

**Notice of Regular Meeting
Board of Trustees
December 17, 2024**

A Regular Meeting of the Board of Trustees will be held on December 17, 2024, beginning at 6:30 PM, in the Administration Building, 400 East Loop 340, Waco, TX 76705.

The subjects to be discussed or considered or upon which any formal action may be taken are listed below. Items do not have to be taken in the same order as shown on this meeting notice. For more information about public comment, see Policy BED. Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

- I. Roll Call, Establishment of Quorum, and Call to Order -- Board President
- II. Opening Ceremony -- Board President
- III. Consider Listing of Agenda Items -- Board President
- IV. Recognition Items -- Board President and Dr. Sharon M. Shields
- V. Public Participation -- Board President
- VI. Special Reports -- Board President
 - A. Superintendent's Report -- Dr. Sharon M. Shields
 - 1. Student Enrollment Update -- Dr. Sharon M. Shields
 - 2. Calendar of Events -- Dr. Sharon M. Shields
 - 3. Gates Foundation Teacher Pipeline Grant -- Ms. Diane Ness and Ms. Jessica Attas
 - 4. Construction Update -- Dr. Sharon M. Shields and Mr. Todd Gooden
 - 5. Grant Updates -- Mrs. Sandra Gibson
- VII. Consider Consent Agenda Items -- Board President
 - A. Minutes for Meetings Held -- Ms. Betty Bentura
 - B. Monthly Tax Collection Recap and Report -- Mr. James Garrett
 - C. Budget Amendments -- Mr. James Garrett
 - D. Consider Tax Resale Deed -- Mr. James Garrett
- VIII. Action and Discussion Items -- Board President
 - A. Consider Fiscal Year 2024 Financial Audit Report -- Mr. James Garrett
 - B. Consider Monthly Budget Analysis Report -- Mr. James Garrett
 - C. Consider Teacher and Professional Employee Contract Recommendations -- Mr. Todd Gooden
- IX. Closed Meeting -- Board President
- X. Adjournment -- Board President

If, during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Texas Government Code, Chapter 551, Subchapters D and E or Texas Government Code section 418.183(f). Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in open meeting. [See TASB Policy BEC(LEGAL)]

For the Board of Trustees

ROLL CALL, ESTABLISHMENT OF QUORUM, AND CALL TO ORDER

The meeting was called to order at _____ m.

Board of Trustees Members Present:

Board of Trustees Members Absent:

School Personnel Present:

Others Present:

BOARD PRESIDENT:

THE OPENING CEREMONY CONSISTING OF THE PLEDGE OF ALLEGIANCE

TO THE AMERICAN FLAG AND TO THE TEXAS FLAG WILL BE PROVIDED BY:

(NAME, TITLE, POSITION, LVISD CAMPUS/DEPT.)



PLEDGE TO UNITED STATES FLAG. I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.



PLEDGE TO TEXAS FLAG: "Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible."

APPROVE LISTING OF AGENDA ITEMS

Presented for:

Board action ☒ Report/Review Only ☐

Supporting documents:

None ☒ Attached ☐ Provided Later ☐

Contact Person:

Dr. Sharon M. Shields and Board President

Background Information:

Board Members are asked to review the listing of agenda items.

Fiscal Implication:

N/A

Administrative Recommendation:

N/A

Motion:

Second:

For:

Against

Abstain:

RECOGNITION ITEMS

Presented for:

Board action ☐ Report/Review Only ☒ Consent Agenda Item ☐

Supporting documents:

None ☒ Attached ☐ Provided Later ☐

Contact Person:

Board President

Background Information:

This portion of the board meeting is reserved to recognize students, staff, and Board Members for exemplary accomplishments beyond the District Level.

Fiscal Implication:

N/A

Administrative Recommendation:

N/A

[illegible]

PUBLIC PARTICIPATION

Presented for:

Board action ☐ Report/Review Only ☒

Supporting documents:

None ☒ Attached ☐ Provided Later ☐

Contact Person(s):

Board President and Dr. Sharon M. Shields

Background Information:

LVISD POLICY BED (LOCAL) -- Public Participation: At regular meetings the Board shall allot 30 minutes to hear persons who desire to make comments to the Board. Persons who wish to participate in this portion of the meeting shall sign up with the presiding officer or designee before the meeting begins and shall indicate the topic about which they wish to speak.

Limit on Participation: Audience participation is limited to the portion of the meeting designated for that purpose. At all other times during a Board meeting, the audience shall not enter into discussion or debate on matters being considered by the Board, unless recognized by the presiding officer. No presentation shall exceed five (5) minutes. Delegations of more than five persons shall appoint one person to present their views before the Board.

Board's Response—Specific factual information or recitation of existing policy may be furnished in response to inquiries, but the Board shall not deliberate or decide regarding any subject that is not included on the agenda posted with notice of the meeting.

Complaints and Concerns—Complaints and concerns for which other resolution channels are provided shall be directed through those channels. The presiding officer or designee shall determine whether a person who wishes to address the Board has attempted to solve a matter administratively. If not, the person shall be directed to the appropriate policy to seek resolution before bringing the matter to the Board at a subsequent meeting.

Fiscal Implication:

N/A

Administrative Recommendation:

N/A

[illegible]

SPECIAL REPORTS

Presented for:

Board action ☐ Report/Review Only ☒

Supporting documents:

None ☐ Attached ☒ Provided Later ☐

Contact Person:

N/A

Background Information:

This portion of the meeting is to provide special reports to the Board of Trustees.

Fiscal Implication:

N/A

Administrative Recommendation:

This report is being provided for informational purposes.

[illegible]

Superintendent's Report

1. Student Enrollment Report
2. Calendar Events
3. Gates Foundation Teacher Pipeline Grant
4. Construction Update
5. Grant Updates

Presented for:

Board action ☐ Report/Review Only ☒

Supporting documents:

None ☒ Attached ☐ Provided Later ☐

Contact Person:

Dr. Sharon M. Shields

Background Information:

This portion of the board meeting is reserved to update the Board of Trustees on calendar and miscellaneous items.

Fiscal Implication:

N/A

Administrative Recommendation:

N/A

Gates Foundation Teacher Pipeline Grant Presentation

Presented for:

Board action ☐ Report/Review Only ☒

Supporting documents:

None ☐ Attached ☐ Provided Later ☒

Contact Person:

Diane Ness and Jessica Attas from Prosper Waco

Background Information:

N/A

Fiscal Implication:

None

Administrative Recommendation:

None

Motion:

Second:

For:

Against:

Abstain:

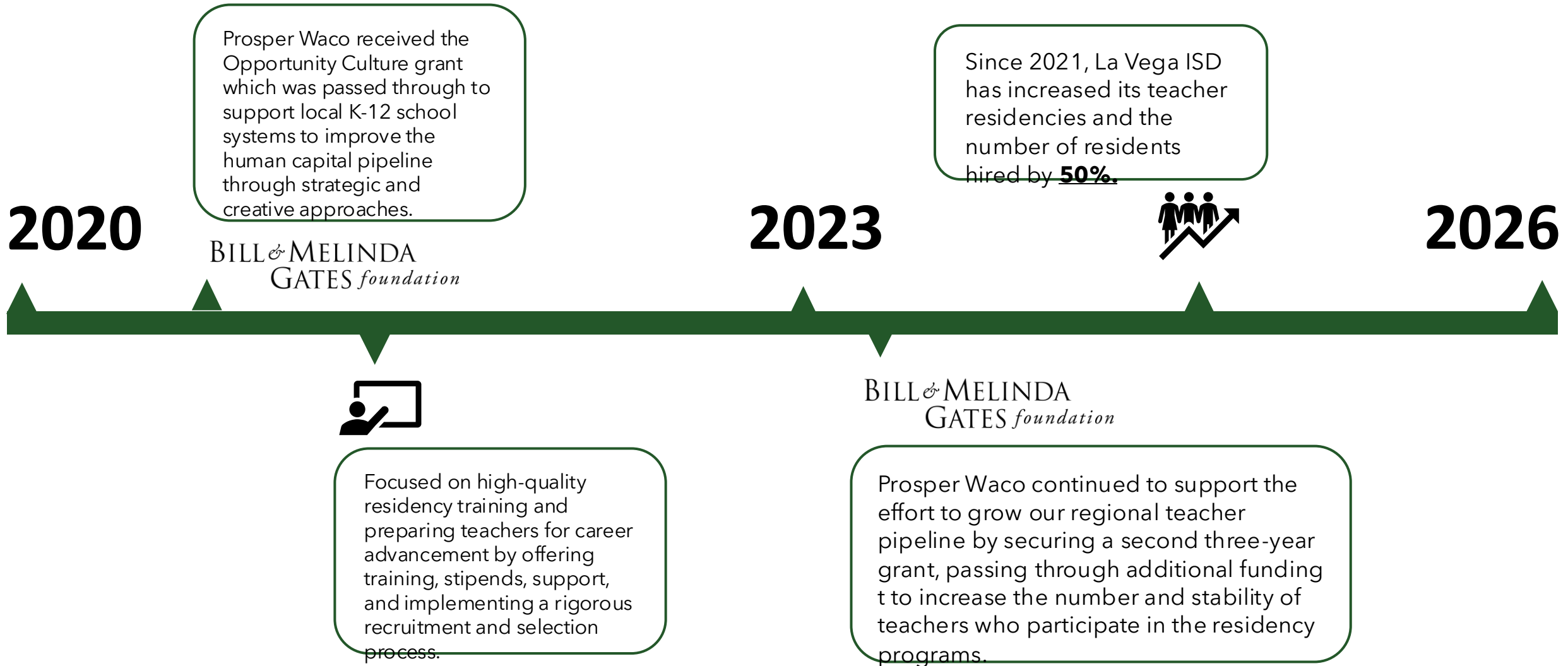
The background of the slide is a photograph of a man and two young children sitting at a table, engaged in drawing or coloring. The man is smiling and looking down at the children's work. One child, a young boy, is looking towards the camera. They are all focused on their activity, which involves markers and paper. The image is overlaid with a semi-transparent green filter.

Growing Future Educators: *Creating a Pathway to Success*

December 17, 2024

Prosper Waco's mission is to build an environment in which all members of our Waco community are able to measurably improve their education, health, and financial security.

Creating a Sustainable Model



Opportunity Culture: The Goal

1

Support K-12 school systems to improve the human capital pipeline through strategic and creative approaches.

2

Allocate sustainable funding for high-quality teacher preparation programs.

3

Implement high-quality residency programs and strategic staffing models to utilize funds effectively in supporting teaching candidates.

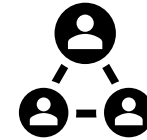
Opportunity Culture: The Initiatives

EPP

Collaboration with Education Preparation Program (EPP) providers to embed teacher residents on Multi-Classroom Leader (MCL) Teams.



Focus on high-quality residency training, career pathways for teachers, substantial stipends for advanced roles, rigorous recruitment and selection processes, and supporting education leaders in demanding roles.



Establish sustainable models for year-long teacher residencies within the MCL and Opportunity Culture Framework.

Opportunity Culture: The Impact

\$170,543

Funds passed through to La Vega Independent School District to support this model and by funding the Director of Opportunity Culture at La Vega.

“

The **Opportunity Culture** model has improved the teaching and learning environment by **increasing the effectiveness of teachers, fostering career growth, and creating better outcomes for students.**

”

- Kristin Rizo, Principal

La Vega Intermediate School, H.P. Miles Campus

Improving Access to Affordable, Sustainable Residencies Grant Goals

1

Increase the number of teachers trained in high-quality EPPs and residency programs.

2

Ensure the stability of paid residency programs that allow teacher residents to serve instructional roles in schools.

3

Attract candidates early into the teaching profession, enabling them to work in the schools where they will eventually teach.

4

Develop accessible, high-quality pathways into the teaching profession.

Access to Affordable, Sustainable Residencies : The Impact

\$200,000

Funds passed allocated to La Vega ISD to support the Director of
Strategic Staffing.

The Impact of the Teacher Pipeline Model

\$370,543

Allocated and passed through to La Vega ISD to support strategic staffing and teacher residency programs and staff.

50%

Increase in Teacher Residencies and High-Quality Teacher Hires since 2021.

3

Campuses positively impacted.

Construction Update

Presented for:

Board action ☐ Report/Review Only ☒

Supporting documents:

None ☐ Attached ☒ Provided Later ☐

Contact Person:

Mr. Todd Gooden

Background Information:

N/A

Fiscal Implication:

None

Administrative Recommendation:

None

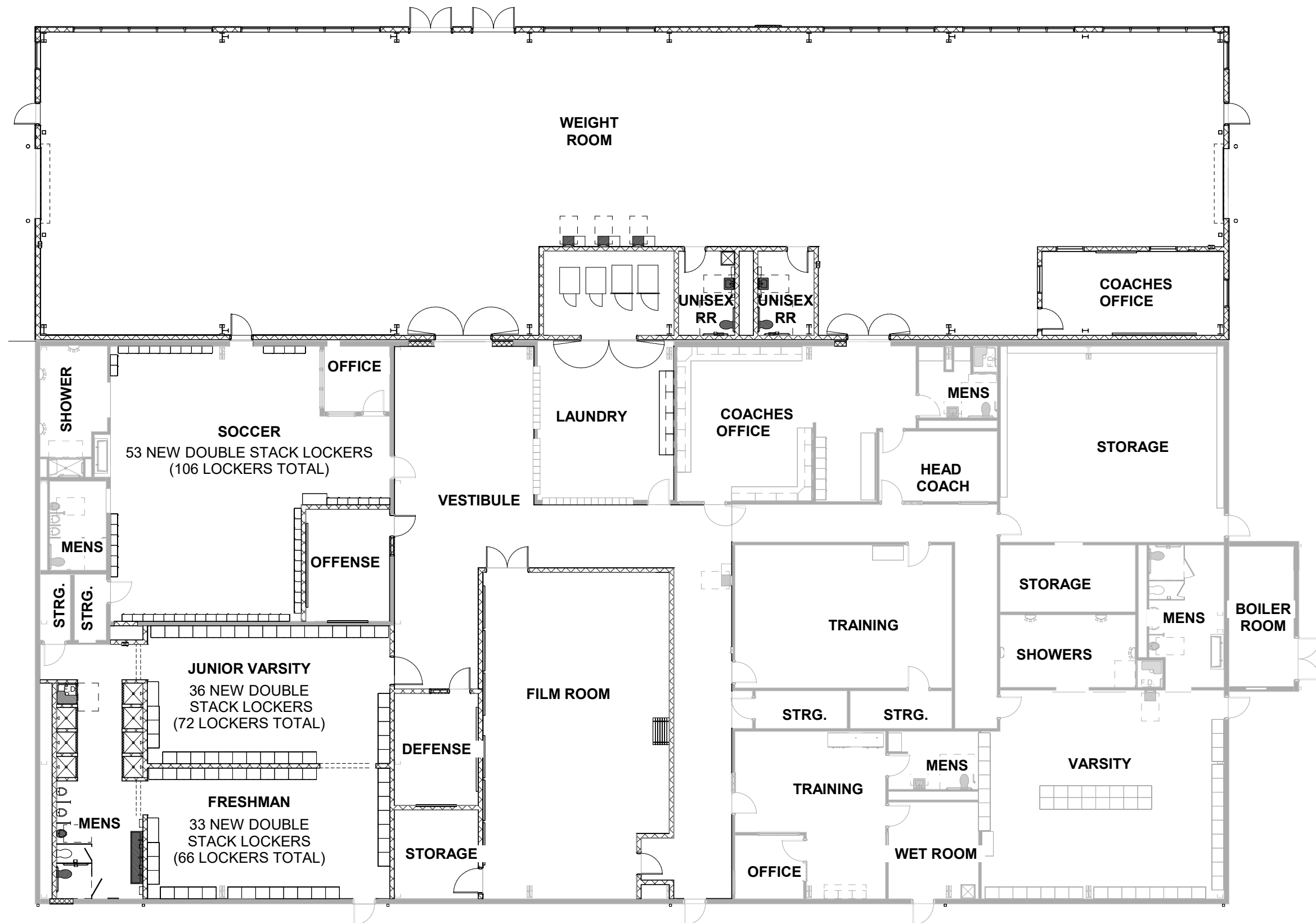
Motion:

Second:

For:

Against:

Abstain:



LA VEGA FIELD HOUSE
FLOOR PLAN





LA VEGA FIELD HOUSE
EXTERIOR RENDERING





LA VEGA FIELD HOUSE
EXTERIOR RENDERING





LA VEGA FIELD HOUSE
INTERIOR RENDERING





LA VEGA FIELD HOUSE
INTERIOR RENDERING





LA VEGA FIELD HOUSE

INTERIOR RENDERING





LA VEGA FIELD HOUSE
CONSTRUCTION PROGRESS - 12/04/2024





LA VEGA FIELD HOUSE
CONSTRUCTION PROGRESS - 12/04/2024



Grant Update

Presented for:

Board action ☐ Report/Review Only ☒

Supporting documents:

None ☐ Attached ☐ Provided Later ☒

Contact Person:

Mrs. Sandra Gibson

Background Information:

N/A

Fiscal Implication:

None

Administrative Recommendation:

None

Motion:

Second:

For:

Against:

Abstain:

CONSENT AGENDA ITEMS

Presented for:

Board action ☒ Report/Review Only ☒

Supporting documents:

None ☐ Attached ☒ Provided Later ☐

Contact Person:

N/A

Background Information:

The consent agenda shall include items of a routine and/or recurring nature grouped together under one action item. For each item listed as part of a consent agenda, the Board shall be furnished with background material. All such items shall be acted upon by one vote without separate discussion, unless a Board member requests that an item be withdrawn for individual consideration. The remaining items shall be adopted under a single motion and vote.

Fiscal Implication:

N/A

Administrative Recommendation:

N/A

Motion:

Second:

For:

Against

Abstain:

Approve Minutes for Meeting(s) Held

Presented for:

Board action ☒ Report/Review Only ☐

Supporting documents:

None ☐ Attached ☒ Provided Later ☐

Contact Person:

Dr. Sharon M. Shields or Betty Bentura

Background Information:

The Board shall prepare and retain minutes or make a tape recording of each of its open meetings. The minutes shall state the subject matter of each deliberation and shall indicate each vote, order, decision, or other action taken by the Board. The minutes or tapes are public records and shall be made available for public inspection and copying on request to the Superintendent or designee.

Fiscal Implication:

None.

Administrative Recommendation:

Board review and approval.

Motion:

Second:

For:

Against:

Abstain:



La Vega Independent School District
400 East Loop 340, Waco, Texas 76705
254-299-6700 ♦ 254-799-8642 FAX

Office of the Superintendent

**La Vega I.S.D. Board of Trustees
Minutes of the Regular Meeting
November 19, 2024**

BOARD MEMBERS PRESENT – Mildred Watkins, Henry C. Jennings, Myron Ridge, Raymond Koon, Rev. Larry Carpenter, and Randy Devorsky

BOARD MEMBERS ABSENT – Mrs. Brenda Rocha

SCHOOL PERSONNEL PRESENT – Dr. Sharon M. Shields, Todd Gooden, James D. Garrett, Sandra Gibson, Chief Kerry Blakemore, Betty Bentura, Mr. Nathaniel Tubbs, and Mrs. Jeanne Gravitt.

OTHERS PRESENT – La Vega High School Students, Myra Ibarra 12th grade and Alynn Castro 11th grade

CALLED TO ORDER – Board President Myron Ridge established a quorum and brought the board meeting to order at 6:30 p.m.

OPENING CEREMONY – The Pledges of Allegiance to the United States Flag and the Texas Flag were led by Myra Ibarra and Alynn Castro.

APPROVED LISTING OF AGENDA ITEMS – Motioned by Mr. Koon and seconded by Mr. Jennings, the Board unanimously approved the listing of agenda items.

RECOGNITION ITEMS – The Board of Trustees and Administration recognized the following groups and individuals for achievements beyond the district level: La Vega High School Band, for for earning a First Division Rating at he UIL Region 8 Marching Contest, which earned them a spot in the UIL Area B Marching Contest.

PUBLIC PARTICIPATION – None

SPECIAL REPORTS – Board Members received the following special report(s).

Superintendent's Information to the Board - Dr. Sharon M. Shields, Superintendent, updated the Board Members on upcoming calendar items and other miscellaneous information.

Construction Update – Mr. Gooden, update the Board of Trustees on the construction at the High School sport pavillion.

APPROVED CONSENT AGENDA ITEMS - Motioned by Mr. Koon and seconded by Mr. Devorsky, the Board unanimously approved the following consent agenda items:

- the Minutes for the October 22, 2024 Regular Board Meeting
- the Monthly Tax Collection Recap and Report
- the Quarterly Investment Report

ACTION AND DISCUSSION ITEMS - The following items were considered, discussed, and/or approved by the Board of Trustees.

Approved the Monthly Budget Analysis Report – On a motion by Mr. Carpenter and seconded by Mr. Jennings, the Board Members unanimously approved the monthly budget analysis report as presented.

Approved the Addition of Paraprofessional / Aide for CTE/Nursing – On a motion by Mr. Koon and seconded by Mr. Jennings, the Board of Trustees unanimously approved the additional position.

CLOSED MEETING – None

ADJOURNMENT - On a motion by Mr. Koon and seconded by Mr. Jennings, the Board of Trustees unanimously agreed to adjourn the meeting at 6:45 p.m. on November 19, 2024.

Date of Board Approval

President, La Vega I.S.D. Board of Trustees

Secretary, La Vega I.S.D. Board of Trustees

Monthly Tax Collection Recap and Report

Presented for:

Board action ☒ Report/Review Only ☐

Supporting documents:

None ☐ Attached ☒ Provided Later ☐

Contact Person:

Mr. James Garrett

Background Information:

The District contracts with the McLennan County Tax Office for the collection of the current and delinquent taxes and penalty and interest on those taxes. As part of this service, the Tax Office supplies the District with a monthly cumulative summary of taxes and penalty and interest collected. Attached the Board will find the monthly tax collection recap and report prepared by the Business Office. This report has been reconciled with the summary report received from the tax office.

Fiscal Implication:

N/A

Administrative Recommendation:

It is recommended that the Board approve the Monthly Tax Collection Recap and Report as submitted.

Motion:

Second:

For:

Against:

Abstain:

La Vega ISD

Tax Collection Report

Current Year M&O Taxes	For Month of	Year to Date
	November-24	November-24
Original Current Roll		\$ 18,550,355
Adjustments	\$ (17,477)	\$ 1,072,834
Total Adjusted Roll		\$ 19,623,189
Current M&O Taxes Collected	\$ 424,558	\$ 512,379
Current P & I Collected	\$ -	\$ -
Current Taxes Collected Adjustments		\$ -
Total Current Taxes Collected	\$ 424,558	\$ 512,379
% of Current Taxes Collected		2.6111%
Current Year I&S Taxes	For Month of	Year to Date
Current I&S Taxes Collected	\$ 281,112	\$ 340,341
Current P & I Collected	\$ -	\$ -
Current Taxes Collected Adjustments	\$ -	\$ -
Total Current Taxes Collected	\$ 281,112	\$ 340,341
% of Current Taxes Collected		1.7344%
Total Collections Current	\$ 705,670	\$ 852,720
		4.35%
Delinquent M&O Taxes	This Month	Year to Date
Delinquent Taxes Outstanding		\$ 756,731
Adjustments	\$ (10,029)	\$ (27,222)
Total Adjusted Delinquent Roll		\$ 729,509
Delinquent M&O Taxes Collected	\$ 19,407	\$ 38,263
Delinquent P & I Collected	\$ 6,582	\$ 16,900
Attorney Fees Collected		\$ 0
Delinquent Taxes Collected Adjustment		
Total Delinquent Balance Collected	\$ 25,989	\$ 55,163
% of of Delinquents Collected		7.5617%
Delinquent I&S Taxes	This Month	Year to Date
Delinquent I&S Taxes Collected	\$ 5,987	\$ 11,765
Delinquent P & I Collected	\$ 1,945	\$ 4,985
Attorney Fees Collected	\$ -	\$ -
Delinquent Taxes Collected Adjustment	\$ -	\$ -
Total Delinquent Balance Collected	\$ 7,932	\$ 16,750
% of of Delinquents Collected		2.2960%
Total Collections Delinquent	\$ 33,921	\$ 71,913
Grand Total Collections	\$ 739,591	\$ 924,633
Paid YTD		\$ 902,748
Balance Remaining		\$ 19,449,950
		95.56%

Consider Budget Amendments

Presented for:

Board action ☒ Report/Review Only ☐

Supporting documents:

None ☐ Attached ☐ Provided Later ☒

Contact Person:

Mr. James D. Garrett

Background Information:

Section 2.10.6 of the Financial Accountability System Resource Guide, version 14.0, dated January 2010, states that budget amendments are mandated by the state for budgeted funds reallocated from one function level, and state and/or federal project to another. These budget changes are usually the result of unexpected levels of expenditures in certain categories and must be amended in the budget for legal compliance.

All budget amendments are required to be adopted by the last day of the fiscal year. All necessary budget amendments must be formally adopted by the school board and recorded in the board minutes.

Fiscal Implication:

Budget amendments are moving from one function to another.

Administrative Recommendation:

Approve the budget amendments as presented.

Motion:

Second:

For:

Against:

Abstain:

Consider and Possible Action to Approve Tax Resale Deed Cause No. 98-3008-4

Board action ☒ Report/Review Only ☐

Supporting documents:

None ☐ Attached ☒ Provided Later ☐

Contact Person:

Mr. James D. Garrett

Background Information:

The unusual circumstance with this property is that it was once located in the La Vega ISD but it was relocated into the Waco ISD. At the time of the foreclosure there were taxes due both school districts and for that reason the Sheriff conveyed the property to both La Vega ISD and Waco ISD, and also to the City of Waco and McLennan County. The taxing entities are now trying to sell this property to NeighborWorks and seeks the approval of La Vega.

Fiscal Implication:

N/A

Administrative Recommendation:

The administration recommends approval of the Tax Resale Deed for Cause No 98-3008-4 for the property located at 905 Delano.

Motion:

Second:

For:

Against:

Abstain:

MCCREARY, VESELKA, BRAGG & ALLEN, P.C.

ATTORNEYS AT LAW

100 N. 6th Street, Suite 602
Waco, Texas 76701

ROBERT L. MEYERS,
ATTORNEY
e-mail: rmeyers@mvbalaw.com

TELE. 254-756-7755
FAX. 254-756-0333
P.O. BOX 1669
WACO, TX 76703-1669

December 12, 2024

Mr. James Garrett
LaVega Independent School District
400 E. Loop 340
Waco, Texas 76705

Re: Tax Resale Deed – Cause No. 98-3008-4; City of Waco v. John Wesley Lewis
Property Address: 905 Delano

Dear Mr. Garrett:

I am enclosing a Tax Resale Deed conveying the property listed above that was acquired through a tax foreclosure in the above referenced delinquent tax suit. The property is Tract 1 in the deed. As to this property there is a little unusual circumstance. In the 1960's this property was located in the La Vega Independent School District, sometime after that it was relocated to the Waco Independent School District. When the tax foreclosure took place in 1998 there were outstanding taxes due both the La Vega Independent School District and the Waco Independent School District and, thus, the Sheriff conveyed the property to both school districts. The property is currently located in the Waco Independent School District.

The City of Waco is now trying to sell the property to NeighborWorks for development of a single-family dwelling. The Waco Independent School District has authorized the sale of the property, and the City of Waco now requests that the La Vega Independent School District also approve the sale of the property.

If the board agrees with the sale to NeighborWorks, please have the School Board President sign the enclosed deed and have his signature notarized. Please return the signed and notarized original to our office.

If any additional information is needed, please give me a call.

Sincerely,



Robert L. Meyers

Enclosure

TAX RESALE DEED

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

DATE: _____, 2024

GRANTOR:

City of Waco, Trustee for itself, Waco Independent School District and County of McLennan, Texas as to Tracts 1, 2 and 3.

La Vega Independent School District as to Tract 1.

GRANTEE: Neighborhood Housing Services of Waco, INC., d/b/a NeighborWorks Waco, a Domestic Nonprofit Corporation

GRANTEE'S MAILING ADDRESS: 922 Franklin Avenue, Waco, Texas 76701

PROPERTY:

TRACT 1: *Lot 9, Block 35, J.F. Carver Park Addition, to The City of Waco, McLennan County, Texas being that property acquired by GRANTOR in Sheriff's Deed recorded in Volume 373, Page 570 of the Official Public Records, McLennan County, Texas*

(Tax Account No. 480078020503008)

Property Address: 905 Delano Street

TAX LAWSUIT: Cause No. 98-3008-4; The City of Waco, Texas vs. John Wesley Lewis, et al

CONSIDERATION: \$5,008.33

TRACT 2: *Lot 5, Block 35, Carver Park Addition, to The City of Waco, McLennan County, Texas being that property acquired by GRANTOR in Constable's Deed recorded in MCC #2013042776 of the Official Public Records, McLennan County, Texas*

(Tax Account No. 480078020499004)

Property Address: 916 Calumet

TAX LAWSUIT: Cause No. 2011-4922-5; The City of Waco, Texas vs. Odie Mae Smith Jackson, et al

CONSIDERATION: \$5,008.33

TRACT 3: *Lot 4, Block 30, Carver Park Addition, to The City of Waco, McLennan County, Texas being that property acquired by GRANTOR in Constable's Deed recorded in MCC #2013012057 of the Official Public Records, McLennan County, Texas*

(Tax Account No. 480078020429002)

Property Address: 912 Dunbar Street

TAX LAWSUIT: Cause No. 2012-2186-4; The City of Waco, Texas vs. Larneter Collins

CONSIDERATION: \$5,008.34

Right of Reverter:

GRANTEE shall, on or before two years from the recording of this deed, complete construction on the PROPERTY. Construction shall be considered completed when all necessary final inspections for the structure on the PROPERTY are completed and the structure is cleared for occupancy by a human by the City of Waco.

If, within two years from the recording of this deed, GRANTEE desires to sell or convey the PROPERTY without having reached construction completion as determined exclusively by the City of Waco, GRANTEE must provide GRANTOR the first right to repurchase the PROPERTY for the same consideration amount GRANTOR originally sold the property to GRANTEE.

If GRANTEE fails to comply with any Right of Reverter provisions, GRANTOR shall provide written notice to GRANTEE of the failure to comply with said provision(s) and GRANTOR shall provide a 90-day time period for GRANTEE to cure the noticed failure(s) from the date of the notice. If GRANTEE fails to timely cure, GRANTOR shall file an Affidavit of Fact in the Official Public Records of McLennan County, Texas, stating that GRANTEE failed to comply with the Right of Reverter provisions in this deed. Upon filing of said Affidavit of Fact, the PROPERTY shall automatically revert back to GRANTOR.

GRANTOR, for and in consideration of the amount set out above, and subject to the reservations from and exceptions to conveyance, and other good and valuable consideration paid by the GRANTEE, the receipt and sufficiency of which are acknowledged by GRANTOR, has GRANTED, SOLD AND CONVEYED, and by these presents does GRANT, SELL, AND CONVEY to the GRANTEE all of the right, title and interest, of GRANTOR in the PROPERTY acquired by the tax sale held under the TAX LAWSUIT referenced above.

TO HAVE AND TO HOLD all of its right, title and interest in and to the PROPERTY unto the said GRANTEE, the GRANTEE'S successors and assigns forever without warranty of any kind, so that neither the GRANTOR, nor any person claiming under it and them, shall at any time hereafter have, claim or demand any right or title to the PROPERTY, premises or appurtenances, or any part thereof.

GRANTOR excludes and excepts any warranties, express or implied, regarding the PROPERTY, including, without limitation, any warranties arising by common law or Section 5.023 of the Texas Property Code or its successor.

GRANTOR has not made, and does not make, any representations, warranties or covenants of any kind or character whatsoever, whether express or implied with respect to the quality or condition of the PROPERTY, the suitability of the PROPERTY for any and all activities and uses which GRANTEE may conduct thereon, compliance by the PROPERTY with any laws, rules, ordinances or regulations of any applicable governmental authority or habitability, merchantability or fitness for a particular purpose, and specifically, GRANTOR does not make any representations regarding hazardous waste, as defined by the Texas Solid Waste Disposal Act and the regulations adopted thereunder, or the U. S. Environmental Protection Agency regulations, or the disposal of any hazardous or toxic substances in or on the PROPERTY.

The PROPERTY is hereby sold, transferred, and assigned to GRANTEE "as is" and "with all faults".

This conveyance is expressly made subject to property taxes for the tax year 2024 and subsequent years.

This conveyance is expressly subject to any existing right of redemption remaining to the former owner of the PROPERTY under the provisions of law.

This conveyance is expressly subject to all easements and restrictions of record.

When the context requires, singular nouns and pronouns include the plural.

IN TESTIMONY WHEREOF, GRANTOR, pursuant to Section 34.05 of the Texas Property Tax Code, and in accordance with the Amended Memorandum of Understanding Between the City of Waco, Texas, McLennan County and Waco Independent School District dated May 27, 2021, has caused these presents to be executed on the date set forth in the acknowledgement attached hereto, to be effective as of DATE.

CITY OF WACO, TRUSTEE FOR ITSELF,
WACO INDEPENDENT SCHOOL DISTRICT AND
THE COUNTY OF MCLENNAN, TEXAS

BY: _____
Bradley Ford
City Manager

ATTEST:

APPROVED AS TO FORM AND LEGALITY:

Michelle Hicks, City Secretary

Kathleen F. Perdon, Acting City Attorney

THE STATE OF TEXAS §
 §
COUNTY OF MCLENNAN §

BEFORE ME, the undersigned authority, on this day personally appeared Bradley Ford, City Manager of the City of Waco, known to me to be the person whose name is subscribed to the foregoing document, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the _____ day of _____ 2024.

Notary Public, State of Texas

LA VEGA INDEPENDENT SCHOOL DISTRICT

BY: _____
Myron Ridge, President
Board of Trustees

THE STATE OF TEXAS §
 §
COUNTY OF MCLENNAN §

BEFORE ME, the undersigned authority, on this day personally appeared Myron Ridge, President, Board of Trustees, La Vega Independent School District, known to me to be the person whose name is subscribed to the foregoing document, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the _____ day of _____ 2024.

Notary Public, State of Texas

After Recording, Return To: *McCreary Law Firm, P.O. Box 1669, Waco, Texas 76703-1669*

ACTION / DISCUSSION ITEMS

Presented for:

Board action ☒ Report/Review Only ☐

Supporting documents:

None ☐ Attached ☒ Provided Later ☐

Contact Person:

N/A

Background Information:

The following items are included for board discussion and possible action.

Fiscal Implication:

N/A

Administrative Recommendation:

N/A

[illegible]

Consider Fiscal Year 2024 Financial Audit Report

Presented for:

Board action ☒ Report/Review Only ☐

Supporting documents:

None ☐ Attached ☒ Provided Later ☐

Contact Person:

Mr. James Garrett

Background Information:

Section 44.008, Texas Education Code, requires that school districts have an annual financial audit conducted by an independent audit firm. This year, La Vega ISD retained the firm of Jaynes, Reitmeier, Boyd and Therrell, P.C. of Waco to conduct the 2023-2024 annual financial audit for our District. Representatives of this firm will present the audit report to the Board and answer any questions which the Board or Administration may have. There is no requirement in the Texas Education Code or Financial Accountability System Resource Guide that a public hearing on the audit report be held. Once the audit is approved, the Board President and Board Secretary will need to sign the Certificate of Board found in the audit report. The District has 150 days from the end of the fiscal year to submit a signed copy to TEA in electronic format. The Business Office will file the required reports.

Fiscal Implication:

Included in the audit report provided.

Administrative Recommendation:

The Administration recommends the Board approve the 2023-2024 Fiscal Year Audit as presented.

Motion:

Second:

For:

Against:

Abstain:

La Vega Independent School District
Annual Financial Report
August 31, 2024

La Vega Independent School District

	<u>Page</u>	<u>Exhibit</u>
Table of Contents	i	
Certificate of Board	iii	
Independent Auditor's Report	iv	
Management's Discussion and Analysis	viii	
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	1	A-1
Statement of Activities	2	B-1
Fund Financial Statements:		
Balance Sheet – Governmental Funds	3	C-1
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position for Governmental Activities	4	C-2
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	5	C-3
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6	C-4
Statement of Net Position – Proprietary Fund	7	D-1
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund	8	D-2
Statement of Cash Flows – Proprietary Fund	9	D-3
Statement of Fiduciary Net Position – Fiduciary Funds	10	E-1
Statement Changes in Fiduciary Net Position – Fiduciary Funds	11	E-2
Notes to Financial Statements	12	
Required Supplementary Information:		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	51	G-1
Note to Schedule of Revenues, Expenditures and Change in Fund Balance – Budget and Actual – General Fund	52	
Schedule of the District's Proportionate Share of the Net Pension Liability Teacher Retirement System of Texas	53 - 54	G-2

Schedule of the District's Contributions to the Teacher Retirement System of Texas - Last Ten Fiscal Years	55 - 56	G-3
Schedule of the District's Proportionate Share of the Total OPEB Liability TRS-Care	57 - 58	G-4
Schedule of the District's Contributions to TRS-Care Last Ten Fiscal Years	59 - 60	G-5

Other Supplementary Schedules:

Combining Schedule – Balance Sheet – Nonmajor Funds	61 - 63	H-1
Combining Schedule – Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Funds	64 - 67	H-2
Schedule of Delinquent Taxes Receivable	68	J-1
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Child Nutrition Program	69	J-2
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund	70	J-3
Compensatory Education Program and Bilingual Education Program Expenditures (Unaudited)	71	J-4

Reports on Compliance, Internal Control, and Federal Awards:

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	72	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	74	
Schedule of Findings and Questioned Costs	77	
Summary Schedule of Prior Audit Findings	79	
Schedule of Expenditures of Federal Awards	80	K-1
Notes to Schedule of Expenditures of Federal Awards	81	

Certificate of Board

**La Vega Independent
School District**

McLennan County

161-906

We, the undersigned, certify that the attached annual financial and compliance reports of the above-named independent school district were reviewed and approved for the year ended August 31, 2024 at a meeting of the Board of School Trustees of such independent school district on the 17th day of December 2024.

Board Secretary

Board President



JAYNES REITMEIER BOYD & THERRELL, P.C.
Certified Public Accountants
5400 Bosque Blvd., Ste. 600 | Waco, TX 76710
P.O. Box 7616 | Waco, TX 76714
Main 254.776.4190 | Fax 254.776.8489 | jrbt.com

INDEPENDENT AUDITOR'S REPORT

The Board of School Trustees
La Vega Independent School District:

Report on the Audit of Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of La Vega Independent School District (the "District") as of and for the year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of August 31, 2024 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Governmental 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages viii through xv, the budgetary comparison information on pages 51 and 52, and the schedules of the District's proportionate share of the net pension/OPEB liabilities and contributions on pages 53 through 60 (collectively, "the required supplementary information") 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), and is not a required part of the basic financial statements. The other supplementary schedules, as listed in the table of contents, except for the schedule of Compensatory Education and Bilingual Education Programs, are presented for purposes of additional analysis and also are not a required part of the basic financial statements.

The schedule of expenditures of federal awards and the other supplementary information, except for the schedule of Compensatory Education and Bilingual Education Programs, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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 or other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the other supplementary information, except for the schedule of Compensatory Education and Bilingual Education Programs, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

Management is responsible for the other information, the schedule of Compensatory Education and Bilingual Education Programs on page 71, included in the annual financial report. The information comprises the schedule of Compensatory Education and Bilingual Education Programs on page 71 but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based upon the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

_____, 2024

MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the annual financial report for La Vega Independent School District (the “District”) presents our discussion and analysis of the District’s financial performance during the fiscal year ended August 31, 2024. Please read it in conjunction with the District’s financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$8.6 million, an increase in net position of \$4.5 million as compared to an increase in net position of \$4.5 million in the prior year. The unrestricted net position of the District at August 31, 2024 is a deficit of \$5.5 million, which results primarily from the District’s recognition of net pension and other postemployment benefits (“OPEB”) liabilities of \$18.6 million.
- As of the close of 2024, the District’s governmental funds reported combined ending fund balances of \$25.2 million, an increase of \$1.6 million in comparison with the prior year increase of \$3.0 million. The increase in governmental funds combined ending fund balance resulted primarily from additional state aid of \$3.5 million due to the state funding formula and \$1.8 million gain on disposition of capital assets due to insurance proceeds from wind damage offset by a decrease in property taxes of \$0.8 million due to an increase in the homestead exemption from \$40,000 to \$100,000 and state-wide property tax rate compression, offset by an increase in total expenditures of approximately \$6.3 million due to increases in salaries and related benefits due to step increases and one time capital expenditures of \$2.5 million.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$12.6 million, or approximately 33% of the total 2024 general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management’s discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and *other 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 District, reporting the District’s operations in more detail than the government-wide statements.

The *governmental funds* statements tell how general education services were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. The statements also include other supplementary information as required by the Texas Education Agency. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Government-wide Financial Statements

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

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

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

The governmental activities of the District include all of the District's basic services, such as instruction, curriculum and staff development, student services, extracurricular activities, general administration, and plant maintenance and operations. Property taxes, state aid, and federal and state grants finance most of these activities.

Fund Financial Statements

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

Governmental Funds

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

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

The District maintains approximately thirty-two individual governmental funds. Information is presented in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the debt service fund, which are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation.

The District adopts an annual appropriated budget for its general fund, child nutrition fund, and debt service fund. Budgetary comparison statements are included in supplemental information to demonstrate compliance with these budgets.

Proprietary Fund

The District uses one type of proprietary funds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses an internal service fund to account for its self-insured workers' compensation insurance services. Because these services benefit governmental activities, they have been included within governmental activities in the government-wide financial statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The private purpose trust fund is used to report resources held in trust for scholarships. The custodial fund reports resources held by the District in a custodial capacity for student groups.

Notes to the Financial Statements and Other Information

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's progress in funding its obligation to provide pension and OPEB benefits. Additional supplementary information is presented as required by the Texas Education Agency.

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$8,558,017 at the close of the most recent fiscal year.

La Vega Independent School District Net Position August 31, 2024 and 2023

	Governmental Activities	
	2024	2023
Current and other assets	\$ 28,966,491	28,259,589
Capital assets	37,643,886	36,618,953
Total assets	66,610,377	64,878,542
Deferred outflows of resources:	10,640,142	12,342,778
Current liabilities	3,179,091	4,173,659
Long-term liabilities	52,393,267	55,828,914
	55,572,358	60,002,573
Deferred inflows of resources:	13,120,144	13,188,529
Net position:		
Net investment in capital assets	4,951,387	2,063,068
Restricted	9,122,181	6,932,998
Unrestricted	(5,515,551)	(4,965,848)
	\$ 8,558,017	4,030,218

The District has a net investment in capital assets of \$4,951,387 at August 31, 2024, which reflects its net investment in capital assets (e.g., land, buildings and improvements, furniture and equipment, and right-of-use assets) less any outstanding debt that was used to acquire those assets. The District uses these capital assets to provide public educational services to its students. Accordingly, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position (\$9,122,181) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* is a deficit of \$5,515,551.

La Vega Independent School District
Changes in Net Position
Years Ended August 31, 2024 and 2023

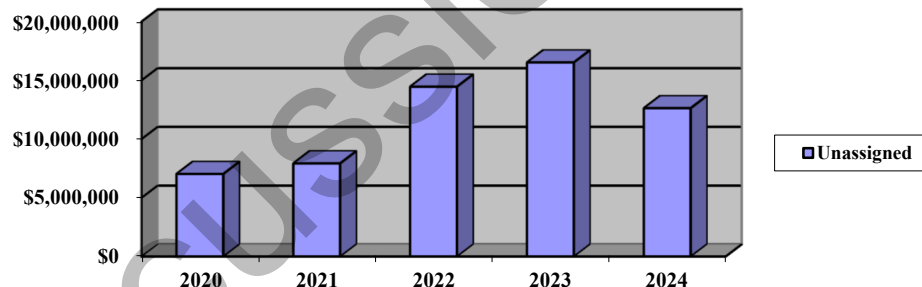
	Governmental Activities	
	2024	2023
Revenues:		
Program revenues:		
Charges for services	\$ 394,782	395,853
Operating grants and contributions	12,923,333	12,256,036
General revenues:		
Maintenance and operations property taxes	10,286,430	11,439,276
Debt service property taxes	3,407,100	2,972,876
State aid formula grants	22,446,068	18,938,126
Grants and contributions not restricted	102,546	213,023
Investment revenue	1,405,734	853,040
Gain on disposition of capital assets	1,839,113	-
Miscellaneous	275,381	168,030
Total revenue	<u>53,080,487</u>	<u>47,236,260</u>
Expenses:		
Instruction and instructional-related services	25,716,981	21,532,119
Instructional and school leadership	4,202,903	4,009,192
Support services - students	8,709,711	8,085,083
Administrative support services	1,909,896	1,781,546
Support services - non-student based	6,716,149	6,004,967
Ancillary services	65,541	62,198
Interest on long-term debt	1,052,316	1,066,088
Other debt service fees	7,158	6,549
Payments to other governments	172,033	201,551
Total expenses	<u>48,552,688</u>	<u>42,749,293</u>
Increase in net position	4,527,799	4,486,967
Net position, beginning of year, as restated	<u>4,030,218</u>	<u>(456,749)</u>
Net position, end of year	<u>\$ 8,558,017</u>	<u>4,030,218</u>

The District recognized an increase in net position of \$4.5 million, compared to an increase of \$4.5 million in the prior year, as a result of the following:

- Property taxes decreased approximately \$0.7 million due to an increase in the homestead exemption from \$40,000 to \$100,000 and a decrease in the overall tax rate due to state-wide tax rate compression offset by increases in assessed values. State aid increased \$3.5 million due to the state funding formula. Operating grants and contributions increased \$0.6 million due to an increase in the pension and OPEB benefit recognized in the current year. Additionally, investment income increased \$0.6 million due to increasing interest rates. Finally, the District recognized a gain of \$1.8 million on disposition of capital assets due to insurance proceeds from wind damage.
- The cost of all governmental activities this year was \$48.6 million, an increase of approximately \$5.8 million from the prior year. There was an increase in salaries and related benefits expenses primarily due to state mandated “step increases” for teachers and District-wide raises in wages and benefits for support personnel of approximately 4%.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

The District’s Board of School Trustees annually monitors the relative unassigned fund balance in the District’s general fund. Most districts have an unassigned fund balance goal of 15% of the budget, or two to three months of operations costs for their fund balance. The unassigned fund balance in the general fund decreased in 2024 from \$14,458,423 to \$12,627,700. The graph below reflects the historical trend fund balance for unassigned fund balance of the general fund.



The fund balance of the general fund decreased by \$0.6 million during the current fiscal year, compared to an increase of \$2.1 million in the prior year. Key factors in this change are as follows:

- Property taxes decreased approximately \$1.2 million due to an increase in the homestead exemption from \$40,000 to \$100,000 and a decrease in the M&O tax rate due to state-wide tax rate compression offset by increases in assessed values. State aid increased approximately \$3.6 million due to the state funding formula. Federal revenue decreased approximately \$0.3 million due to less indirect costs recognized in the current year as the ESSER and other ARP funding was reduced in the current year.
- Total expenditures were \$38.5 million and \$32.3 million in 2024 and 2023, respectively. This \$6.2 million increase was primarily attributed to an increase in salaries and related benefits for step-increases, district-wide raises for support personnel of approximately 4%, and an increase in capital outlay of \$2.5 million.

The fund balance of the debt service fund increased by approximately \$2.1 million during the current fiscal year, compared to an increase of \$1.0 million in the prior year. Property taxes increased \$0.4 million due to an increase in the I&S tax rate of \$0.004757 per \$100 valuation and immaterial increases in assessed values. Additionally, investment income increased approximately \$0.3 million due to increases in interest rates during the current year. Expenditures consisted of scheduled principal and interest payments on outstanding debt and were consistent with prior year payments.

General Fund Budgetary Highlights

There was an approximately \$3.0 million difference between the original budget and the final amended budget for total expenditures of the general fund. The primary differences consisted of approximately \$1.9 million for construction costs on ongoing projects, \$0.6 million and \$0.4 million for additional instructional and school leadership costs due to realignment of personnel within the District, and \$0.2 million for additional student transportation costs as a result of increased payroll and benefits under the new contract effective October 2023.

Expenditures in the general fund exceeded appropriations for food services (\$6,764), facilities maintenance and operations (\$126,273), and principal and interest on long-term debt (\$102,470) primarily related to renovation costs from wind damage that were in excess of budgeted amounts and principal and interest payments that were required due to GASB 87, *Leases*. These over-expenditures were funded by other functions that were less than budgeted amounts in the general fund.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The District's investment in capital assets for its governmental activities as of August 31, 2024 amounts to \$37.6 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, and right-of-use assets under leases.

Major capital asset events during the current fiscal year included \$201,208 for new serving lines in the cafeterias; \$94,230 for the purchase of two vehicles; and \$39,093 for new musical instruments. Construction in progress included ongoing projects as follows:

- District-wide HVAC improvements	1,501,332
- H.P. Miles Middle School – roof replacement	153,196
- Field House Project	391,341
- Architect fees and other plan designs for additions and renovations to be funded with the subsequent bond issue of \$91,365,000	498,905

Additional information on the District's capital assets can be found in Note 9.

Long-term Debt

The State of Texas backs the District's bonds with its "AAA/stable" rating. This bond rating helps the District by reducing the costs of any debt issued. At the end of the current fiscal year, the District had total bonded debt outstanding of \$32.8 million. Reductions in long-term debt were the result of scheduled principal payments and reductions in the net pension liability and total OPEB liability of \$1.8 million.

Additional information on the District's long-term debt can be found in Note 10.

Economic Factors and Next Year's Budget

For 2025, the District adopted a budget deficit for the general fund of approximately \$2.8 million. The M&O tax rate adopted for 2025 is \$0.7552 per \$100 valuation and is a \$0.0023 decrease from the 2024 tax rate of \$0.7575. The decrease in the M&O tax rate results from state wide tax rate compression.

The I&S tax rate adopted for 2025 is \$0.5000 per \$100 valuation as compared to the 2024 I&S tax rate of \$0.2500 per \$100 valuation. The increase in the I&S tax rate is due to additional debt service requirements for the \$91,365,000 Series 2024 bonds issued in September 2024.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District's Administration Building, La Vega Independent School District, 400 E. Loop 340, Waco, Texas 76705.

Discussion Draft

Basic Financial Statements

La Vega Independent School District

Statement of Net Position

August 31, 2024

Data Control Codes		Governmental Activities
	Assets	
1110	Cash and cash equivalents	\$ 21,638,372
1225	Property taxes receivable, net of allowance for uncollectibles of \$302,692	454,039
1240	Due from other governments	2,156,224
1290	Other receivables	460,821
1300	Inventories	150,792
1400	Prepaid expenses	44,164
1900	Long-term investment	4,062,079
	Capital assets, not depreciated:	
1510	Land	431,650
1580	Construction in progress	2,544,774
	Capital assets, net of accumulated depreciation:	
1520	Buildings, net	32,791,600
1530	Furniture and equipment, net	1,751,408
1552	Right-of-use lease assets - equipment, net	124,454
	Total assets	<u>66,610,377</u>
	Deferred Outflows of Resources	
1700	Deferred outflows of resources	<u>10,640,142</u>
	Liabilities	
2110	Accounts payable	1,069,619
2140	Accrued interest payable	22,173
2150	Payroll deductions and withholdings	81,468
2160	Accrued wages payable	1,678,699
2200	Other accrued expenses	58,357
2300	Unearned revenue	268,775
	Noncurrent liabilities:	
2501	Due within one year	1,596,645
	Due after one year:	
2502	Bonds, loans payable, and lease liabilities	31,847,851
2512	Accumulation accretion on capital appreciation bonds	385,119
2540	Net pension liability	12,496,865
2545	Other postemployment benefits liability	6,066,787
	Total due after one year	<u>50,796,622</u>
	Total liabilities	<u>55,572,358</u>
	Deferred Inflows of Resources	
2600	Deferred inflows of resources	<u>13,120,144</u>
	Net Position	
3200	Net investment in capital assets	4,951,387
	Restricted for:	
3820	Grant requirements	1,443,224
3850	Debt service	7,678,957
3900	Unrestricted	<u>(5,515,551)</u>
	Total net position	<u>\$ 8,558,017</u>

See accompanying notes to financial statements.

La Vega Independent School District

Statement of Activities

Year Ended August 31, 2024

Data Control Codes	Functions/Programs	1 Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position 6 Governmental Activities
			3 Charges for Services	4 Operating Grants and Contributions	
	Governmental activities:				
11	Instruction	\$ 24,680,058	11,370	6,063,177	(18,605,511)
12	Instructional resources and media services	283,051	-	29,083	(253,968)
13	Curriculum and instructional staff development	753,872	-	359,836	(394,036)
21	Instructional leadership	1,062,742	-	211,982	(850,760)
23	School leadership	3,140,161	-	333,101	(2,807,060)
31	Guidance, counseling, and evaluation services	1,080,183	-	300,618	(779,565)
32	Social work services	366,027	-	231,241	(134,786)
33	Health services	316,865	-	32,362	(284,503)
34	Student transportation	2,156,187	18,736	396,165	(1,741,286)
35	Food services	2,827,135	150,083	2,984,430	307,378
36	Extracurricular activities	1,963,314	214,593	231,974	(1,516,747)
41	General administration	1,909,896	-	304,515	(1,605,381)
51	Facilities maintenance and operations	4,142,236	-	320,785	(3,821,451)
52	Security and monitoring services	1,130,793	-	329,533	(801,260)
53	Data processing services	1,443,120	-	69,889	(1,373,231)
61	Community services	65,541	-	63,473	(2,068)
72	Interest on long-term debt	1,052,316	-	661,169	(391,147)
73	Other debt service fees	7,158	-	-	(7,158)
95	Payment to JJAEP	28,435	-	-	(28,435)
99	Payment to county appraisal district	143,598	-	-	(143,598)
	Total governmental activities	\$ 48,552,688	394,782	12,923,333	(35,234,573)
	General revenues:				
	Taxes:				
MT	Property taxes, levied for general purposes				10,286,430
DT	Property taxes, levied for debt service				3,407,100
SF	State aid-formula grants				22,446,068
GC	Grants and contributions not restricted				102,546
IE	Investment earnings				1,405,734
MI	Gain from disposition of capital assets				1,839,113
MI	Miscellaneous local revenue				275,381
TR	Total general revenues				39,762,372
CN	Change in net position				4,527,799
NB	Net position, beginning of year, as previously reported				3,885,965
PA	Error correction				144,253
NB	Net position, beginning of year, as restated				4,030,218
NE	Net position, end of year				\$ 8,558,017

See accompanying notes to financial statements.

La Vega Independent School District

Balance Sheet –
Governmental Funds

August 31, 2024

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets				
1110 Cash and cash equivalents	\$ 15,803,180	3,474,211	2,265,628	21,543,019
1225 Taxes receivable, net of allowance for uncollectibles of \$302,692	341,372	112,667	-	454,039
1240 Due from other governments	1,838,725	-	317,499	2,156,224
1260 Due from other funds	75,416	30,000	-	105,416
1290 Other receivables	460,821	-	-	460,821
1300 Inventories	150,792	-	-	150,792
1900 Other assets	-	4,062,079	-	4,062,079
Total assets	<u>\$ 18,670,306</u>	<u>7,678,957</u>	<u>2,583,127</u>	<u>28,932,390</u>
Liabilities				
2110 Accounts payable	\$ 576,833	-	490,790	1,067,623
2150 Payroll deductions and withholdings	81,468	-	-	81,468
2160 Accrued wages payable	1,526,354	-	152,345	1,678,699
2170 Due to other funds	30,000	-	75,416	105,416
2200 Accrued expenses	32,409	-	25,948	58,357
2300 Unearned revenues	-	-	268,775	268,775
Total liabilities	<u>2,247,064</u>	<u>-</u>	<u>1,013,274</u>	<u>3,260,338</u>
Deferred Inflows of Resources				
2600 Unavailable property tax revenue	<u>341,372</u>	<u>112,667</u>	<u>-</u>	<u>454,039</u>
Fund Balances				
Nonspendable:				
3410 Inventories	150,792	-	-	150,792
Restricted for:				
3450 Grant requirements	-	-	1,443,224	1,443,224
3480 Retirement of long-term debt	-	7,566,290	-	7,566,290
Committed for:				
3545 Campus activities	-	-	126,629	126,629
Assigned for:				
3550 Capital replacement	516,203	-	-	516,203
3590 Subsequent year's budget: appropriation of fund balance	2,787,175	-	-	2,787,175
3600 Unassigned	<u>12,627,700</u>	<u>-</u>	<u>-</u>	<u>12,627,700</u>
Total fund balances	<u>16,081,870</u>	<u>7,566,290</u>	<u>1,569,853</u>	<u>25,218,013</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 18,670,306</u>	<u>7,678,957</u>	<u>2,583,127</u>	<u>28,932,390</u>

See accompanying notes to financial statements.

La Vega Independent School District

Reconciliation of the Governmental Funds Balance Sheet to
the Statement of Net Position for Governmental Activities

August 31, 2024

<u>Data Control Codes</u>		
	Total fund balances - governmental funds (Exhibit C-1)	\$ 25,218,013
1	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	37,643,886
2	Other long-term assets are not available to pay for current period expenditures and therefore are unavailable revenue in the funds.	454,039
3	Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service are included in the governmental statement of net position.	137,521
4	Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	<u>(54,895,442)</u>
19	Net position of governmental activities (Exhibit A-1)	\$ <u><u>8,558,017</u></u>

See accompanying notes to financial statements.

La Vega Independent School District

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended August 31, 2024

Data Control Codes		10	Formerly Major Fund 282	50	Other Governmental Funds	Total Governmental Funds
		General Fund	ARPA ESSER III	Debt Service Fund		
Revenues:						
5700	Local and intermediate sources	\$ 13,568,076	-	3,727,618	383,270	17,678,964
5800	State program revenues	24,734,536	-	264,337	1,129,830	26,128,703
5900	Federal program revenues	492,168	-	396,832	7,299,848	8,188,848
5020	Total revenues	<u>38,794,780</u>	<u>-</u>	<u>4,388,787</u>	<u>8,812,948</u>	<u>51,996,515</u>
Expenditures:						
Current:						
0011	Instruction	18,951,528	-	-	4,292,336	23,243,864
0012	Instructional resources and media services	258,240	-	-	3,097	261,337
0013	Curriculum and staff development	382,279	-	-	327,053	709,332
0021	Instructional leadership	876,080	-	-	134,333	1,010,413
0023	School leadership	2,883,659	-	-	47,018	2,930,677
0031	Guidance, counseling, and evaluation services	777,887	-	-	225,981	1,003,868
0032	Social work services	124,783	-	-	230,334	355,117
0033	Health services	288,672	-	-	2,950	291,622
0034	Student transportation	2,082,331	-	-	161,251	2,243,582
0035	Food service	62,739	-	-	2,823,146	2,885,885
0036	Extracurricular activities	1,719,887	-	-	132,955	1,852,842
0041	General administration	1,697,535	-	-	10,282	1,707,817
0051	Facilities maintenance and operations	3,901,250	-	-	71,265	3,972,515
0052	Security and monitoring services	941,520	-	-	131,165	1,072,685
0053	Data processing services	1,407,579	-	-	6,188	1,413,767
0061	Community services	2,068	-	-	63,473	65,541
0095	Payments to JJAEP	28,435	-	-	-	28,435
0099	Payments to county appraisal district	143,598	-	-	-	143,598
Debt service:						
0071	Principal on long-term debt	240,290	-	1,165,000	-	1,405,290
0072	Interest on long-term debt	43,180	-	1,166,405	-	1,209,585
0073	Other fees	-	-	7,158	-	7,158
0081	Facilities acquisition	<u>1,654,528</u>	<u>-</u>	<u>-</u>	<u>891,170</u>	<u>2,545,698</u>
6030	Total expenditures	<u>38,468,068</u>	<u>-</u>	<u>2,338,563</u>	<u>9,553,997</u>	<u>50,360,628</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>326,712</u>	<u>-</u>	<u>2,050,224</u>	<u>(741,049)</u>	<u>1,635,887</u>
Other financing sources (uses):						
7915	Operating transfers in	-	-	-	891,170	891,170
8911	Operating transfers out	<u>(891,170)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(891,170)</u>
	Total other financing sources (uses)	<u>(891,170)</u>	<u>-</u>	<u>-</u>	<u>891,170</u>	<u>-</u>
	Net change in fund balance	<u>(564,458)</u>	<u>-</u>	<u>2,050,224</u>	<u>150,121</u>	<u>1,635,887</u>
0100	Fund balances, beginning of year, as previously presented	16,646,328	-	5,516,066	1,275,479	23,437,873
	Error correction	-	-	-	144,253	144,253
	Change within financial reporting entity (major to nonmajor fund)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Fund balances, beginning of year, as adjusted or restated	<u>16,646,328</u>	<u>-</u>	<u>5,516,066</u>	<u>1,419,732</u>	<u>23,582,126</u>
3000	Fund balances, end of year	\$ 16,081,870	-	7,566,290	1,569,853	25,218,013

See accompanying notes to financial statements.

La Vega Independent School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended August 31, 2024

Net change in fund balances - total governmental funds (Exhibit C-3)	\$ 1,635,887
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital expenditures (\$2,990,293) exceeded depreciation expense (\$1,965,360) in the current period.	1,024,933
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	14,717
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued; whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,562,559
Internal service funds are used by management to charge the costs of certain services to individual funds. The change in net position for the internal service fund is reported as part of governmental activities.	45,150
Governmental funds report contributions to pension/OPEB plans as expenditures, whereas pension/OPEB expense is recognized in the statement of activities. This is the amount by which the pension/OPEB benefit (\$1,519,610) exceeded contributions to the pension/OPEB plans (\$1,275,057) in the current period.	<u>244,553</u>
Change in net position of governmental activities (Exhibit B-1)	\$ <u><u>4,527,799</u></u>

See accompanying notes to financial statements.

La Vega Independent School DistrictStatement of Fiduciary Net Position -
Proprietary Fund

August 31, 2024

	Governmental Activities Internal Service Fund
Assets	
Current assets:	
Cash and cash equivalents	\$ 95,353
Other assets	44,164
Total current assets	<u>139,517</u>
 Total assets	 <u>139,517</u>
 Liabilities	
Accounts payable	<u>1,996</u>
 Total liabilities	
 Net Position	
Unrestricted	<u>137,521</u>
 Total net position	 <u>\$ 137,521</u>

See accompanying notes to financial statements.

La Vega Independent School DistrictStatement of Revenues, Expenses and
Changes in Net Position –
Proprietary Fund

Year Ended August 31, 2024

	Governmental Activities
	Internal Service Fund
Operating revenues:	
Charges for services	\$ 155,993
Total operating revenues	<u>155,993</u>
Operating expenses:	
Contracted services	42,028
Other operating expenses	<u>68,815</u>
Total operating expenses	<u>110,843</u>
Operating income	45,150
Net position, beginning of year	<u>92,371</u>
Net position, end of year	<u><u>\$ 137,521</u></u>

See accompanying notes to financial statements.

La Vega Independent School District

Statement of Cash Flows -
Proprietary Fund

Year Ended August 31, 2024

	Governmental Activities
	Internal Service Fund
Cash flows from operating activities:	
Cash received from customers	\$ 155,993
Cash paid to suppliers	(143,205)
Net cash provided by operating activities	<u>12,788</u>
Net increase in cash and cash equivalents	12,788
Cash and cash equivalents, beginning of year	<u>82,565</u>
Cash and cash equivalents, end of year	<u><u>\$ 95,353</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 45,150
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in assets and liabilities:	
(Increase) decrease in assets:	
Other assets	(34,358)
Increase (decrease) in liabilities:	
Accounts payable	<u>1,996</u>
Net cash provided by operating activities	<u><u>\$ 12,788</u></u>

See accompanying notes to financial statements.

La Vega Independent School DistrictStatement of Fiduciary Net Position -
Fiduciary Funds

August 31, 2024

	Private Purpose Trust Fund	Custodial Fund
Assets		
Cash and cash equivalents	\$ 5,750	94,556
Total assets	5,750	94,556
Liabilities		
Accounts payable	\$ -	429
Total liabilities	-	429
Net Position		
Restricted for individuals and organizations	\$ 5,750	94,127

See accompanying notes to financial statements.

La Vega Independent School District**Statement Changes in Fiduciary Net Position -
Fiduciary Funds**

Year Ended August 31, 2024

	Private Purpose Trust Fund	Custodial Fund
Additions		
Collections for student organizations	\$ -	84,756
Total additions	-	84,756
Deductions		
Payment of expenses for student organizations	-	97,864
Total deductions	-	97,864
Change in net position	-	(13,108)
Net position, beginning of year	5,750	107,235
Net position, end of year	\$ 5,750	94,127

See accompanying notes to financial statements.

La Vega Independent School District

Notes to Financial Statements

August 31, 2024

(1) Summary of Significant Accounting Policies

The Board of School Trustees (the “Board”), a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the La Vega Independent School District (the “District”). Because members of the Board are elected by the public; have the authority to make decisions, appoint administrators and managers, and significantly influence operations; and have the primary accountability for fiscal matters; the District is not included in any other governmental “reporting entity”. Also, no component units were identified or included within the reporting entity.

The accounting policies of the District substantially comply with the rules prescribed in the Texas Education Agency’s (“TEA”) Financial Accountability System Resource Guide (the “Resource Guide”). These accounting policies generally conform to generally accepted accounting principles applicable to governmental units.

(a) Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

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

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

La Vega Independent School District

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (continued)

(b) Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements, proprietary funds, and the fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental revenue and interest associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All property tax receivables are reported net of an allowance for uncollectible amounts. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

The general fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The debt service fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

La Vega Independent School District

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (continued)

(b) Measurement focus, basis of accounting
and financial statement presentation (continued)

The District reports the following proprietary funds:

The District utilizes an internal service fund to account for its self-insured workers' compensation insurance services provided to other funds on a cost reimbursement basis.

Additionally, the District reports the following fund types:

The private purpose trust fund accounts for resources legally held in trust for scholarships to be awarded to current and former students for post-secondary education. All resources of the fund, including any earnings on invested resources, may be used to support the activities listed in the preceding sentence. Additionally, the District accounts for resources held for others in a custodial capacity in custodial funds. The District's custodial fund consists of the student activity funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

(c) Investments

State statutes authorize the District to invest in obligations of the United States or its agencies and instrumentalities and state or local governments, commercial paper, guaranteed investment contracts, repurchase agreements, and certain governmental investment pools. The District's local investment policy limits the District to invest in obligations of the United States or its agencies and instrumentalities, certificates of deposit, fully collateralized repurchase agreements by obligations of the United States or its agencies and instrumentalities, money market mutual funds, and local government investment pools.

Investments are reported at fair value, except for governmental investment pools. The governmental investment pools operate in accordance with appropriate state laws and regulations, and are reported at amortized cost.

La Vega Independent School District

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (continued)

(c) Investments (continued)

For its investment in a repurchase agreement carried at fair value, the District uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The District determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market.

When considering market participant assumptions in fair value measurements for its investment in a repurchase agreement, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.

Level 2 Inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

(d) Interfund receivables and payables

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

La Vega Independent School District

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (continued)

(e) Supplies and inventory

All inventories are valued at cost using the first in/first out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

(f) Capital assets

Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Buildings and improvements, and furniture and equipment are depreciated using the straight-line method over their estimated useful lives:

	<u>Years</u>
Buildings and improvements	6 – 40
Furniture and equipment	4 – 15

(g) Compensated absences

District employees are entitled to vacation and sick leave days earned by them for services performed. Vacation days lapse at the end of the year and have not been accrued. Sick days do accumulate, but employees are not paid the benefits on termination or retirement if they are not used. Consequently, the benefits have not been accrued.

(h) Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the

La Vega Independent School District

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (continued)

(h) Long-term obligations (continued)

bonds using the effective-interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are recorded 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.

(i) 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 the 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 benefit terms. Investments are reported at fair value.

(j) Other Postemployment Benefits (“OPEB”)

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

La Vega Independent School District

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (continued)

(k) Deferred outflows and deferred inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

(l) Fund balance and net position

Governmental fund balances classified as restricted are balances with constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the Board of School Trustees (the "Board") through an ordinance. Assigned fund balances are constrained by an intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by District management based upon Board direction. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. The order of spending available resources is as follows: restricted, committed, assigned, and unassigned.

In the government-wide financial statements, proprietary fund, and fiduciary fund financial statements, net position represents the difference between assets, deferred outflows, liabilities, and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvements of those assets, and adding back unspent bond proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

La Vega Independent School District

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (continued)

(m) Data control codes

Data control codes refer to the account code structure prescribed by the TEA in the Resource Guide.

(2) Reconciliation of Government-Wide and Fund Financial Statements

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains, “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$54,895,442 difference are as follows:

Bonds payable	\$ (30,219,999)
Add: Premium on issuance	(2,552,915)
Less: Deferred charge on refunding	465,534
Accumulated accretion on bonds	(385,119)
Loans payable	(528,000)
Lease liabilities	(143,582)
Accrued interest payable	(22,173)
Net pension/OPEB liabilities, and related deferred inflows of \$13,120,144 and deferred outflows of \$10,174,608	<u>(21,509,188)</u>
	<u><u>\$ (54,895,442)</u></u>

The governmental statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances of total governmental funds and changes in net position of governmental activities as reported in the government-wide financial statements. An element of that reconciliation states that “the issuance of long-term debt (e.g., bonds and leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current

La Vega Independent School District

Notes to Financial Statements (Continued)

(2) Reconciliation of Government-Wide and Fund Financial Statements (continued)

financial resources of governmental funds. Neither transaction, however, has any effect on net position.” The details of this \$1,562,559 difference are as follows:

Principal repayments:

General obligation and refunding bonds	\$ 1,165,000
Loans payable	132,000
Lease liabilities	108,290
Amortization of premiums received on issuance of bonds	214,560
Amortization of deferred charge on refunding of bonds	(36,119)
Accumulated accretion on capital appreciation bonds	(26,888)
Accrued interest payable	5,716
	<u>\$ 1,562,559</u>

(3) Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, the child nutrition special revenue fund, and the debt service fund. There is no legal requirement to adopt a budget for the instructional materials allotment special revenue fund; therefore, presentation of budgetary comparison information is not required. Budgets are not legally adopted for capital projects funds; however, specific projects are individually approved by the Board of School Trustees. All annual appropriations lapse at fiscal year-end. By August 20, the budget is legally adopted through passage of an appropriate ordinance by the Board of School Trustees.

The appropriated budget is prepared by fund, function, object code, program intent code, and location. The District’s management may make transfers of appropriations within a function. Transfers or appropriations between functions require the approval of the Board of Trustees. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is the function level.

There was an approximately \$3.0 million difference between the original budget and the final amended budget for total expenditures of the general fund. The primary differences consisted of approximately \$1.9 million for construction costs on ongoing projects, \$0.6 million and \$0.4 million for additional instructional and school leadership costs due to realignment of personnel within the District, and \$0.2 million for additional student transportation costs as a result of increased payroll and benefits under the new contract effective October 2023.

La Vega Independent School District

Notes to Financial Statements (Continued)

(3) Budgetary Information (continued)

Expenditures in the general fund exceeded appropriations for food services (\$6,764), facilities maintenance and operations (\$126,273), and principal and interest on long-term debt (\$102,470) primarily related to renovation costs from wind damage that were in excess of budgeted amounts and principal and interest payments that were required due to GASB 87, *Leases*. These over-expenditures were funded by other functions that were less than budgeted amounts in the general fund.

Encumbrance accounting is employed in the governmental funds. Encumbrances (i.e. purchase orders, contracts) outstanding at year-end do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. There were no significant encumbrances outstanding at August 31, 2024.

(4) Deposits and Investments

Investments of the District at August 31, 2024, consist of the following:

Investments	Amount	Weighted Average Maturity (in Days)
Public funds investment pools - reported at amortized cost:		
Texas CLASS Local Government Investment Pool ("Texas CLASS")	\$ 5,980,093	35
Texas Range Local Government Investment Pool ("Texas Range")	<u>13,663,702</u>	42
Total public funds investment pools	<u>19,643,795</u>	
Repurchase agreement - reported at fair value	<u>4,062,079</u>	
	<u>\$ 23,705,874</u>	

Public Funds Investment Pools

The public funds investment pool has been created pursuant to the Interlocal Corporation Act of the State of Texas. The District has delegated the authority to hold legal title to the public funds investment pools and, as custodian, to make investment purchases with the District's funds.

La Vega Independent School District

Notes to Financial Statements (Continued)

(4) Deposits and Investments (continued)

Texas CLASS. The Texas Cooperative Liquid Assets Securities System Trust (“Texas CLASS”) was created as a local government investment pool pursuant to state law. The Texas CLASS Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds. The parties to the Trust Agreement are Texas local governments that choose to participate in the trust (“participants”), Public Trust Advisors, LLC as program administrator, and UMB Bank, N.A. as custodian. Texas CLASS is overseen by a Board of Trustees (“the Board”) comprised of active members of the pool and elected by the participants. The Board is guided by an Advisory Board and is responsible for selecting the program administrator. There are no maximum transaction amounts and withdrawals from Texas CLASS that may be made daily. Texas CLASS uses amortized cost rather than fair value to report net assets share price.

Texas Range. The Texas Range Local Government Investment Pool (“Texas Range”) was established by the Common Investment Contract, in conformity with Chapters 791 (Interlocal Cooperation Act) and 2256 (Public Funds Investment Act) of the Texas Government Code. Texas Range is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds. The parties to the Interlocal Agreement are PFM Asset Management, LLC as investment advisor and administrator, and U.S. Bank, N.A. as custodian. Texas Range is guided by an Advisory Board which is made up of experienced local government finance directors and treasurers. There are no maximum transaction amounts and withdrawals from Texas Range that may be made daily. Texas Range uses amortized cost rather than fair value to report net assets share price.

Repurchase Agreement

In July 2010, the District invested in a repurchase agreement with a financial institution in connection with the issuance of \$5,190,000 Series 2010B Unlimited Tax Qualified School Construction Bonds. Under the terms of the repurchase agreement, annual sinking fund requirements of \$234,789 are deposited with the paying agent and are invested in eligible securities. Interest earned on the sinking fund deposits is 3.16% per annum under the terms of the repurchase agreement, which has a maturity date of February 15, 2027. The maturity date of the repurchase agreement coincides with the maturity date of the bonds, as more fully described in Note 10. At August 31, 2024, the fair value of the repurchase agreement was \$4,062,079, which is based upon estimated future cash flows (Level 3).

La Vega Independent School District

Notes to Financial Statements (Continued)

(4) Deposits and Investments (continued)

Interest Rate Risk

In accordance with its investment policy, the District manages its exposure to declines in fair values by limiting the maturity of its investment portfolio. The term of any collateralized mortgage obligation is limited to ten years, repurchase agreements may not exceed 90 days, banker's acceptances must have a stated maturity of 270 days or less, and no-load mutual funds must have a weighted average maturity of less than two years. Except for the repurchase agreement described above, the maximum allowable stated maturity of any other individual investment owned by the District cannot exceed one year.

Credit Risk

It is the District's policy to limit its investments in a manner that ensures the preservation of capital in the overall portfolio. Specifically, repurchase agreements must be secured by obligations of the United States or its agencies, commercial paper must be rated not less than A-1 or P-1, no-load mutual funds must be rated not less than AAA or its equivalent, and public funds investment pools must be continuously rated no lower than AAA or AAAM or at an equivalent rating. At August 31, 2024, Texas CLASS is rated AAAM by Standard & Poor's. At August 31, 2024, Texas Range is rated AAAMmf by Fitch's.

Custodial Credit Risk - Deposits

In the case of deposits, custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a depository contract with a financial institution and monitors its deposits to ensure its bank deposits are insured or fully collateralized with securities held by the pledging financial institution's agent in the District's name.

La Vega Independent School District

Notes to Financial Statements (Continued)

(4) Deposits and Investments (continued)

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

- (a) Depository: American Bank
- (b) The market value of securities pledged as of the date of the highest combined balance on deposit was \$6,621,448.
- (c) The highest combined balance of cash, savings, and time deposit accounts amounted to \$5,512,163 and occurred during the month of October 2023.
- (d) Total amount of FDIC coverage at the time of largest combined balance was \$250,000.

(5) Property Taxes

Property taxes are levied by October 1 on the assessed value 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.

The assessed value at January 1, 2023, on which the 2023 levy was based, was \$1,358,439,597. 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.

The District's maximum legal maintenance and operations tax rate is \$0.757500 per \$100 valuation; the current maintenance and operations tax rate is \$0.757500 per \$100 valuation.

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes within the general and debt service funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written-off, but the District is prohibited from writing-off real property taxes without specific statutory authority from the Texas Legislature. The allowance for uncollectible amounts was \$302,692 at August 31, 2024.

La Vega Independent School District

Notes to Financial Statements (Continued)

(6) Due from Other Governments

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 of Texas through the school foundation and per capita programs. Amounts due from federal and state governments as of August 31, 2024 are summarized below:

<u>Fund</u>	<u>State Aid</u>	<u>Federal/State Programs</u>	<u>Total</u>
General	\$ 1,838,725	-	1,838,725
Other governmental	-	317,499	317,499
Totals	<u>\$ 1,838,725</u>	<u>317,499</u>	<u>2,156,224</u>

(7) Interfund Balances and Transfers

Interfund receivable and payable balances at August 31, 2024 are as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General	\$ 75,416	30,000
Debt service	30,000	-
Other governmental funds	-	75,416
	<u>\$ 105,416</u>	<u>105,416</u>

Interfund balances resulted from the time lag between the dates that payments between funds are made.

In the year ended August 31, 2024, the general fund made an operating transfer of \$891,170 to the capital projects fund (other governmental funds) to cover the current capital outlay costs in the capital projects fund that will be funded with future bond proceeds.

La Vega Independent School District

Notes to Financial Statements (Continued)

(8) Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. Unearned revenue at August 31, 2024 consisted of \$268,775 for grant drawdowns prior to meeting all eligibility requirements.

(9) Capital Assets

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

	Balance September 1, 2023	Increases	Decreases	Balance August 31, 2024
Capital assets not being depreciated:				
Land	\$ 431,650	-	-	431,650
Construction in progress	-	2,544,774	-	2,544,774
Total capital assets not being depreciated	431,650	2,544,774	-	2,976,424
Capital assets being depreciated:				
Buildings and improvements	65,069,022	43,727	-	65,112,749
Furniture and equipment	4,421,981	401,792	-	4,823,773
Right-of use lease assets - equipment	456,497	-	(10,456)	446,041
Total capital assets being depreciated	69,947,500	445,519	(10,456)	70,382,563
Less accumulated depreciation for:				
Buildings and improvements	\$ (30,733,437)	(1,587,712)	-	(32,321,149)
Furniture and equipment	(2,815,327)	(257,038)		(3,072,365)
Right-of use lease assets - equipment	(211,433)	(120,610)	10,456	(321,587)
Total accumulated depreciation	(33,760,197)	(1,965,360)	10,456	(35,715,101)
Total capital assets being depreciated, net	36,187,303	(1,519,841)	-	34,667,462
	\$ 36,618,953	1,024,933	-	37,643,886

La Vega Independent School District

Notes to Financial Statements (Continued)

(9) Capital Assets (continued)

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

Governmental activities:

Instruction	\$ 1,053,536
Instructional resources and media services	15,548
Curriculum and staff development	38,638
Instructional leadership	32,530
School leadership	138,378
Guidance, counseling, and evaluation	60,357
Social work services	11,703
Health services	18,282
Student transportation	6,731
Food services	121,838
Extracurricular activities	136,605
General administration	72,973
Plant maintenance and operations	164,512
Security and monitoring services	31,755
Data processing services	61,974

Total depreciation expense	<u>\$ 1,965,360</u>
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Construction commitments at August 31, 2024 consisted of the following:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitments</u>
District-wide HVAC renovations	\$ 1,501,332	250,000
Athletic Field House	391,341	4,500,000
H.P. Miles Middle School - roof replacement	153,196	100,000
Junior High School - additions and renovations	112,599	6,400,000
Intermediate School - new gymnasium	97,769	5,200,000
Elementary School - additions and renovations	97,177	5,500,000
Primary School - additions and renovations	103,177	5,500,000
Parking lot improvements	33,491	1,700,000
Early College High School	54,692	25,000,000
	<u>\$ 2,544,774</u>	<u>54,150,000</u>

La Vega Independent School District

Notes to Financial Statements (Continued)

(9) Capital Assets (continued)

The construction commitments will be financed with existing bond proceeds from the subsequent issuance of bonds in the amount \$91.4 million, as more fully described in Note 20.

(10) Long-Term Debt

Long-term debt consists of bonded indebtedness, loan payable, lease liabilities, a net pension liability, and a total OPEB liability. The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and enters into loans payable and leases to provide funds for the acquisition of various types of equipment. Loan payable, lease liabilities, the net pension liability, and the total OPEB liability are generally liquidated by the general fund and certain special revenue funds.

The following is a summary of changes in long-term debt for the year ended August 31, 2024:

	Balance September 1, 2023	Additions	Deletions	Balance August 31, 2024	Due Within One Year
General obligation and refunding bonds	\$ 31,384,999	-	1,165,000	30,219,999	1,434,789
Premiums	2,767,475	-	214,560	2,552,915	-
Total bonds payable	34,152,474	-	1,379,560	32,772,914	1,434,789
Accumulated accretion on bonds	358,231	26,888	-	385,119	-
Loan payable	660,000	-	132,000	528,000	66,000
Lease liabilities	251,872	-	108,290	143,582	95,856
Net pension liability	12,954,271	-	457,406	12,496,865	-
Total OPEB liability	7,452,066	-	1,385,279	6,066,787	-
	<u>\$ 55,828,914</u>	<u>26,888</u>	<u>3,462,535</u>	<u>52,393,267</u>	<u>1,596,645</u>

La Vega Independent School District

Notes to Financial Statements (Continued)

(10) Long-Term Debt (continued)

General obligation and refunding bonds at August 31, 2024 consist of the following individual issues:

\$5,190,000 Unlimited tax qualified school construction bonds, series 2010B with annual sinking fund payments of \$234,789 through maturity in February 2027, at which time all principal and accrued interest at 5.39% are due in full	\$ 5,190,000
\$5,705,000 Unlimited tax refunding bonds, series 2015 due in annual installments of \$330,000 to \$485,000 through February 2031, interest at 3% to 4%	2,995,000
\$8,500,000 Unlimited tax refunding bonds, series 2017 due in annual installments of \$35,000 to \$1,610,000 through February 2039, interest at 2% to 4%	8,314,999
\$7,380,000 Unlimited tax refunding bonds, series 2020 due in annual installments of \$170,000 to \$1,655,000 through February 2040, interest at 1% to 2.28%	6,455,000
\$7,995,000 Unlimited tax refunding bonds, series 2021 due in annual installments of \$160,000 to \$990,000 through February 2034, interest at 2% to 3%	<u>7,265,000</u>
	<u>\$ 30,219,999</u>

La Vega Independent School District

Notes to Financial Statements (Continued)

(10) Long-Term Debt (continued)

Annual debt service payment requirements to maturity for general obligation and refunding bonds are as follows:

Year Ending August 31,	Principal	Interest	Total Requirements
2025	\$ 1,434,789	851,100	2,285,889
2026	1,469,789	811,363	2,281,152
2027	6,005,422	766,200	6,771,622
2028	1,625,000	713,750	2,338,750
2029	1,675,000	651,775	2,326,775
2030 - 2034	8,904,999	2,349,175	11,254,174
2035 - 2039	7,450,000	1,016,850	8,466,850
2040	1,655,000	24,825	1,679,825
	<u>\$ 30,219,999</u>	<u>7,185,038</u>	<u>37,405,037</u>

The bond indentures contain certain restrictions for the maintenance of and flow of monies through various restricted accounts. The District is in compliance with all such significant financial limitations and restrictions.

Loan Payable

Loan payable at August 31, 2024 consist of the following individual issues:

\$990,000 Time warrant note, series 2018, interest at a variable rate (4.5025% at August 31, 2024) is due semi-annually; annual principal payments of \$66,000 are due through maturity in March 2033	\$ <u>528,000</u>
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La Vega Independent School District

Notes to Financial Statements (Continued)

(10) Long-Term Debt (continued)

Annual debt service payment requirements to maturity for loan payable are as follows:

Year Ending August 31,	Principal	Interest	Total Requirements
2025	\$ 66,000	18,556	84,556
2026	66,000	20,802	86,802
2027	66,000	17,830	83,830
2028	66,000	14,858	80,858
2029	66,000	11,887	77,887
2030 - 2033	198,000	17,830	215,830
	<u>\$ 528,000</u>	<u>101,763</u>	<u>629,763</u>

Leases

The District leases copiers and other equipment used in operations. These leases have terms between two and five years requiring monthly payments. As of August 31, 2024, the principal and interest requirements to maturity for the lease liabilities is as follows:

Year Ending August 31,	Principal	Interest	Total Requirements
2025	\$ 95,856	3,131	98,987
2026	39,414	760	40,174
2027	8,312	81	8,393
	<u>\$ 143,582</u>	<u>3,972</u>	<u>147,554</u>

(11) Risk Management

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

La Vega Independent School District

Notes to Financial Statements (Continued)

(12) Revenues from Local and Intermediate Sources

During the year ended August 31, 2024 revenues from local and intermediate sources reported in the governmental fund financial statements consisted of the following:

	General	Debt Service	Other Govern- mental	Total
Property taxes	\$ 10,192,112	3,357,003	-	13,549,115
Penalties, interest and other tax-related income	101,586	28,112	-	129,698
Tuition and fees	30,106	-	-	30,106
Contributions and donations	18,333	-	66,808	85,141
Insurance proceeds	1,839,113	-	-	1,839,113
Food sales	-	-	150,083	150,083
Investment income	1,060,730	342,503	2,501	1,405,734
Extracurricular activities	50,715	-	163,878	214,593
Other	275,381	-	-	275,381
	<u>\$ 13,568,076</u>	<u>3,727,618</u>	<u>383,270</u>	<u>17,678,964</u>

La Vega Independent School District

Notes to Financial Statements (Continued)

(13) Deferred Outflows and Inflows of Resources

The statement of financial position and the balance sheet include the following deferred outflows/inflows of resources at August 31, 2024:

	Statement of Net Position	Balance Sheet	
	Governmental Activities	General Fund	Debt Service Fund
Deferred outflows of resources:			
Deferred loss on refunding	\$ 465,534	-	-
Pension / OPEB related:			
District contributions subsequent to the measurement date	1,275,057	-	-
Differences between expected and actual experience	719,744	-	-
Changes in assumptions	2,010,031	-	-
Net differences between projected and actual earnings	1,821,218	-	-
Changes in proportion	4,348,558	-	-
	<u>\$ 10,640,142</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:			
Unavailable property taxes	\$ -	341,372	112,667
Pension / OPEB related:			
Differences between expected and actual experience	5,255,375	-	-
Changes in assumptions	4,004,106	-	-
Changes in proportion	3,860,663	-	-
	<u>\$ 13,120,144</u>	<u>341,372</u>	<u>112,667</u>

La Vega Independent School District

Notes to Financial Statements (Continued)

(14) Defined Benefit Pension Plan

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

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

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

Benefits Provided: TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member’s age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of credited service or earlier than 55 with 30 years of credited service. 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 above.

La Vega Independent School District

Notes to Financial Statements (Continued)

(14) Defined Benefit Pension Plan (continued)

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

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 through 2025.

	Contributions Rates	
	Plan Fiscal Year 2024	2023
Member (employees)	8.25%	8.00%
Non-employer contributing entity (state of Texas)	8.25%	8.00%
Employer (the District)	8.25%	8.00%

	Contributions Required and Made
Member (Employees)	\$ 2,068,439
Non-employer contributing entity (State)	1,480,037
District	1,017,713

La Vega Independent School District

Notes to Financial Statements (Continued)

(14) Defined Benefit Pension Plan (continued)

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

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

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

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

- All public schools, charter schools, and regional educational service centers must contribute 1.8% of the member's salary beginning in fiscal year 2023, gradually increasing to 2.0% in fiscal year 2025.
- When employing a retiree of TRS, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

La Vega Independent School District

Notes to Financial Statements (Continued)

(14) Defined Benefit Pension Plan (continued)

Actuarial Assumptions: The total pension liability in the August 31, 2022 actuarial valuation rolled forward to August 31, 2023 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 investment rate of return	7.00%
Municipal bond rate at August 31, 2023	4.13% *
Inflation	2.30%
Salary increases, including inflation	2.95% to 8.95% including inflation
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

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

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

Discount Rate: A single discount rate of 7.00% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 9.5% of payroll in fiscal year 2024 gradually increasing to 9.56% of payroll 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.

La Vega Independent School District

Notes to Financial Statements (Continued)

(14) Defined Benefit Pension Plan (continued)

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

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the TRS's target asset allocation as of August 31, 2023 are summarized below:

Asset Class	Target Allocation **	Long-Term Expected Arithmetic Real Rate of Return ***	Expected Contribution to Long-term Portfolio Returns
Global Equity:			
U.S.	18.0%	4.0%	1.0%
Non-U.S. Developed	13.0%	4.5%	0.9%
Emerging Markets	9.0%	4.8%	0.7%
Private Equity *	14.0%	7.0%	1.5%
Stable Value:			
Government Bonds	16.0%	2.5%	0.5%
Absolute Return *	-	3.6%	0.0%
Stable Value Hedge Funds	5.0%	4.1%	0.2%
Real Return:			
Real Estate	15.0%	4.9%	1.1%
Energy, Natural Resources and Infrastructure	6.0%	4.8%	0.4%
Commodities	-	4.4%	0.0%
Risk Parity	8.0%	4.5%	0.4%
Asset Allocation Leverage:			
Cash	2.0%	3.7%	0.0%
Asset Allocation Leverage	-6.0%	4.4%	-0.1%
Inflation Expectation			2.3%
Volatility Drag ****			-0.9%
Expected Return	100%		8.00%

* Absolute Return includes Credit Sensitive Investments

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

*** Capital Market Assumptions come from Aon Hewitt (as of 6/30/2023).

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

La Vega Independent School District

Notes to Financial Statements (Continued)

(14) Defined Benefit Pension Plan (continued)

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 18,683,505	12,496,865	7,352,670

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

At August 31, 2024, the District reported a liability of \$12,496,865 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for the 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 net pension liability	\$ 12,496,865
State's proportionate share of the net pension liability associated with the District	17,446,205
Total	\$ 29,943,070

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

At August 31, 2023, the District's proportion of the collective net pension liability was 0.000181930, which was a decrease of 0.000036274 from its proportion measured as of August 31, 2022.

La Vega Independent School District

Notes to Financial Statements (Continued)

(14) Defined Benefit Pension Plan (continued)

Changes Since the Prior Actuarial Valuation: The actuarial assumptions and methods are the same as used in the determination of the prior year's net pension liability.

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

For the year ended August 31, 2024, the District recognized total pension expense of \$4,755,286. Of the total pension expense, for the measurement period ended August 31, 2023, the District recognized pension expense of \$2,634,226 and revenue of \$1,305,535 for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
District contributions subsequent to the measurement date	\$ 1,017,713	-
Differences between expected and actual experience	445,268	151,323
Changes in assumptions	1,181,959	289,252
Net difference between projected and actual earnings on pension plan investments	1,818,597	-
Changes in proportion	<u>1,657,483</u>	<u>1,709,908</u>
Total	<u>\$ 6,121,020</u>	<u>2,150,483</u>

La Vega Independent School District

Notes to Financial Statements (Continued)

(14) Defined Benefit Pension Plan (continued)

The \$1,017,713 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in year ended August 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Measurement Year Ended August 31,</u>	
2024	\$ 658,756
2025	383,860
2026	1,601,556
2027	458,133
2028	(149,481)

(15) Defined Other Post-Employment Benefit Plans

Plan Description. The District participates in the Texas Public School Retired Employees Group Insurance Program (“TRS-Care”). It is a multiple-employer, cost-sharing, defined Other Post-Employment Benefit (“OPEB”) plan 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 authority to establish basic and optional group insurance coverage for participants as well as amend benefit terms as needed under Chapter 1575.052. The Board may adopt rules, plans, procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

OPEB Plan Fiduciary Net Position. Detail information about the TRS-Care’s fiduciary net position is available in the separately issued TRS Annual Comprehensive Financial Report 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; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

La Vega Independent School District

Notes to Financial Statements (Continued)

(15) Defined Other Post-Employment Benefit Plans (continued)

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

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

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

TRS-Care Monthly Premium Rates

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

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 school districts based upon public school district payroll. The TRS Board of Trustees 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% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public or charter school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act, which is 0.75% of each active employee's pay for fiscal year 2023.

La Vega Independent School District

Notes to Financial Statements (Continued)

(15) Defined Other Post-Employment Benefit Plans (continued)

The following table shows contributions to the TRS-Care plan by type of contributor.

	Contributions Rates Plan Fiscal Year	
	2024	2023
Active Employee (Members)	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers (District)	0.75%	0.75%
Federal/Private Funding Remitted by Employers	1.25%	1.25%
		Contributions Required and Made
Member (Employees)	\$	162,968
Non-Employer Contributing Agency (State)		278,699
District		257,344

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

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

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

The actuarial valuation was determined using the following actuarial assumptions:

La Vega Independent School District

Notes to Financial Statements (Continued)

(15) Defined Other Post-Employment Benefit Plans (continued)

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, retirement, termination and disability; general inflation, and 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 upon plan specific experience.
Expenses	Third party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claim costs.
Projected salary increases	2.95% to 8.95%, including inflation
Healthcare trend rates	4.25% to 7.75%
Election rates	Normal retirement: 62% participation prior to age 65 and 25% participation after age 65 30% of pre-65 retirees are assumed to discontinue coverage at age 65.
Ad hoc post-employment benefit changes	None

La Vega Independent School District

Notes to Financial Statements (Continued)

(15) Defined Other Post-Employment Benefit Plans (continued)

Discount Rate. A single discount rate of 4.13% was used to measure the total OPEB liability. There was an increase of 0.22% in the discount rate since the previous year. Because the investments are held in cash and there is no intentional objective to advance fund the benefits, the single discount rate is equal to the prevailing municipal bond rate.

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

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

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
District's proportionate share of the total OPEB liability	\$ 7,145,412	6,066,787	5,186,603

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At the District reported a liability of \$6,066,787 for its proportionate shares of the TRS's total 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 total OPEB liability, the related State support, and the total portion of the total OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective total OPEB liability	\$ 6,066,787
State's proportionate share of the total OPEB liability that is associated with the District	<u>7,320,511</u>
Total	<u>\$ 13,387,298</u>

La Vega Independent School District

Notes to Financial Statements (Continued)

(15) Defined Other Post-Employment Benefit Plans (continued)

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

At August 31, 2023, the employer's proportion of the collective total OPEB liability was 0.000274040, compared to 0.000311229 as of August 31, 2022.

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

	<u>1% Decrease</u>	<u>Current Single Healthcare Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the total OPEB liability	<u>\$ 4,995,695</u>	<u>6,066,787</u>	<u>7,444,750</u>

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 since the prior measurement period:

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

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

For the year ended August 31, 2024, the District recognized an OPEB benefit of \$2,655,527. Of the total OPEB benefit, for the measurement period ended August 31, 2023, the District recognized an OPEB benefit of \$1,564,971 and revenue of \$286,849 for support provided by the State.

La Vega Independent School District

Notes to Financial Statements (Continued)

(15) Defined Other Post-Employment Benefit Plans (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
District contributions subsequent to the measurement date	\$ 257,344	-
Differences between expected and actual experience	274,476	5,104,052
Changes in assumptions	828,072	3,714,854
Net differences between projected and actual investment earnings	2,621	-
Changes in proportion	<u>2,691,075</u>	<u>2,150,755</u>
Total	<u>\$ 4,053,588</u>	<u>10,969,661</u>

The \$257,344 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in year ended August 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Measurement Year Ended August 31,	
2024	\$ (1,560,090)
2025	(1,281,835)
2026	(905,124)
2027	(1,096,638)
2028	(887,739)
Thereafter	(1,441,991)

La Vega Independent School District

Notes to Financial Statements (Continued)

(16) Retiree Medicare Part D Coverage

Federal legislation enacted in January 2006 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One provision of the law allows TRS-Care to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible participants. Federal contributions to TRS made on behalf of the employees for the years ended August 31, 2024, 2023 and 2022, were \$137,524; \$123,843; and \$95,173; respectively.

(17) Contingencies

The District participates in a number of federal award programs. Although the programs have been audited in accordance with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* through August 31, 2024, these programs are still subject to financial and compliance audits by grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

The District is involved in various claims and legal actions in the ordinary course of business. In the opinion of management, the ultimate outcome of these claims will not have a material adverse effect on the District's financial position.

(18) Economic Dependency

During the year ended August 31, 2024, the District received approximately 50% of its revenues from the State of Texas.

(19) Adjustments to and Restatements of Beginning Balances

During the current year, the District determined that amounts due under the National School Lunch and Breakfast programs at September 1, 2023 were understated by \$144,253. Accordingly, an adjustment of \$144,253 was recorded to increase beginning net position and fund balance for other governmental funds. Additionally, the ARPA ESSER III special revenue fund that was previously reported as a major fund is now reported as a non-major fund.

La Vega Independent School District

Notes to Financial Statements (Continued)

(19) Adjustments to and Restatements of Beginning Balances (continued)

Change to or within the financial reporting entity and an error correction resulted in adjustments to and restatements of beginning net position and fund balances, as follows:

Reporting Units Affected by Adjustments to and Restatements of Beginning Balances			
	Funds		Government- Wide
	ARPA ESSER III	Other Govern- mental	Govern- mental Activities
Fund balances, beginning of year, as previously reported	\$ -	1,275,479	3,885,965
Error correction	-	144,253	144,253
Change from major to nonmajor fund	-	-	-
Fund balances, beginning of year, as adjusted or restated	\$ -	1,419,732	4,030,218

(20) Subsequent Event

Subsequent to year end, on September 15, 2024, the District issued Series 2024 Unlimited Tax School Building Bonds in the amount of \$91,365,000. The bonds will be used for acquiring, constructing, renovating, improving and equipping school facilities in the District and to pay the costs associated with the issuance of the bonds.

(21) Authoritative Pronouncements Not Yet Effective

A summary of pronouncements issued by the Government Accounting Standards Board (“GASB”) which may impact the District but are not yet effective follows. The District has not yet determined the effects of the adoption of these pronouncements on the financial statements.

La Vega Independent School District

Notes to Financial Statements (Continued)

(21) Authoritative Pronouncements Not Yet Effective (continued)

GASB Statement No. 101, *Compensated Absences* (issued June 2022) – the objective of this statement is to better meet the information needs of the financial statements users by updating the recognition and measurement guidance for compensated absences. The requirements of this statement are effective for financial statements for the fiscal year beginning September 1, 2024.

GASB Statement No. 102, *Certain Risk Disclosures* (issued December 2023) – the objective of this statement is to provide users of the government financial statements with information about risks related to a government’s vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. The requirements of this statement are effective for financial statements for the fiscal year beginning September 1, 2024.

GASB Statement No. 103, *Financial Reporting Model Improvements* (issued April 2024) – the objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This statement also addresses certain application issues. The requirements of this statement are effective for financial statements for the fiscal year beginning September 1, 2025.

Discussion Draft

Required Supplementary Information

La Vega Independent School District

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund

Year Ended August 31, 2024

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget
		Original	Final		
	Revenues:				
5700	Local and intermediate sources	\$ 11,350,540	13,502,980	13,568,076	65,096
5800	State program revenues	21,537,070	22,391,645	24,734,536	2,342,891
5900	Federal program revenues	444,000	444,000	492,168	48,168
5020	Total revenues	<u>33,331,610</u>	<u>36,338,625</u>	<u>38,794,780</u>	<u>2,456,155</u>
	Expenditures:				
	Current:				
0011	Instruction	18,453,638	19,009,414	18,951,528	57,886
0012	Instructional resources and media services	291,426	275,389	258,240	17,149
0013	Curriculum and instructional staff development	491,756	431,075	382,279	48,796
0021	Instructional leadership	826,576	876,576	876,080	496
0023	School leadership	2,521,124	2,917,816	2,883,659	34,157
0031	Guidance, counseling and evaluation services	854,522	814,092	777,887	36,205
0032	Social work services	238,160	157,660	124,783	32,877
0033	Health services	314,367	298,967	288,672	10,295
0034	Student transportation	2,181,401	2,426,401	2,082,331	344,070
0035	Food services	30,975	55,975	62,739	(6,764)
0036	Extracurricular activities	1,827,249	1,729,940	1,719,887	10,053
0041	General administration	1,688,971	1,694,371	1,697,535	(3,164)
0051	Facilities maintenance and operations	3,857,477	3,774,977	3,901,250	(126,273)
0052	Security services	831,689	972,770	941,520	31,250
0053	Data processing services	1,244,244	1,498,244	1,407,579	90,665
0061	Community services	5,084	3,084	2,068	1,016
	Debt service:				
0071	Principal on long-term debt	281,000	181,000	240,290	(59,290)
0072	Interest on long-term debt	-	-	43,180	(43,180)
	Intergovernmental:				
0095	Payments to JJAEP	29,000	30,564	28,435	2,129
0099	Payments to county appraisal district	229,000	152,000	143,598	8,402
	Capital outlay:				
0081	Facilities acquisition and construction	-	1,904,359	1,654,528	249,831
6000	Total expenditures	<u>36,197,659</u>	<u>39,204,674</u>	<u>38,468,068</u>	<u>736,606</u>
1100	Excess (deficiency) of revenues over (under) expenditures	(2,866,049)	(2,866,049)	326,712	3,192,761
	Other financing uses:				
8911	Operating transfers out	-	-	(891,170)	(891,170)
	Net change in fund balance	(2,866,049)	(2,866,049)	(564,458)	2,301,591
0100	Fund balance, at beginning of year	<u>16,646,328</u>	<u>16,646,328</u>	<u>16,646,328</u>	-
3000	Fund balance, at end of year	<u>\$ 13,780,279</u>	<u>13,780,279</u>	<u>16,081,870</u>	<u>2,301,591</u>

See accompanying independent auditor's report.

La Vega Independent School District

Note to Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund

Year Ended August 31, 2024

(1) Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, the child nutrition fund, and the debt service fund. Budgets are not legally adopted for capital projects funds; however, specific projects are individually approved by the Board of School Trustees. There is no legal requirement to adopt a budget for the instructional materials allotment special revenue fund; therefore, presentation of budgetary comparison information is not required.

There was an approximately \$3.0 million difference between the original budget and the final amended budget for total expenditures of the general fund. The primary differences consisted of approximately \$1.9 million for construction costs on ongoing projects, \$0.6 million and \$0.4 million for additional instructional and school leadership costs due to realignment of personnel within the District, and \$0.2 million for additional student transportation costs as a result of increased payroll and benefits under the new contract effective October 2023.

Expenditures in the general fund exceeded appropriations for food services (\$6,764), facilities maintenance and operations (\$126,273), and principal and interest on long-term debt (\$102,470) primarily related to renovation costs from wind damage that were in excess of budgeted amounts and principal and interest payments that were required due to GASB 87, *Leases*. These over-expenditures were funded by other functions that were less than budgeted amounts in the general fund.

La Vega Independent School District

Schedule of the District's Proportionate Share of the Net Pension Liability Teacher Retirement System of Texas

Last Ten Measurement Years

	2023	2022	2021	2020
District's proportion of the net pension liability	0.000181930	0.000218205	0.000160485	0.000163642
District's proportionate share of the net pension liability	\$ 12,496,865	12,954,271	4,086,982	8,764,340
State's proportionate share of the net pension liability associated with the District	17,446,205	13,456,971	7,593,937	15,889,972
Total	\$ 29,943,070	26,411,242	11,680,919	24,654,312
District's covered payroll (for measurement year)	\$ 23,548,238	22,470,352	21,807,398	21,509,240
District's proportionate share of the net pension liability as a percentage of it's covered payroll	53.07%	57.65%	18.74%	40.75%
Plan's fiduciary net position as a percentage of the total pension liability	73.15%	75.62%	88.79%	75.54%

See accompanying independent auditor's report.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.000180205	0.000180987	0.000173360	0.000186812	0.000201719	0.000122961
9,367,616	9,961,973	5,543,129	7,059,347	7,130,498	3,284,458
<u>14,471,192</u>	<u>15,561,882</u>	<u>9,114,273</u>	<u>10,621,490</u>	<u>10,172,207</u>	<u>8,356,957</u>
<u>23,838,808</u>	<u>25,523,855</u>	<u>14,657,402</u>	<u>17,680,837</u>	<u>17,302,705</u>	<u>11,641,415</u>
<u>20,131,701</u>	<u>19,343,449</u>	<u>18,347,740</u>	<u>18,104,748</u>	<u>17,654,926</u>	<u>15,967,238</u>
<u>46.53%</u>	<u>51.50%</u>	<u>30.21%</u>	<u>38.99%</u>	<u>40.39%</u>	<u>20.57%</u>
<u>75.24%</u>	<u>73.74%</u>	<u>82.17%</u>	<u>78.00%</u>	<u>78.43%</u>	<u>83.25%</u>

La Vega Independent School District
Schedule of the District's Contributions to the
Teacher Retirement System of Texas

Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contributions	\$ 1,017,713	938,335	1,017,832	686,135
Contributions in relation to the contractually required contributions	<u>(1,017,713)</u>	<u>(938,335)</u>	<u>(1,017,832)</u>	<u>(686,135)</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered payroll	\$ <u>25,071,993</u>	<u>23,548,238</u>	<u>22,470,352</u>	<u>21,807,398</u>
Contractually required contributions as a percentage of the District's covered payroll	<u>4.06%</u>	<u>3.98%</u>	<u>4.53%</u>	<u>3.15%</u>

See accompanying independent auditor's report.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
675,192	633,703	609,700	568,455	593,550	597,299
<u>(675,192)</u>	<u>(633,703)</u>	<u>(609,700)</u>	<u>(568,455)</u>	<u>(593,550)</u>	<u>(597,299)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>21,509,240</u>	<u>20,131,701</u>	<u>19,343,449</u>	<u>18,347,740</u>	<u>18,104,748</u>	<u>17,654,926</u>
<u>3.14%</u>	<u>3.15%</u>	<u>3.15%</u>	<u>3.10%</u>	<u>3.28%</u>	<u>3.38%</u>

La Vega Independent School District

Schedule of the District's Proportionate Share of the Total OPEB Liability TRS-Care

Last Ten Measurement Years

	2023	2022	2021
District's proportion of the total OPEB liability	0.000274040	0.000311229	0.000258920
District's proportion share of the total OPEB liability	\$ 6,066,787	7,452,066	9,987,685
State's proportionate share of the total OPEB liability associated with the District	7,320,511	9,090,350	13,381,273
Total	<u>\$ 13,387,298</u>	<u>16,542,416</u>	<u>23,368,958</u>
District's covered payroll (for measurement year)	<u>\$ 23,548,238</u>	<u>22,470,352</u>	<u>21,807,398</u>
District's proportionate share of the total OPEB liability as a percentage of it's covered payroll	<u>25.76%</u>	<u>33.16%</u>	<u>45.80%</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	<u>14.94%</u>	<u>11.52%</u>	<u>6.18%</u>

Note: The District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, effective September 1, 2017. Information for years prior to 2017 is not available.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
0.000262067	0.000261458	0.000267967	0.000256591
9,962,339	12,364,681	13,379,843	11,158,184
<u>13,386,995</u>	<u>16,429,897</u>	<u>15,891,994</u>	<u>13,628,759</u>
<u><u>23,349,334</u></u>	<u><u>28,794,578</u></u>	<u><u>29,271,837</u></u>	<u><u>24,786,943</u></u>
<u><u>21,509,240</u></u>	<u><u>20,131,701</u></u>	<u><u>19,343,449</u></u>	<u><u>18,347,740</u></u>
<u><u>46.32%</u></u>	<u><u>61.42%</u></u>	<u><u>69.17%</u></u>	<u><u>60.82%</u></u>
<u><u>4.99%</u></u>	<u><u>2.66%</u></u>	<u><u>1.57%</u></u>	<u><u>0.91%</u></u>

La Vega Independent School District

**Schedule of the District's Contributions
TRS-Care**

Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contractually required contributions	\$ 257,344	237,325	255,625
Contributions in relation to the contractually required contributions	<u>(257,344)</u>	<u>(237,325)</u>	<u>(255,625)</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>
District's covered payroll	\$ <u>25,071,993</u>	<u>23,548,238</u>	<u>22,470,352</u>
Contractually required contributions as a percentage of the District's covered payroll	<u>1.03%</u>	<u>1.01%</u>	<u>1.14%</u>

Note: The District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, effective September 1, 2017. Information for years prior to 2018 is not available.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
202,275	199,189	188,808	167,738
<u>(202,275)</u>	<u>(199,189)</u>	<u>(188,808)</u>	<u>(167,738)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>21,807,398</u>	<u>21,509,240</u>	<u>20,131,701</u>	<u>19,343,449</u>
<u>0.93%</u>	<u>0.93%</u>	<u>0.94%</u>	<u>0.87%</u>

Other Supplementary Schedules

La Vega Independent School District

Combining Schedule Balance Sheet – Nonmajor Funds August 31, 2024

Data Control Codes		211	224	225	240	244	254	255	263	265	279	280	282
		ESEA Title I, Part A	IDEA-B Formula	IDEA-B Preschool	Child Nutrition Program	Career and Technical- Basic	Principal Residency	ESEA Title II, Part A	Title III, A English Lang Acquisition	Title IV, B Community Learning	ESF - TCLAS	ARP ESSER III Homeless II	ARPA ESSER III
Assets													
1110	Cash and												
	cash equivalents	\$ 122,744	34,987	-	1,455,781	-	-	-	-	-	-	-	-
1240	Due from other												
	governments	-	-	-	167,059	-	-	-	-	70,648	-	-	-
	Total assets	\$ 122,744	34,987	-	1,622,840	-	-	-	-	70,648	-	-	-
Liabilities and Fund Balances													
2110	Accounts payable	\$ -	-	-	98,024	-	-	-	-	-	-	-	-
2160	Accrued wages												
	payable	55,287	31,339	-	65,719	-	-	-	-	-	-	-	-
2170	Due to other funds	-	-	-	-	-	-	-	-	70,648	-	-	-
2200	Accrued expenses	6,427	3,648	-	15,873	-	-	-	-	-	-	-	-
2300	Unearned revenue	61,030	-	-	-	-	-	-	-	-	-	-	-
	Total liabilities	122,744	34,987	-	179,616	-	-	-	-	70,648	-	-	-
3450	Restricted for:												
	Grant requirements	-	-	-	1,443,224	-	-	-	-	-	-	-	-
3545	Committed for:												
	Campus activities	-	-	-	-	-	-	-	-	-	-	-	-
	Total fund balances	-	-	-	1,443,224	-	-	-	-	-	-	-	-
	Total liabilities and fund balances	\$ 122,744	34,987	-	1,622,840	-	-	-	-	70,648	-	-	-

See accompanying independent auditor's report.

La Vega Independent School District

**Combining Schedule
Balance Sheet – Nonmajor Funds
(continued)**

Data Control Codes		284	285	287	288	289	397	410	424	425	426	427
		IDEA-B Formula ARP	IDEA-B Preschool ARP	SPED Capacity	Stronger Connections	Other Federal	Advanced Placement Incentives	Instructional Materials Allotment	Career and Technical- Summer Grant	Safe Cycle 2	Technology Lending Grant	Strong Foundations Grant
Assets												
1110	Cash and cash equivalents	\$ -	-	12,860	-	-	323	-	-	-	-	-
1240	Due from other governments	-	-	-	-	4,768	-	8,209	44,250	22,565	-	-
	Total assets	\$ -	-	12,860	-	4,768	323	8,209	44,250	22,565	-	-
Liabilities and Fund Balances												
2110	Accounts payable	\$ -	-	-	-	-	-	8,209	44,250	22,565	-	-
2160	Accrued wages payable	-	-	-	-	-	-	-	-	-	-	-
2170	Due to other funds	-	-	-	-	4,768	-	-	-	-	-	-
2200	Accrued expenses	-	-	-	-	-	-	-	-	-	-	-
2300	Unearned revenue	-	-	12,860	-	-	323	-	-	-	-	-
	Total liabilities	-	-	12,860	-	4,768	323	8,209	44,250	22,565	-	-
3450	Restricted for: Grant requirements	-	-	-	-	-	-	-	-	-	-	-
3545	Committed for: Campus activities	-	-	-	-	-	-	-	-	-	-	-
	Total fund balances	-	-	-	-	-	-	-	-	-	-	-
	Total liabilities and fund balances	\$ -	-	12,860	-	4,768	323	8,209	44,250	22,565	-	-

La Vega Independent School District

**Combining Schedule
Balance Sheet – Nonmajor Funds
(continued)**

Data Control Codes		428	429	461	492	493	496	699	Total Other Nonmajor Funds
		Blended Learning Grant	Other State Grants	Campus Activities	Prosper Waco Grant	Texas Community Grant	Rapoport Foundation Grant	Capital Projects	
Assets									
1110	Cash and cash equivalents	\$ -	-	127,573	81,771	-	112,791	316,798	2,265,628
1240	Due from other governments	-	-	-	-	-	-	-	317,499
	Total assets	\$ -	-	127,573	81,771	-	112,791	316,798	2,583,127
Liabilities and Fund Balances									
2110	Accounts payable	\$ -	-	944	-	-	-	316,798	490,790
2160	Accrued wages payable	-	-	-	-	-	-	-	152,345
2170	Due to other funds	-	-	-	-	-	-	-	75,416
2200	Accrued expenses	-	-	-	-	-	-	-	25,948
2300	Unearned revenue	-	-	-	81,771	-	112,791	-	268,775
	Total liabilities	-	-	944	81,771	-	112,791	316,798	1,013,274
3450	Restricted for: Grant requirements	-	-	-	-	-	-	-	1,443,224
3545	Committed for: Campus activities	-	-	126,629	-	-	-	-	126,629
	Total fund balances	-	-	126,629	-	-	-	-	1,569,853
	Total liabilities and fund balances	\$ -	-	127,573	81,771	-	112,791	316,798	2,583,127

La Vega Independent School District

Combining Schedule
Revenues, Expenditures, and Changes in Fund Balances –
Nonmajor Funds

Year Ended August 31, 2024

Data Control Codes		211	224	225	240	244	254
		ESEA Title I, Part A	IDEA-B Formula	IDEA-B Preschool	Child Nutrition Program	Career and Technical- Basic Grant	Principal Residency
	Revenues:						
5700	Local and intermediate sources	\$ -	-	-	152,584	-	-
5800	State program revenues	-	-	-	73,815	-	-
5900	Federal program revenues	1,174,468	567,819	9,328	2,699,653	43,280	8,043
5020	Total revenues	<u>1,174,468</u>	<u>567,819</u>	<u>9,328</u>	<u>2,926,052</u>	<u>43,280</u>	<u>8,043</u>
	Expenditures:						
	Current:						
0011	Instruction	840,267	422,292	9,328	-	43,280	-
0012	Instructional resources and media services	-	-	-	-	-	-
0013	Curriculum and staff development	49,075	-	-	-	-	5,750
0021	Instructional leadership	2,122	-	-	-	-	-
0023	School leadership	6,108	-	-	-	-	2,293
0031	Guidance, counseling, and evaluation services	-	145,527	-	-	-	-
0032	Social work services	214,381	-	-	-	-	-
0033	Health services	-	-	-	-	-	-
0034	Student transportation	-	-	-	-	-	-
0035	Food service	-	-	-	2,786,798	-	-
0036	Extracurricular activities	-	-	-	-	-	-
0041	General administration	-	-	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	22,280	-	-
0052	Security and monitoring services	-	-	-	-	-	-
0053	Data processing services	-	-	-	-	-	-
0061	Community services	62,515	-	-	-	-	-
0081		-	-	-	-	-	-
6000	Total expenditures	<u>1,174,468</u>	<u>567,819</u>	<u>9,328</u>	<u>2,809,078</u>	<u>43,280</u>	<u>8,043</u>
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-	116,974	-	-
	Other financing sources (uses):						
7915	Operating transfers in	-	-	-	-	-	-
	Net change in fund balance	-	-	-	116,974	-	-
0100	Fund balance, at beginning of year, as previously reported	-	-	-	1,181,997	-	-
	Error correction	-	-	-	144,253	-	-
	Fund balance, at beginning of year, as restated	-	-	-	1,326,250	-	-
3000	Fund balance, at end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>1,443,224</u>	<u>-</u>	<u>-</u>

See accompanying independent auditor's report.

La Vega Independent School District

**Combining Schedule
Revenues, Expenditures, and Changes in Fund Balances –
Nonmajor Funds
(continued)**

255	263	265	279	280	282	284	285	287	288
ESEA Title II, Part A	Title III, A English Lang Acquisition	Title IV, B Community Learning	ESF - TCLAS	ARP ESSER III Homeless II	ARPA ESSER III	IDEA-B Formula ARP	IDEA-B Preschool ARP	SPED Capacity	Stronger Connection:
-	-	-	-	-	-	-	-	-	-
221,017	77,053	216,562	684,103	25,597	1,443,635	37,864	1,234	-	8,664
221,017	77,053	216,562	684,103	25,597	1,443,635	37,864	1,234	-	8,664
89,511	64,467	167,168	683,944	25,597	976,289	24,845	1,234	-	2,264
-	-	-	-	-	3,097	-	-	-	-
131,506	11,628	-	-	-	3,103	-	-	-	205
-	-	-	-	-	113,069	-	-	-	-
-	-	-	159	-	38,458	-	-	-	-
-	-	-	-	-	67,435	13,019	-	-	-
-	-	-	-	-	9,758	-	-	-	6,195
-	-	-	-	-	2,950	-	-	-	-
-	-	49,394	-	-	111,857	-	-	-	-
-	-	-	-	-	36,348	-	-	-	-
-	-	-	-	-	2,224	-	-	-	-
-	-	-	-	-	10,282	-	-	-	-
-	-	-	-	-	48,985	-	-	-	-
-	-	-	-	-	13,592	-	-	-	-
-	-	-	-	-	6,188	-	-	-	-
-	958	-	-	-	-	-	-	-	-
221,017	77,053	216,562	684,103	25,597	1,443,635	37,864	1,234	-	8,664
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-

La Vega Independent School District

**Combining Schedule
Revenues, Expenditures, and Changes in Fund Balances –
Nonmajor Funds
(continued)**

Data Control Codes		289	397	410	424	425	426
		Other Federal	Advanced Placement Incentives	Instructional Materials Allotment	Career and Technical- Summer Grant	Safe Cycle 2	Technology Lending Grant
	Revenues:						
5700	Local and intermediate sources	\$ -	-	-	-	-	-
5800	State program revenues	-	-	402,901	44,250	81,399	94,214
5900	Federal program revenues	81,528	-	-	-	-	-
5020	Total revenues	<u>81,528</u>	<u>-</u>	<u>402,901</u>	<u>44,250</u>	<u>81,399</u>	<u>94,214</u>
	Expenditures:						
	Current:	48,405	-	310,238	44,250	-	94,214
0011	Instruction	-	-	-	-	-	-
0012	Instructional resources and media services	-	-	-	-	-	-
0013	Curriculum and staff development	33,123	-	92,663	-	-	-
0021	Instructional leadership	-	-	-	-	-	-
0023	School leadership	-	-	-	-	-	-
0031	Guidance, counseling, and evaluation services	-	-	-	-	-	-
0032	Social work services	-	-	-	-	-	-
0033	Health services	-	-	-	-	-	-
0034	Student transportation	-	-	-	-	-	-
0035	Food service	-	-	-	-	-	-
0036	Extracurricular activities	-	-	-	-	-	-
0041	General administration	-	-	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-	-	-
0052	Security and monitoring services	-	-	-	-	81,399	-
0053	Data processing services	-	-	-	-	-	-
0061	Community services	-	-	-	-	-	-
0081		-	-	-	-	-	-
6000	Total expenditures	<u>81,528</u>	<u>-</u>	<u>402,901</u>	<u>44,250</u>	<u>81,399</u>	<u>94,214</u>
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	-
	Other financing sources (uses):						
7915	Operating transfers in	-	-	-	-	-	-
	Net change in fund balance	-	-	-	-	-	-
0100	Fund balance, at beginning of year, as previously reported	-	-	-	-	-	-
	Error correction	-	-	-	-	-	-
	Fund balance, at beginning of year, as restated	-	-	-	-	-	-
3000	Fund balance, at end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

See accompanying independent auditor's report.

La Vega Independent School District

**Combining Schedule
Revenues, Expenditures, and Changes in Fund Balances –
Nonmajor Funds
(continued)**

427	428	429	461	492	493	496	699	Total Other Nonmajor Funds
Strong Foundations Grant	Blended Learning Grant	Other State Grants	Campus Activities	Prosper Waco Grant	Texas Community Grant	Rapoport Foundation Grant	Capital Projects	
-	-	-	163,878	19,142	47,666	-	-	383,270
41,885	151,673	239,693	-	-	-	-	-	1,129,830
-	-	-	-	-	-	-	-	7,299,848
<u>41,885</u>	<u>151,673</u>	<u>239,693</u>	<u>163,878</u>	<u>19,142</u>	<u>47,666</u>	<u>-</u>	<u>-</u>	<u>8,812,948</u>
41,885	151,673	203,519	-	-	47,666	-	-	4,292,336
-	-	-	-	-	-	-	-	3,097
-	-	-	-	-	-	-	-	327,053
-	-	-	-	19,142	-	-	-	134,333
-	-	-	-	-	-	-	-	47,018
-	-	-	-	-	-	-	-	225,981
-	-	-	-	-	-	-	-	230,334
-	-	-	-	-	-	-	-	2,950
-	-	-	-	-	-	-	-	161,251
-	-	-	-	-	-	-	-	2,823,146
-	-	-	130,731	-	-	-	-	132,955
-	-	-	-	-	-	-	-	10,282
-	-	-	-	-	-	-	-	71,265
-	-	36,174	-	-	-	-	-	131,165
-	-	-	-	-	-	-	-	6,188
-	-	-	-	-	-	-	-	63,473
-	-	-	-	-	-	-	891,170	891,170
<u>41,885</u>	<u>151,673</u>	<u>239,693</u>	<u>130,731</u>	<u>19,142</u>	<u>47,666</u>	<u>-</u>	<u>891,170</u>	<u>9,553,997</u>
-	-	-	33,147	-	-	-	(891,170)	(741,049)
-	-	-	-	-	-	-	891,170	891,170
-	-	-	33,147	-	-	-	-	150,121
-	-	-	93,482	-	-	-	-	1,275,479
-	-	-	-	-	-	-	-	144,253
-	-	-	93,482	-	-	-	-	1,419,732
-	-	-	126,629	-	-	-	-	1,569,853

La Vega Independent School District
Schedule of Delinquent Taxes Receivable
Year Ended August 31, 2024

Last Ten Years Ended August 31,	1	2	3	10	20	31	32	40	50
	Tax Rates		Assessed Appraised Value For School Tax Purposes	Beginning Balance September 1, 2023	Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance August 31, 2024
	Maintenance	Debt Service							
2014 and prior years	various	various	various	\$ 192,187	-	6,103	1,216	(11,987)	172,881
2016	1.170000	0.289000	694,269,568	25,724	-	1,954	483	-	23,287
2017	1.170000	0.252100	741,815,976	28,946	-	2,999	647	-	25,300
2018	1.170000	0.243532	752,470,959	30,281	-	4,202	875	(180)	25,024
2019	1.170000	0.224040	867,621,230	38,038	-	4,624	886	(209)	32,319
2020	1.068350	0.221919	969,263,309	38,686	-	5,859	1,217	(286)	31,324
2021	1.054700	0.245255	1,013,174,995	47,935	-	8,902	2,070	(289)	36,674
2022	1.016100	0.245250	1,069,664,169	84,488	-	9,177	2,215	(15,285)	57,811
2023	0.942900	0.245250	1,200,245,592	245,918	-	30,583	7,953	(89,261)	118,121
2024 (school year under audit)	0.757500	0.250007	1,358,439,597	-	13,686,374	10,114,252	3,338,132	-	233,990
1000 Totals				\$ 732,203	13,686,374	10,188,655	3,355,694	(117,497)	756,731
8000 Tax refunded						\$ -			

La Vega Independent School District

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Child Nutrition Program

Year Ended August 31, 2024

Data Control Codes		Budgeted Amounts			Variance with Final Budget
		Original	Final	Actual	
	Revenues:				
5700	Local and intermediate sources	\$ 113,492	113,492	152,584	39,092
5800	State program revenues	10,232	10,232	73,815	63,583
5900	Federal program revenues	2,694,115	2,694,115	2,699,653	5,538
5000	Total revenues	2,817,839	2,817,839	2,926,052	108,213
	Expenditures:				
0035	Food service	2,791,339	2,788,839	2,786,798	2,041
0051	Facilities maintenance and operations	26,500	29,000	22,280	6,720
6030	Total expenditures	2,817,839	2,817,839	2,809,078	8,761
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	116,974	116,974
0100	Fund balance, at beginning of year, as previously reported	1,181,997	1,181,997	1,181,997	-
	Error correction	-	-	144,253	144,253
0100	Fund balance, at beginning of year, as restated	1,181,997	1,181,997	1,326,250	144,253
3000	Fund balance, at end of year	\$ 1,181,997	1,181,997	1,443,224	261,227

La Vega Independent School District

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Debt Service Fund

Year Ended August 31, 2024

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget
		Original	Final		
	Revenues:				
5700	Local and intermediate sources	\$ 3,444,194	3,444,194	3,727,618	283,424
5800	State program revenues	-	-	264,337	264,337
5900	Federal program revenues	-	-	396,832	396,832
5000	Total revenues	<u>3,444,194</u>	<u>3,444,194</u>	<u>4,388,787</u>	<u>944,593</u>
	Expenditures:				
0071	Debt service	<u>2,286,452</u>	<u>2,286,452</u>	<u>2,338,563</u>	<u>(52,111)</u>
6030	Total expenditures	<u>2,286,452</u>	<u>2,286,452</u>	<u>2,338,563</u>	<u>(52,111)</u>
1100	Excess of revenues over expenditures	1,157,742	1,157,742	2,050,224	892,482
0100	Fund balance, at beginning of year	<u>5,516,066</u>	<u>5,516,066</u>	<u>5,516,066</u>	<u>-</u>
3000	Fund balance, at end of year	\$ <u>6,673,808</u>	<u>6,673,808</u>	<u>7,566,290</u>	<u>892,482</u>

La Vega Independent School District

**Compensatory Education Program and Bilingual Education
Program Expenditures**

Year Ended August 31, 2024
(Unaudited)

<u>Data Codes</u>	<u>Section A: Compensatory Education Programs</u>	<u>Responses</u>
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$ 4,625,931
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal years. (PICs 24, 26, 28, 29, 30, 34)	\$ 2,594,061
	<u>Section B: Bilingual Education Programs</u>	
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 524,092
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 486,046

**Compliance, Internal Control
and Federal Awards**



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

The Board of School Trustees
La Vega Independent School District:

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

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

_____, 2024



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

The Board of School Trustees
La Vega Independent School District:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of La Vega Independent School District (the "District") with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget ("OMB") *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 the 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. 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.

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.

_____, 2024

La Vega Independent School District
Schedule of Findings and Questioned Costs
Year Ended August 31, 2024

(1) Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- | | | |
|---|------------------------------|---|
| o Material weakness(es) identified? | ☐ yes | ☒ no |
| o Significant deficiency(ies) identified that are not considered to be material weaknesses? | ☐ yes | ☒ none reported |
| Noncompliance material to financial statements noted? | ☐ yes | ☒ no |

Federal Awards

Internal control over major programs:

- | | | |
|---|------------------------------|---|
| o Material weakness(es) identified? | ☐ yes | ☒ no |
| o Significant deficiency(ies) identified that are not considered to be material weaknesses? | ☐ yes | ☒ none reported |

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 section 200.516 of Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)

☐ yes ☒ no

Identification of major programs:

Assistance Listing

<u>Number</u>	<u>Name of Federal Program or Cluster</u>
---------------	---

Child Nutrition Cluster:

10.553	National School Breakfast Program
10.555	National School Lunch Program
10.555	COVID-19 - Supply Chain Assistance
10.582	Fresh Fruits and Vegetables Program

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

\$ 750,000

Auditee qualified as federal low-risk auditee?

☒ yes ☐ no

La Vega Independent School District
Schedule of Findings and Questioned Costs
(Continued)

(2) Financial Statement Findings

None

(3) Federal Award Findings and Questioned Costs

None

Discussion Draft

La Vega Independent School District
Summary Schedule of Prior Audit Findings

August 31, 2024

None

Discussion Draft

La Vega Independent School District
Schedule of Expenditures of Federal Awards
Year Ended August 31, 2024

(1)	(2)	(3)	(3)	(3)
Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Education				
<u>Passed Through Texas Education Agency:</u>				
Title I, Part A - Grants to Local Education Agencies	84.010A	24610101161906	-	1,104,669
Title I, Part D - Grants to Local Education Agencies	84.010A	24610103161906	-	132,772
			\$ -	1,237,441
IDEA - Part B, Formula	84.027A	246600011619066600	-	588,440
COVID-19 IDEA - Part B, Formula ARP	84.027X	225350011619065350	-	40,038
IDEA - Part B, Preschool	84.173A	246610011619066610	-	10,515
COVID-19 - IDEA - Part B, Preschool ARP	84.173X	225360011619065360	-	1,278
Total Special Education Cluster			-	640,271
Career & Technical - Basic Grant	84.048A	24420006161906	-	45,202
ESEA, Title III, English Language	84.365A	24671001161906	-	81,102
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	24694501161906	-	227,830
ESEA, Title II, Part A, Teacher Leadership	84.367A	226945797110013	-	8,043
			-	235,873
LEP Summer School	84.368	69552302	-	2,939
ESEA, Title IV, Part A	84.369A	24680101161906	-	78,589
Stronger Connections Technical Assistance and Capacity Building	84.424H	236811017110064	-	9,139
COVID-19 - Elementary and Secondary School Emergency Relief Fund:				
TCLAS - ESSER III	84.425U	21528042161906	-	775,150
TCLAS Afterschool - ESSER III	84.425U	215280587110081	-	1,492,739
ARP - ESSER III - Homeless II	84.425W	21533002161906	-	29,177
			-	2,297,066
Total U.S. Department of Education			\$ -	4,627,622
U.S. Department of Agriculture				
<u>Passed Through Texas Education Agency:</u>				
School Breakfast Program	10.553	71402201	\$ -	597,142
National School Lunch Program	10.555	71302201	-	1,702,846
Fresh Fruit and Vegetable Program	10.582	71302201	-	62,403
Total Texas Education Agency			-	2,362,391
<u>Passed Through Texas Department of Agriculture:</u>				
COVID-19 - Supply Chain Assistance	10.555	71302201	-	117,095
Total Child Nutrition Cluster			-	2,479,486
Child & Adult Care Food Program	10.558	71302201	-	211,055
U.S.D.A. Commodities	10.565	71302201	-	154,745
Total U.S. Department of Agriculture			\$ -	2,845,286
Total Expenditures of Federal Awards			\$ -	7,472,908

See accompanying independent auditor's report and
notes to schedule of expenditures of federal awards.

La Vega Independent School District

Notes to Schedule of Expenditures of Federal Awards

August 31, 2024

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of La Vega Independent School District (the "District") under programs of the federal government for the year ended August 31, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

(2) 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, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

(3) Indirect Cost Rate

Indirect costs amounting to \$389,622 were claimed by the District for the year ended August 31, 2024, using the District's restricted indirect cost rate of 5.641% or unrestricted indirect cost rate of 13.309%, as applicable.

(4) Reconciliation to Financial Statements

Following is a reconciliation of the schedule of expenditures of federal awards to total federal program revenues per the statement of revenues, expenditures and changes in fund balances – governmental funds for the year ended August 31, 2024:

Expenditures per Schedule of Expenditures of Federal Awards	\$ 7,472,908
SHARS revenue	102,546
Other shared services arrangement revenue	216,562
Federal subsidy for debt service	<u>396,832</u>
Total federal program revenues per Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 8,188,848</u>

Monthly Budget Analysis Report

Presented for:

Board action ☒ Report/Review Only ☐

Supporting documents:

None ☐ Attached ☒ Provided Later ☐

Contact Person:

Mr. James Garrett

Background Information:

The District compiles and reports revenue and expenditure data for all funds on a monthly basis. The attached monthly budget analysis reports compare year-to-date revenue and expenditures to the same period from last fiscal year.

Fiscal Implication:

N/A

Administrative Recommendation:

It is recommended that the Board approve the Monthly Budget Analysis Report as submitted.

Motion:

Second:

For:

Against:

Abstain:

La Vega Independent School District
Statement of **Unaudited** Revenues and Expenditures - Budget vs. Actual

For the Period Ended 11/30/2024
11

		GENERAL FUND - 199									
		(1)	(2)	(3)		(4)		(5)	(6)	(7)	(8)
DATA	CONTROL	2024-2025 ORIGINAL BUD	2024-2025 AMEND BUD	MONTHLY		YEAR-TO-DATE		DIFFERENCE AMEND BUD TO YTD CURR	CY YTD AS % OF BUDGET	PY YTD AS % OF BUDGET	% OF YEAR ELAPSED AS OF 11/30/2024
CODES	REVENUES			CURRENT 11/30/2024	PRIOR YR 11/30/2023	CURRENT 11/30/2024	PRIOR YR 11/30/2023				
5700	LOCAL	11,749,191	11,720,040	537,782	1,425,039	1,062,610	1,811,390	10,657,430	9.07%	15.60%	25.00%
5800	STATE	19,988,196	23,127,018	2,190,400	2,266,707	11,152,661	10,576,364	11,974,357	48.22%	52.67%	25.00%
5900	FEDERAL	250,000	350,000	42	13,385	10,221	40,390	339,779	2.92%	#DIV/0!	25.00%
7900	OTHER	-	-	-	-	-	-	-	#DIV/0!	0.00%	25.00%
5020 TOTAL REVENUES		\$ 31,987,387	\$ 35,197,058	\$ 2,728,224	\$ 3,705,131	\$ 12,225,492	\$ 12,428,144	\$ 22,971,566	34.73%	44.89%	25.00%
EXPENDITURES											
0011	Instruction	17,517,303	19,136,878	1,614,362	1,486,963	4,994,631	4,429,135	14,142,247	26.10%	29.55%	25.00%
0012	Instr Resources/Media Services	305,194	306,633	19,777	22,129	62,256	62,266	244,377	20.30%	20.58%	25.00%
0013	Curriculum & Staff Development	512,993	457,636	22,542	29,976	65,532	91,271	392,104	14.32%	22.72%	25.00%
0021	Instructional Leadership	824,850	893,790	82,653	69,559	247,054	202,300	646,736	27.64%	34.96%	25.00%
0023	School Leadership	2,524,065	2,630,848	252,202	238,254	762,137	728,482	1,868,711	28.97%	33.20%	25.00%
0031	Guidance, Counseling & Evaluation	839,423	929,570	66,096	60,117	199,894	193,943	729,676	21.50%	21.68%	25.00%
0032	Attendance & Social Services	98,960	243,128	10,091	753	149,907	121,974	93,221	61.66%	115.62%	25.00%
0033	Health Services	307,157	331,682	25,142	23,694	76,309	70,289	255,373	23.01%	25.93%	25.00%
0034	Student Transportation	2,098,978	2,401,010	247,679	221,909	508,589	419,877	1,892,421	21.18%	23.79%	25.00%
0035	Food Services	30,975	32,524	5,014	-	15,513	-	17,011	47.70%	0.00%	25.00%
0036	Extracurricular Activities	1,808,523	1,929,310	162,301	148,379	496,058	456,003	1,433,252	25.71%	26.59%	25.00%
0041	General Administration	1,659,454	1,781,449	153,065	169,352	443,326	450,158	1,338,123	24.89%	30.34%	25.00%
0051	Plant Maintenance & Operations	3,768,921	4,196,794	291,259	298,454	1,309,978	801,536	2,886,816	31.21%	14.78%	25.00%
0052	Security & Monitoring Services	568,002	905,759	87,251	65,978	296,300	228,179	609,459	32.71%	61.87%	25.00%
0053	Data Processing Services	1,248,883	1,268,638	166,851	210,953	471,800	483,343	796,838	37.19%	36.86%	25.00%
0061	Community Services	5,084	1,084	-	(217)	-	-	1,084	0.00%	0.00%	25.00%
0071	Debt Service	281,000	281,000	-	-	72,001	14,822	208,999	25.62%	8.80%	25.00%
0081	Facility Acquisition & Construction	-	-	5,934	-	298,199	-	(298,199)	#DIV/0!	0.00%	25.00%
0095	Payment to JJAEP	27,500	27,500	8,239	5,353	15,257	5,353	12,243	55.48%	20.59%	25.00%
0099	Other Intergovernmental Charges	229,000	229,000	-	32,149	-	32,149	229,000	0.00%	22.96%	25.00%
6030 TOTAL EXPENDITURES		\$ 34,656,265	\$ 37,984,233	\$ 3,220,458	\$ 3,083,755	\$ 10,484,741	\$ 8,791,080	\$27,499,492	27.60%	26.47%	25.00%
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2,668,878)	\$ (2,787,175)	\$ (492,234)	\$ 621,376	\$ 1,740,751	\$ 3,637,064				
OTHER FINANCING SOURCES (USES)		(9)	(9)			(9)					
7910	Transfers In										
8910	Transfers Out	(10)	(10)								
TOTAL OTHER FINANCING SOURCES (USES)											
1200	Net Change in Fund Balance	(11)	(11)								
100	EST. Fund Balance - Sept. 1	(12)	16,081,870		(12)	16,081,870					
3000	Fund Balance - Aug 31 (projected and unaudited)	(13)	13,294,695		(14)	17,822,621					

- (1) **2024-2025 Approved Budget** - The original budget approved by the Board for the 2024-2025 Fiscal Year
- (2) **2024-2025 Amended Budget** - The original budget approved by the Board plus or minus any Budget Change Requests posted to the budget as of the date of the report
- (3) **Monthly Current Year vs. Prior Year Revenues and Expenditures** - Cash received(revenues)/disbursed(expenditures) for the current month compared with the same period last year
- (4) **Year To Date Current Year vs. Prior Year Revenues and Expenditures** - Cash received(revenues)/disbursed(expenditures) for the current year compared with the same period last year
- (5) **Difference Between Amended Budget and Current Year To Date** - Figures in Column 2 less figures in Column 4 (Current Column) equals balance left to receive(revenues)/disburse(expenditures) for the remainder of the Fiscal Year
- (6) **Current Year To Date as A Percent of The 2024-2025 Amended Budget** - The percent of Current Year To Date revenues/expenditures to the 2024-2025 Amended Budget
- (7) **Prior Year To Date as A Percent of The 2024-2025 Budget** - Ther percent of Prior Year To Date revenues/expenditures from the 2024-2025 Budget
- (8) **Percent of Fiscal Year Elapsed as of The Date of The Report** - The percent of the Fiscal Year which has elapsed for the as of date of the report
- (9) **Excess of Revenues Over Expenditures** - The excess (deficiency) of Revenues over (under) expenditures for the Original Budget, Amended Budget and Current Year To Date columns
- (10) **Transfers In/Out** - The amount of any transfers made to the Approved Budget, Amended Budget or Current Year To Date Columns
- (11) **Net Change In Fund Balance** - The excess or deficiency of revenues over expenditures which would add to or take away from the beginning fund balance
- (12) **Fund Balance - September 1** - The District's audited General Fund Balance as of September 1 of the current fiscal year.
- (13) **Fund Balance - August 31** - The projected and unaudited General Fund Balance the District would have if revenue and expenditures are equal to the 2024-2025 Approved Budget or Amended Budget
- (14) **Fund Balance - August 31** - The projected and unaudited General Fund Balance the District would have if the fiscal year ended on the last day of the month of the report.

La Vega Independent School District
Statement of **Unaudited** Revenues and Expenditures - Budget vs. Actual

For the Period Ended 11/30/2024
11

		CHILD NUTRITION FUND - 240									
		(1)	(2)	(3)		(4)		(5)	(6)	(7)	(8)
DATA		2024-2025 APP BUD	2024-2025 AMEND BUD	MONTHLY		YEAR-TO-DATE		DIFFERENCE AMEND BUD TO YTD CURR	CY YTD AS % OF BUDGET	PY YTD AS % OF BUDGET	% OF YEAR ELAPSED AS OF 11/30/2024
CONTROL	REVENUES			CURRENT 11/30/2024	PRIOR YR 11/30/2023	CURRENT 11/30/2024	PRIOR YR 11/30/2023				
5700	LOCAL	101,032	101,032	12,843	10,741	35,342	41,477	65,690	34.98%	31.86%	25.00%
5800	STATE	10,232	10,232	-	4,351	-	11,361	10,232	0.00%	20.09%	25.00%
5900	FEDERAL	2,408,591	2,408,591	289,665	18,779	766,460	586,732	1,642,131	31.82%	26.90%	25.00%
7900	OTHER			-	-	-	-				25.00%
5020	TOTAL REVENUES	\$ 2,519,855	\$ 2,519,855	\$ 302,508	\$ 33,871	\$ 801,802	\$ 639,570	\$ 1,718,053	31.82%	28.11%	25.00%
	EXPENDITURES										
0011	Instruction			-	-	-	-	-	#DIV/0!		25.00%
0012	Instr Resources/Media Services			-	-	-	-	-	#DIV/0!		25.00%
0013	Curriculum & Staff Development			-	-	-	-	-	#DIV/0!		25.00%
0021	Instructional Leadership			-	-	-	-	-	#DIV/0!		25.00%
0023	School Leadership			-	-	-	-	-	#DIV/0!		25.00%
0031	Guidance, Counseling & Evaluation			-	-	-	-	-	#DIV/0!		25.00%
0032	Attendance & Social Services			-	-	-	-	-	#DIV/0!		25.00%
0033	Health Services			-	-	-	-	-	#DIV/0!		25.00%
0034	Student Transportation			-	-	-	-	-	#DIV/0!		25.00%
0035	Food Services	2,629,463	2,489,855	85,675	204,827	186,978	530,949	2,302,877	7.51%	21.71%	25.00%
0036	Extracurricular Activities			-	-	-	-	-	#DIV/0!		25.00%
0041	General Administration			-	-	-	-	-	#DIV/0!		25.00%
0051	Plant Maintenance & Operations	24,000	30,000	1,591	2,348	1,977	3,882	28,023	6.59%	17.25%	25.00%
0052	Security & Monitoring Services			-	-	-	-	-	#DIV/0!		25.00%
0053	Data Processing Services			-	-	-	-	-	#DIV/0!		25.00%
0061	Community Services			-	-	-	-	-	#DIV/0!		25.00%
0071	Debt Service			-	-	-	-	-	#DIV/0!		25.00%
0081	Facility Acquisition & Construction			-	-	-	-	-	#DIV/0!		25.00%
0095	Payment to JJAEP			-	-	-	-	-	#DIV/0!		25.00%
0099	Other Intergovernmental Charges			-	-	-	-	-	#DIV/0!		25.00%
6030	TOTAL EXPENDITURES	\$ 2,653,463	\$ 2,519,855	\$ 87,266	\$ 207,175	\$ 188,955	\$ 534,832	\$ 2,330,900	7.50%	23.33%	25.00%
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (133,608)	\$ -	\$ 215,242	\$ (173,304)	\$ 612,847	\$ 104,739				
	OTHER FINANCING SOURCES (USES)	(9)	(9)			(9)					
7910	Transfers In										
8910	Transfers Out (10)			\$ -	\$ -	\$ -	\$ -				
	TOTAL OTHER FINANCING SOURCES (USES)										
1200	Net Change in Fund Balance (11)	\$ (133,608)	\$ -		(11)	\$ 612,847					
100	EST. Fund Balance - Sept. 1 (12)		\$ 1,443,224		(12)	\$ 1,443,224					
3000	Fund Balance - Aug 31 (projected and unadited) (13)		\$ 1,443,224		(14)	\$ 2,056,071					

La Vega Independent School District
Statement of **Unaudited** Revenues and Expenditures - Budget vs. Actual

For the Period Ended

11/30/2024

11

DEBT SERVICE FUND - 511

DATA CONTROL CODES	REVENUES	(1)	(2)	(3)		(4)		(5)	(6)	(7)	(8)
		2024-2025 APP BUD	2024-2025 AMEND BUD	CURRENT 11/30/2024	PRIOR YR 11/30/2023	CURRENT 11/30/2024	PRIOR YR 11/30/2023	DIFFERENCE AMEND BUD TO YTD CURR	CY YTD AS % OF BUDGET	PY YTD AS % OF BUDGET	% OF YEAR ELAPSED AS OF 11/30/2024
5700	LOCAL	7,384,322	7,384,322	302,480	488,261	396,159	139,594	6,988,163	5.36%	7.25%	25.00%
5800	STATE	-	-	250,142	-	250,142	-	(250,142)	#DIV/0!	0.00%	25.00%
5900	FEDERAL	-	-	-	-	-	-	-	#DIV/0!	0.00%	25.00%
7900	OTHER	-	-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
5020	TOTAL REVENUES	\$ 7,384,322	\$ 7,384,322	\$ 552,622	\$ 488,261	\$ 646,301	\$ 139,594	\$ 6,738,021	8.75%	4.74%	25.00%
	EXPENDITURES										
0011	Instruction		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0012	Instr Resources/Media Services		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0013	Curriculum & Staff Development		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0021	Instructional Leadership		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0023	School Leadership		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0031	Guidance, Counseling & Evaluation		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0032	Attendance & Social Services		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0033	Health Services		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0034	Student Transportation		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0035	Food Services		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0036	Extracurricular Activities		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0041	General Administration		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0051	Plant Maintenance & Operations		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0052	Security & Monitoring Services		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0053	Data Processing Services		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0061	Community Services		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0071	Debt Service	7,514,111	7,514,111	-	806	-	806	7,514,111	0.00%	0.0003131	25.00%
0081	Facility Acquisition & Construction		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0095	Payment to JJAEP		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0099	Other Intergovernmental Charges		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
6030	TOTAL EXPENDITURES	\$ 7,514,111	\$ 7,514,111	\$ -	\$ 806	\$ -	\$ 806	\$7,514,111.00	0.00%	0.03%	25.00%
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (129,789)	\$ (129,789)	\$ 552,622	\$ 487,455	\$ 646,301	\$ 138,787				
	OTHER FINANCING SOURCES (USES)	(9)	(9)			(9)					
7910	Transfers In		\$ -	\$ -	\$ -	\$ -	\$ -				
8910	Transfers Out		\$ -	\$ -	\$ -	\$ -	\$ -				
	TOTAL OTHER FINANCING SOURCES (USES)										
1200	Net Change in Fund Balance	\$ (129,789)	\$ (129,789)		(11)	\$ 646,301					
100	Fund Balance - Sept. 1	\$ 7,566,290	\$ 7,566,290		(12)	\$ 7,566,290					
100	Less: Committed Fund Balance - Sept. 1	\$ -	\$ -			\$ -					
3000	Fund Balance - Aug 31 (projected and unaudited)	\$ 7,436,501	\$ 7,436,501		(14)	\$ 8,212,591					
3000	Less: Committed Fund Balance-Aug 31										
	Available Fund Balance (projected and unaudited)	(14) \$ 7,436,501	\$ 7,436,501			\$ 8,212,591					

Consider Teacher and Professional Employee Contract Recommendations

Presented for:

Board action ☒ Report/Review Only ☐

Supporting documents:

None ☐ Attached ☒ Provided Later ☐

Contact Person:

Mr. Todd Gooden

Background Information:

The Board of Trustees of any independent school district may employ by contract a superintendent, a principal or principals, teachers, or other executive officers for a term not to exceed the maximum specified in this section. In those independent school districts with a scholastic population of fewer than 5,000, the term of such contracts shall not exceed three years. The personnel department, campus principals, and management teams interview and check references on each applicant who makes application to become a member of the staff of the La Vega Independent School District.

Fiscal Implication:

Personnel salaries are a budgeted item.

Administrative Recommendation:

Board approval of the contract recommendations as presented.

Motion:

Second:

For:

Against:

Abstain:

LV Personnel Recommendations for employees

The following employees are recommended for employment for the 2024- 2025 school years.

Name	Assignment
Heather Franks	Principal LVPS Replacing: LeeAnn Wilson

I hereby authorize the administration to utilize my signature stamp to issue contracts to personnel and approve resignations as recommended herein.

President, La Vega ISD Board of Trustees
December 17, 2024

CLOSED MEETING

Presented for:

Board action ☐ Report/Review Only ☒

Supporting documents:

None ☒ Attached ☐ Provided Later ☒

Contact Person:

Board President

Background Information:

The Board may enter into a closed meeting after the following requirements have been met:

1. A quorum of the Board has first been convened in open meeting for which notice has been given.
2. The presiding officer has publicly announced in open meeting that a closed meeting will be held.
3. The presiding officer has identified the section or sections of the Open Meetings Act or other applicable statutes that authorize the holding of such closed meeting.

Fiscal Implication:

N/A

Administrative Recommendation:

N/A

A closed meeting was declared:

_____ Beginning Time

_____ Date

_____ Sections of the Texas Government Code

_____ Ending Time

ADJOURNMENT

Motion: _____

Second: _____

For: _____

Against: _____

Abstain: _____

Date and Time: _____