditures of Federal Awards to Exhibit C-3:**

Total Federal Award Expended	\$ 33,021,160
TEA	1,776,099
SHARS	758,948
JROTC	55,630
E-RATE	136,425
Exhibit C-3	<u>\$ 35,748,262</u>

## SCHOOLS FIRST QUESTIONNAIRE

Exhibit L-1

RIO GRANDE CITY GRULLA INDEPENDENT SCHOOL DISTRICT

Fiscal Year 2024

SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year-end?	No
SF3	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If payments were not made or warrant hold not cleared within 30 days of when due, then payments are NOT timely.)	Yes
SF4	Was the school district issued a warrant hold? (Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, answer is still YES.)	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state or federal funds and/or substantial doubt about the district's ability to continue as a going concern?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school district's administration and school board members discuss any changes and/or impact to local, state, and federal funding at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year end.	0

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