

**STEPHEN F. AUSTIN STATE UNIVERSITY  
CHARTER SCHOOL**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED AUGUST 31, 2024**



**STEPHEN F. AUSTIN STATE UNIVERSITY CHARTER SCHOOL**  
**Annual Financial Report for**  
**the Year Ended August 31, 2024**

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**STEPHEN F. AUSTIN STATE UNIVERSITY CHARTER SCHOOL  
CERTIFICATE OF BOARD**

Stephen F. Austin State University Charter School	Nacogdoches	174-801
Name of District	County	District Number

We, the undersigned, certify that the attached annual financial reports of the above named school were reviewed and (check one)  approved \_\_\_\_\_ disapproved for the year ended August 31, 2024, at a meeting of the Charter Board of Stephen F. Austin State University Charter School on the 21<sup>st</sup> day of January, 2025.

  
\_\_\_\_\_  
Signature of Secretary

  
\_\_\_\_\_  
Signature of Chair

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

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## **FINANCIAL SECTION**







Goff & Herrington, P. C.

P.O. Box 153320 • Lufkin, TX. 75915-3320 • (936) 634-2345 • Fax: (936) 622-6823

Certified Public Accountants

A.J. Goff, CPA  
Ronnie Herrington, CPA  
Daniel Raney, CPA  
Laurie Durbin, CPA

## **Independent Auditor's Report**

Members of the Charter Board  
Stephen F. Austin State University Charter School  
Nacogdoches, Texas

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Stephen F. Austin State University Charter School (School), as of and for the year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise the School'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 School, as of August 31, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

## **Independent Auditor's Report**

Members of the Charter Board

January 2, 2025

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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 School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School'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 School's ability to continue as a going concern for a reasonable period of time.

## **Independent Auditor's Report**

Members of the Charter Board

January 2, 2025

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 11, and the budgetary comparison information on page 29, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The accompanying combining and other schedules, as required by TEA, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Independent Auditor's Report**

Members of the Charter Board

January 2, 2025

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### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 2, 2025, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

*Goff & Herrington, P.C.*

GOFF & HERRINGTON, P.C.

Certified Public Accountants

Lufkin, Texas

January 2, 2025

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## STEPHEN F. AUSTIN STATE UNIVERSITY CHARTER SCHOOL

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### MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the annual financial report presents management's discussion and analysis of the School's financial performance during the year ended August 31, 2024. Please read it in conjunction with the School's financial statements, which immediately follow this section.

#### FINANCIAL HIGHLIGHTS

- ▶ The School's total combined net position was \$3,139,675 as of August 31, 2024.
- ▶ During the year ended August 31, 2024, the School's net position increased by \$101,674.
- ▶ The School generated \$2,943,676 in revenues from local and governmental activities, and the total cost of the School's programs was \$2,842,002.
- ▶ The general fund reported a total fund balance this year of \$3,120,791, of which \$445,791 is unassigned.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

The School is considered a governmental organization for accounting, financial reporting, and auditing purposes. Organizations other than public corporations, and bodies corporate and political, are classified as governmental organizations if they have one or more of the following characteristics:

- ▶ Popular election of officers or appointment (or approval) of a controlling majority of the members of the organization's governing body by officials of one or more state or local governments;
- ▶ The potential for unilateral dissolution by a government with the net position reverting to a government; or
- ▶ The power to enact and enforce a tax levy.

The School has the potential for unilateral dissolution by the Stephen F. Austin State University, The University of Texas System (SFASU) and the University of Texas System Board of Regents (U.T. Regents). The Stephen F. Austin Board of Regents appointed the initial members of the School's board. Therefore, the School exhibits two of the characteristics and is considered to be a governmental organization for accounting, financial reporting, and auditing purposes.

This annual financial report consists of three parts - **management's discussion and analysis** (this section), the **basic financial statements**, and **required supplementary information**. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The required supplementary information further explains and supports the information in the financial statements.

### **Government-wide Financial Statements**

The School's annual financial report includes two government-wide financial statements. These statements provide both long-term and short-term information about the School's finances. Financial reporting at this level uses a perspective similar to that found in the private sector.

The first of these government-wide financial statements is the **Statement of Net Position**. This is the School wide statement of financial position presenting information that includes all of the School's assets and liabilities, 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 School as a whole is improving or deteriorating. Evaluation of the overall health of the School would extend to other non-financial factors.

The second government-wide financial statement is the **Statement of Activities**, which reports how the School's net position changed during the current year. All current revenues and expenses are included regardless of when the cash is received or paid.

The government-wide financial statements of the School include the governmental activities of the School. These are the basic services such as instruction, curriculum and staff development, health services, and administration. State aid and federal grants finance most of these activities.

### **Fund Financial Statements**

The fund financial statements focus on individual parts of the government, reporting the School's operations in more detail than the government-wide statements. The governmental funds statements tell how general government services were financed in the short term as well as what remains for future spending.

The fund financial statements provide more detailed information about the School's most significant funds - not the School as a whole. Funds are accounting devices that the School uses to keep track of specific sources of funding and spending for particular purposes. Laws and contracts require the School to establish some funds. The School's administration establishes other funds to help it control and manage money for particular purposes.

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

**STEPHEN F. AUSTIN STATE UNIVERSITY CHARTER SCHOOL**

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The accompanying notes to the financial statements provide essential information to a full understanding of the government-wide and fund financial statements.

**FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE**

**Net Position.** The School’s combined net position was \$3,139,675 as of August 31, 2024. The following table provides a summary of the School’s net position.

**The School’s Net Position**

	Governmental Activities		
	2024	2023	% Change
Current and Other Assets	3,264,975	3,137,557	4.1%
Capital and Non-Current Asset	-	-	0.0%
<b>Total Assets</b>	3,264,975	3,137,557	4.1%
Other Liabilities	125,300	99,556	25.9%
Long Term Liabilities	-	-	0.0%
<b>Total Liabilities</b>	125,300	99,556	25.9%
Net Position:			
Restricted	18,884	19,252	(1.9)%
Unrestricted	3,120,791	3,018,749	3.4%
<b>Total Net Position</b>	3,139,675	3,038,001	3.3%

Restricted net position consists of \$18,884 restricted for campus activities.

**Changes in net position.** The School’s total revenues were \$2,943,676. A significant portion, 79.21 percent, of the School’s revenue comes from state aid grants. The rest of the School’s revenue comes from federal operating grants, charges for services, and other local sources.

The total cost to the School of all programs and services was \$2,842,002; 70.93 percent of these costs are for instructional and student services.

**STEPHEN F. AUSTIN STATE UNIVERSITY CHARTER SCHOOL**

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**Governmental Activities**

The following table provides a summary of the School's changes in net position.

**Changes in the School's Net Position**

	<u>Governmental Activities</u>		
	<u>2024</u>	<u>2023</u>	<u>% Change</u>
<b>Revenues:</b>			
Program Revenues:			
Charges for services	276,255	267,308	3.3%
Operating grants and contributions	210,922	159,295	32.4%
General Revenues:			
State Foundation Program	2,331,718	2,194,783	6.2%
Miscellaneous	124,781	109,825	13.6%
<b>Total revenues</b>	<u>2,943,676</u>	<u>2,731,211</u>	<u>7.8%</u>
<b>Expenses:</b>			
Instructional and instructional related	1,670,901	1,693,244	(1.3)%
Curriculum and instructional staff development	43,103	39,298	9.7%
Instructional and school leadership	82,870	76,149	8.8%
Counseling	43,879	38,231	14.8%
Health services	12,496	12,864	(2.9)%
Food services	300,938	295,812	1.7%
General administration	177,097	167,534	5.7%
Plant maintenance	216,345	230,034	(6.0)%
Security services	189,505	21,682	774.0%
Data processing services	104,868	99,357	5.5%
<b>Total expenses</b>	<u>2,842,002</u>	<u>2,674,205</u>	<u>6.3%</u>
Increase (Decrease) in Net Position	101,674	57,006	78.4%
Beginning Net Position	<u>3,038,001</u>	<u>2,980,995</u>	<u>1.9%</u>
Ending Net Position	<u><u>3,139,675</u></u>	<u><u>3,038,001</u></u>	<u><u>3.3%</u></u>



**STEPHEN F. AUSTIN STATE UNIVERSITY CHARTER SCHOOL**

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The following table presents the cost of each of the School’s largest functions as well as each functions net cost (total cost less fees generated by activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local dollars.

**Net Cost of Selected School Functions**

	Total cost of services			Net cost of services		
	2024	2023	% Change	2024	2023	% Change
Instruction	1,670,901	1,693,244	(1.3)%	1,630,866	1,539,810	5.9%
Food service	300,938	295,812	1.7%	24,683	28,504	(13.4)%
General administration	177,097	167,534	5.7%	177,097	167,534	5.7%
Maintenance & operations	216,345	230,034	(6.0)%	216,345	230,034	(6.0)%
Data processing services	104,868	99,357	5.5%	104,868	99,357	5.5%

**FINANCIAL ANALYSIS OF THE SCHOOL’S FUNDS**

Revenues from governmental fund types totaled \$2,943,676, an increase of 7.78 percent from the preceding year. The increase in revenues is primarily attributable to increased local and state program revenues.

The School’s governmental funds ended the year with a reported combined fund balance of \$3,139,675, which is \$101,674 more than last year’s ending balance of \$3,038,001.

**General Fund Budgetary Highlights**

Over the course of the year, the School revised its budget as actual results were analyzed. Actual expenditures were \$150,183 below budget amounts. The most significant positive variance was in instructional function, as actual expenditures were less than anticipated.

Reported revenues were \$71,859 above the final budgeted amount, as local and intermediate sources and state program revenues were more than expected.

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**STEPHEN F. AUSTIN STATE UNIVERSITY CHARTER SCHOOL**

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**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

For the 2024-2025 fiscal year, the School's average daily attendance was budgeted conservatively at 248 students, which is a 0.40 percent decrease from the prior year.

Amounts available for expenditure in the general fund budget for 2025 are \$2,740,930 an increase of 3.52 percent from the 2024 final budgeted revenues of \$2,647,775. Expenditures are budgeted to increase 4.12 percent to \$2,881,930. If these estimates are realized, the School's budgetary general fund balance is expected to decrease at the close of 2025.

**CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the School's finances and to show the School's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the SFASU Office of Financial Reporting, 1936 North Street, Nacogdoches, Texas 75962.

## **Government-Wide Financial Statements**

**STEPHEN F. AUSTIN STATE UNIVERSITY CHARTER SCHOOL**  
**STATEMENT OF NET POSITION**  
**AUGUST 31, 2024**

Data Control Codes		<b>Primary Government Governmental Activities</b>
	<b>ASSETS</b>	
1110	Cash and cash equivalents	3,252,256
1241	Due from other governments	<u>12,719</u>
1000	Total assets	<u>3,264,975</u>
	<b>LIABILITIES</b>	
2160	Accrued wages payable	117,149
2300	Unearned revenues	<u>8,151</u>
2000	Total liabilities	<u>125,300</u>
	<b>NET POSITION</b>	
3870	Restricted for campus activity	18,884
3900	Unrestricted net position	<u>3,120,791</u>
3000	Total net position	<u><u>3,139,675</u></u>

The accompanying notes are an integral part of this statement

**STEPHEN F. AUSTIN STATE UNIVERSITY CHARTER SCHOOL  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2024**

Data Control Codes	1	Program Revenues		Program	Net (Expense)	
		3	4	Revenues	Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Governmental activities:						
11	Instruction	1,670,901	-	40,035	-	(1,630,866)
13	Curriculum and staff development	43,103	-	-	-	(43,103)
23	School leadership	82,870	-	-	-	(82,870)
31	Guidance, counseling, and evaluation	43,879	-	-	-	(43,879)
33	Health services	12,496	-	-	-	(12,496)
35	Food service	300,938	276,255	-	-	(24,683)
41	General administration	177,097	-	-	-	(177,097)
51	Plant maintenance and operations	216,345	-	-	-	(216,345)
52	Security and monitoring services	189,505	-	170,887	-	(18,618)
53	Data processing services	104,868	-	-	-	(104,868)
TP	Total primary government	2,842,002	276,255	210,922	-	(2,354,825)

Data Control Codes	General revenues:	
SF	State aid formula grants	2,331,718
GC	Grants and contributions, not restricted to specific programs	111,661
MI	Miscellaneous	13,120
TR	Total general revenues	2,456,499
CN	Change in net position	101,674
NB	Net position, beginning	3,038,001
NE	Net position, ending	3,139,675

The accompanying notes are an integral part of this statement

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**Governmental Fund Financial Statements**





**STEPHEN F. AUSTIN STATE UNIVERSITY CHARTER SCHOOL**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**AUGUST 31, 2024**

Data Control Codes	10	<b>Other Governmental Funds</b>	98 <b>Total Governmental Funds</b>	
	<b>General Fund</b>			
<b>ASSETS</b>				
1110	Cash and cash equivalents	3,233,372	18,884	3,252,256
1241	Due from other governments	-	12,719	12,719
1260	Due from other funds	12,719	-	12,719
1000	Total Assets	<u>3,246,091</u>	<u>31,603</u>	<u>3,277,694</u>
<b>LIABILITIES</b>				
2160	Accrued wages payable	117,149	-	117,149
2170	Due to other funds	-	12,719	12,719
2300	Unearned revenues	8,151	-	8,151
2000	Total Liabilities	<u>125,300</u>	<u>12,719</u>	<u>138,019</u>
<b>FUND BALANCES</b>				
Assigned Fund Balance:				
3590	Other assigned fund balance	2,675,000	18,884	2,693,884
3600	Unassigned fund balance	445,791	-	445,791
3000	Total Fund Balances	<u>3,120,791</u>	<u>18,884</u>	<u>3,139,675</u>
4000	Total Liabilities, Deferred Inflows and Fund Balances	<u>3,246,091</u>	<u>31,603</u>	<u>3,277,694</u>

The accompanying notes are an integral part of this statement

**STEPHEN F. AUSTIN STATE UNIVERSITY CHARTER SCHOOL  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
AUGUST 31, 2024**

Total fund balances - governmental funds	3,139,675
Reconciling items	-
19 Net Position of governmental activities	<u>3,139,675</u>

The accompanying notes are an integral part of this statement

**STEPHEN F. AUSTIN STATE UNIVERSITY CHARTER SCHOOL**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2024**

Data Control Codes		<b>General Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
5700	Total local and intermediate sources	276,255	13,120	289,375
5800	State program revenues	2,443,379	180,359	2,623,738
5900	Federal program revenues	-	30,563	30,563
5020	Total revenues	<u>2,719,634</u>	<u>224,042</u>	<u>2,943,676</u>
<b>EXPENDITURES</b>				
0011	Instruction	1,617,378	53,523	1,670,901
0013	Curriculum and staff development	43,103	-	43,103
0023	School leadership	82,870	-	82,870
0031	Guidance, counseling, and evaluation services	43,879	-	43,879
0033	Health services	12,496	-	12,496
0035	Food service	300,938	-	300,938
0041	General administration	177,097	-	177,097
0051	Plant maintenance and operations	216,345	-	216,345
0052	Security and monitoring services	18,618	170,887	189,505
0053	Data processing services	104,868	-	104,868
6030	Total expenditures	<u>2,617,592</u>	<u>224,410</u>	<u>2,842,002</u>
1100	Excess (deficiency) of revenues over expenditures	102,042	(368)	101,674
<b>OTHER FINANCING SOURCES (USES)</b>				
7915	Transfers in	-	-	-
8911	Transfers out	-	-	-
7080	Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	102,042	(368)	101,674
0100	Fund balance - September 1 (beginning)	3,018,749	19,252	3,038,001
3000	Fund balance - August 31 (ending)	<u>3,120,791</u>	<u>18,884</u>	<u>3,139,675</u>

The accompanying notes are an integral part of this statement

**STEPHEN F. AUSTIN STATE UNIVERSITY CHARTER SCHOOL  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2024**

Net change in fund balances - governmental funds	101,674
Reconciling items	-
Change in net position of governmental activities	<u>101,674</u>

The accompanying notes are an integral part of this statement

## **Fiduciary Fund Financial Statements**

**STEPHEN F. AUSTIN STATE UNIVERSITY CHARTER SCHOOL**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**AUGUST 31, 2024**

	<u><b>Custodial Fund</b></u>
<b>ASSETS</b>	
Cash and cash equivalents	<u>23,389</u>
Total Assets	<u><u>23,389</u></u>
<b>NET POSITION</b>	
Restricted for other purposes	<u>23,389</u>
Total Net Position	<u><u>23,389</u></u>

The accompanying notes are an integral part of this statement

**STEPHEN F. AUSTIN STATE UNIVERSITY CHARTER SCHOOL  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2024**

	<b>Custodial Fund</b>
<b>ADDITIONS:</b>	
Miscellaneous revenue - student activities	36,629
Total Additions	36,629
<b>DEDUCTIONS:</b>	
Supplies and materials	29,718
Total Deductions	29,718
Change in Net Position	6,911
Total Net Position - September 1 (Beginning)	16,478
Total Net Position - August 31 (Ending)	23,389

The accompanying notes are an integral part of this statement

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**STEPHEN F. AUSTIN STATE UNIVERSITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2024**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the Stephen F. Austin State University Charter School (School) are prepared in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and complies with the requirements of the appropriate version of Texas Education Agency's Financial Accountability System Resource Guide (Resource Guide) and the requirements of contracts and grants of agencies from which it receives funds. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing accounting and financial reporting principles.

**1. Reporting Entity**

The School is chartered by the State Board of Education and accredited by the Texas Education Agency. The charter is held by the Stephen F. Austin State University, the University of Texas System (SFASU). The School operates within the Department of Education Studies. SFASU is accredited with the Southern Association of Colleges and Schools. The School's administrators and staff are degreed and certified for the positions to which they are assigned.

During the year ended August 31, 2023, the SFASU Board of Regents voted to affiliate with The University of Texas System (U. T. System). The 88th Texas Legislature passed enabling legislation which was signed into law by the Governor of Texas in May 2023. On September 1, 2023, the University was reestablished in statute as Stephen F. Austin State University, a member of U. T. System. As of September 1, 2023, SFASU's Board of Regents was dissolved and SFASU became subject to the authority of the U. T. System Board of Regents (U.T. Regents).

As approved in the charter application, the Chief Administrative Officer of the School is the Chief Executive Officer (CEO) of the School. The CEO reports to the Charter Board, which reports to the President of SFASU. The School also secondarily reports to the Dean of the James I. Perkins College of Education, who reports to the Provost, who reports to the President of SFASU. The President is ultimately responsible to the U.T. System Chancellor and the U.T. Regents, appointed by the Governor and confirmed by the State Senate. This reporting structure effectively outlines the governing body of the School, with the Dean, the Provost, the President, the U.T. System Chancellor, and the U.T. Regents retaining final oversight.

The Charter Board meets quarterly and works to ensure effective management of the School. The Charter Board consists of community and parent representatives, and School staff, the Chair of the Education Studies Department and the Dean of the James I. Perkins College of Education.

The School is an open enrollment charter and provides K-5 education to students in the Nacogdoches and Central Heights districts. Due to high demand, students are selected by lottery.

**STEPHEN F. AUSTIN STATE UNIVERSITY CHARTER SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2024**

**2. Basis of Presentation and Basis of Accounting**

Basis of Presentation

Government-wide Financial Statements: The statement of net position and the statement of activities include the financial activities of the overall government. Governmental activities generally are financed through intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the School's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The School does not allocate indirect expenses in the statement of activities. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, are presented as general revenues.

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

The School accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The School has established several individual funds that are organized within a separate set of self-balancing accounts comprised of assets, liabilities, fund balance, revenues, and expenditures or expenses as appropriate. Governmental resources allocated to individual funds are recorded for the purpose of carrying on specific activities in accordance with laws, regulations, or other appropriate requirements.

The School reports the following major governmental fund:

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

In addition, the School reports the following fund types:

**Special Revenue Funds:** These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. All Federal and some State financial assistance is accounted for in a special revenue fund. Sometimes any unused balances must be returned to the grantor at the close of the specified project periods.

**Custodial Fund:** These funds are used for assets held by the School in a custodial capacity on behalf of others. The School uses a custodial fund to account for the activities of parent, teacher and student groups.

**STEPHEN F. AUSTIN STATE UNIVERSITY CHARTER SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2024**

Measurement Focus, Basis of Accounting

The financial statements of the School are prepared in accordance with generally accepted accounting principles (GAAP). The School applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The government-wide financial statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Fiduciary fund financial statements also report using this same focus and basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Grant revenues are recognized when allowable expenditures are made under the provisions of the grant.

The statement of activities reports the expenses of the School's functions offset by program revenues directly connected with the function. A function is a general operational area in the School that groups together similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with the function. Program revenues include: (1) charges for services which report charges to users of the School's services such as school lunch charges; and (2) operating grants and contributions which finance annual operating activities of the School such as federal and state grants. State aid formula grants, and other revenue sources not properly included with program revenues are reported as general revenues.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The School considers all revenues reported in the governmental funds to be available. Revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Expenditures are recorded when the related fund liability is incurred. General capital asset acquisitions are reported as expenditures in governmental funds.

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

The School does not allocate general administration or support services expenses to other functions.

Fund Balance Policy

The School reports fund balances for governmental funds in classifications based primarily on the extent to which the entity is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The nonspendable classification represents assets that will be consumed or maintained intact; and, therefore will never convert to cash, such as inventories of supplies and endowments. Provisions of laws, contracts, and grants specify how fund resources can be used in the restricted classification. The nature of these two classifications precludes a need for a policy

**STEPHEN F. AUSTIN STATE UNIVERSITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2024**

from the Charter Board. However, the Charter Board has adopted fund balance policies for the three unrestricted classifications-committed, assigned, and unassigned.

The School's assigned fund balances represent amounts assigned for future operating expenses and campus activities.

When the School incurs expenditures that can be made from either restricted or unrestricted balances, the expenditures are charged to restricted balances. When the entity incurs expenditures that can be made from either committed, assigned, or unassigned balances, the expenditures are charged to committed, assigned and then unassigned.

### **3. Financial Statement Amounts**

Cash and cash equivalents - Cash and cash equivalents consist of amounts available in the SFASU treasury.

Receivable and Payable Balances - The School believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances. There are no significant receivables which are not scheduled for collection within one year of year end.

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

All assets acquired in excess of the \$5,000 threshold were purchased by SFASU, who retains title and ownership of those assets. These assets include the building and land improvements that constitute the physical plant of the School, as well as, furniture and fixtures.

Since title and ownership of all capital assets are retained by SFASU, no capital assets are reported in the accompanying financial statements.

Deferred Outflows/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 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. The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

Pensions - The fiduciary net position of the Teachers Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for the purposes of measuring the net pension liability, deferred outflows

**STEPHEN F. AUSTIN STATE UNIVERSITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2024**

of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities, and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. SFASU's share of the liability is based on total TRS contributions made during the measurement year ended August 31, 2023.

Other Post-Employment Benefits (OPEB) -The State provides certain health and life insurance benefits for retired employees which are guaranteed in accordance with State statutes. Other post-employment benefits are provided to the System's retirees under the U. T. System Employee Group Insurance Program. The Employee Group Insurance Program is a single-employer defined benefit OPEB plan; however, because State statute requires funding for the plan from State appropriations, the State's governmental fund reports a proportionate share of the OPEB liability.

Compensated Absences - State employees are entitled to be paid for all unused vacation time (annual leave) accrued in the event of the employee's resignation, dismissal or separation from state employment, provided the employee has had continuous employment with the State for six months. The School does not record a liability for sick pay or vacation benefits. SFASU does record a liability for compensable absences.

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

Data Control Codes - These codes refer to the account code structure prescribed by the Texas Education Agency (TEA) in the Resource Guide. TEA requires the display of these codes in the financial statements filed with the Agency in order to ensure accuracy in building a Statewide database for policy development and funding plans.

Subsequent Events - Management has evaluated subsequent events through January 2, 2025, the date the financial statements were available to be issued.

## **DETAILED NOTES ON ALL FUNDS**

### **A. DEPOSITS AND INVESTMENTS**

The School's funds are initially deposited in a School bank account, then swept to the SFASU bank accounts. The School bank account is required by TEA for electronic deposits.

Periodically, SFASU provides the School with statement of account showing all fund activities for the month and ending monthly balances which is then reconciled to the accounts of the School. Such deposits are insured or collateralized under SFASU agreements with their depositories.

As of August 31, 2024, the carrying amount and bank balances of deposits was \$3,252,256.

**STEPHEN F. AUSTIN STATE UNIVERSITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2024**

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, SFASU will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. SFASU is authorized by statute to make investments following the "prudent person rule." SFASU's investment policy states that all deposits shall be secured by a pledge or collateral with a market value equal to no less than 100% of the deposits plus accrued interest less any amount insured by the FDIC pursuant to Chapter 2257 of the Government Code, Collateral for Public Funds. Evidence of the pledged collateral associated with bank demand accounts shall be reviewed monthly by the SFASU Controller and director of financial services to assure the market value of the pledged securities exceeds the depository bank balances. There were no violations of legal provisions during the fiscal year.

**B. DUE FROM OTHER GOVERNMENTS**

The School participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the School receives entitlements from the State through the School Foundation and Per Capita Programs. These amounts are reported on the governmental fund financial statements as Due from Other Governments.

Amounts due from federal and state governments as of August 31, 2024 are summarized as follows:

Fund	State Programs	Federal Grants	Total
Special Revenue Funds	10,810	1,909	12,719

Unearned revenues at year end consisted of the following:

	General Fund	Other Funds	Total
Unearned revenues - Foundation adjustments	8,151	-	8,151

**C. INTERFUND BALANCES AND TRANSFERS**

Interfund due to/from balances at August 31, 2024 consisted of the following amounts:

Amounts due to General Fund from Other Governmental Funds:	
Special Revenue Funds	12,719

Transfers are used to move revenues from the fund that the budget requires to collect them to the fund that the budget requires to expend them or to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. There were no interfund transfers during the year ended August 31, 2024.

**STEPHEN F. AUSTIN STATE UNIVERSITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2024**

**D. RISK MANAGEMENT**

The School is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2024, the School, through SFASU, was covered by 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.

**E. PENSION PLAN**

**Defined Benefit Pension Plan**

**Plan Description.** The School participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). TRS's defined benefit pension plan is 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 the system.

**Pension Plan Fiduciary Net Position.** Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report 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](https://www.trs.texas.gov/pages/about_publications.aspx), selecting *About TRS the Publications* then *Financial Reports*, or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or calling (512) 542-6592.

**Net Pension Liability.** The School's proportionate share of the TRS Net Pension Liability is included as part of the U.T. System's proportionate share, and is reflected on their financial statements.

Additional information regarding the U.T. System's proportional share of the obligation may be obtained for the U.T. System at <https://www.utsystem.edu/documents/docs/report-state/2024/consolidated-annual-financial-report-fy-2024>.

**F. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS**

**Other Post -Employment Benefit Plan (OPEB)**

In addition to providing pension benefits, the State provides certain health (medical and pharmacy) and life insurance benefits for retired employees (OPEB), in accordance with State

**STEPHEN F. AUSTIN STATE UNIVERSITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2024**

statutes. Many employees may become eligible for the health and life insurance benefits as a retired employee if they meet certain age and service requirements as defined by the State. Similar benefits for active employees are provided through the same self-funded plan.

Texas Senate Bill 1055, which was signed by the Governor on May 10, 2023, added SFASU into the U.T. System. As a result, eligible employees, inactive employees, and retired employees of SFASU became members under this OPEB plan effective September 1, 2023.

**Plan Description.** OPEB are provided to the U.T. System's retirees under the U.T. System Employee Group Insurance Program (EGIP). The EGIP is a single-employer defined benefit OPEB plan; however, due to the State statute requiring appropriations for funding the plan, the State is reporting a proportionate share.

The System and member contribution rates are determined annually by the System based on the recommendations of the OEB staff and consulting actuary. The contribution rates are determined based on the benefit and administrative costs expected to be incurred and (i) the funds appropriated and (ii) the funding policy established by the Texas Legislature in connection with benefits provided through the EGIP. The System revises benefits when necessary to match expected benefit and administrative costs with available revenue. The plan is operated on a pay-as-you-go basis and no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**Net OPEB Liability.** The School's proportionate share of the TRS Net OPEB Liability is included as part of the U.T. System's proportionate share, and is reflected on their financial statements.

Additional information regarding the U.T. System's proportional share of the obligation may be obtained for the U.T. System at <https://www.utsystem.edu/documents/docs/report-state/2024/consolidated-annual-financial-report-fy-2024>.

#### **G. DEFERRED COMPENSATION**

SFASU employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in the TEX. GOV'T. CODE ANN., Sec 609.001. Two plans are available for employees: the 403(b) Tax Sheltered Annuity (TSA) plan and the Texasaver 457(b) plan. The TSA is administered by SFASU. The 457(b) plan is administered by the Employees Retirement System of Texas.

#### **H. HEALTH CARE COVERAGE**

SFASU provides health care benefits to all School employees who meet SFASU employment qualifications and requirements. Contributions are required for coverage of dependents. During the year SFASU deducted amounts from the School's cash accounts to cover their portion of health care coverage.



**STEPHEN F. AUSTIN STATE UNIVERSITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2024**

**I. COMMITMENTS AND CONTINGENCIES**

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

**J. UNIVERSITY SUPPORT**

SFASU provides support to the School. In fiscal year 2006, the Texas Legislature approved tuition revenue bond funding for SFASU totaling \$30,178,000 for SFASU projects. These projects included the Early Childhood Research Center (ECRC) and deferred maintenance projects. SFASU issued tuition revenue bonds of \$20,175,000 in March 2008 to finance a portion of the ECRC. An additional \$10,200,000 of Higher Education Fund (HEF) general obligation bonds were issued in December 2008 to complete the facility. Thus, SFASU incurred \$30,375,000 in debt for the ECRC. During the fiscal year 2017, SFASU issued a 2016 Series tuition revenue bond that included \$10,375,000 that was used to refund a significant portion of 2008 series tuition revenue bonds. The ECRC houses the School, Early Childhood Laboratory, and Department of Education Studies. SFASU paid \$1,134,125 in debt service for ECRC in fiscal year 2024.

SFASU provides space, utilities, and indirect services to the School. The School serves as a university laboratory setting sharing 47,929 square feet of the ECRC building square footage of 123,231. The School reimbursed SFASU a negotiated amount of \$200,000 for administrative and operational costs during fiscal year 2024.

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**Required Supplementary Schedules**



**STEPHEN F. AUSTIN STATE UNIVERSITY CHARTER SCHOOL  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED AUGUST 31, 2024**

Data Control Codes	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)	
	Original	Final			
<b>REVENUES:</b>					
5700	Local and intermediate sources	275,637	275,637	276,255	618
5800	State program revenues	2,372,138	2,372,138	2,443,379	71,241
5900	Federal program revenues	-	-	-	-
5020	Total revenues	<u>2,647,775</u>	<u>2,647,775</u>	<u>2,719,634</u>	<u>71,859</u>
<b>EXPENDITURES:</b>					
0011	Instruction	1,751,173	1,737,730	1,617,378	120,352
0013	Curriculum and staff development	41,526	42,826	43,103	(277)
0023	School leadership	77,468	83,468	82,870	598
0031	Guidance, counseling, and evaluation services	46,925	48,325	43,879	4,446
0033	Health services	12,359	12,359	12,496	(137)
0035	Food service	308,337	308,337	300,938	7,399
0041	General administration	173,972	177,672	177,097	575
0051	Plant maintenance and operations	235,800	234,843	216,345	18,498
0052	Security and monitoring services	19,075	19,075	18,618	457
0053	Data processing services	101,140	103,140	104,868	(1,728)
6030	Total expenditures	<u>2,767,775</u>	<u>2,767,775</u>	<u>2,617,592</u>	<u>150,183</u>
1100	Excess (deficiency) of revenues over expenditures	(120,000)	(120,000)	102,042	222,042
<b>OTHER FINANCING SOURCES (USES):</b>					
7915	Transfers in	-	-	-	-
8911	Transfers out (use)	-	-	-	-
7080	Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	(120,000)	(120,000)	102,042	222,042
0100	Fund balance - September 1 (beginning)	<u>3,018,749</u>	<u>3,018,749</u>	<u>3,018,749</u>	<u>-</u>
3000	Fund balance - August 31 (ending)	<u>2,898,749</u>	<u>2,898,749</u>	<u>3,120,791</u>	<u>222,042</u>

The accompanying notes are an integral part of this statement

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## **Combining Schedules**

**STEPHEN F. AUSTIN STATE UNIVERSITY CHARTER SCHOOL  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
AUGUST 31, 2024**

Data Control Codes	<b>Special Revenue Funds</b>				<b>Total Nonmajor Governmental Funds</b>	
	<b>224 IDEA Part B, Formula</b>	<b>410 State Textbook Fund</b>	<b>429 Other State Programs</b>	<b>461 Campus Activity Funds</b>		
<b>ASSETS</b>						
1110	Cash and temporary investments	-	-	-	18,884	18,884
1240	Due from other governments	1,909	-	10,810	-	12,719
1000	Total Assets	1,909	-	10,810	18,884	31,603
<b>LIABILITIES</b>						
2170	Due to other funds	1,909	-	10,810	-	12,719
2000	Total Liabilities	1,909	-	10,810	-	12,719
<b>FUND BALANCES</b>						
Assigned Fund Balance:						
3590	Other assigned fund balance	-	-	-	18,884	18,884
3000	Total Fund Balances	-	-	-	18,884	18,884
4000	Total Liabilities, Deferred Inflows and Fund Balances	1,909	-	10,810	18,884	31,603



**STEPHEN F. AUSTIN STATE UNIVERSITY CHARTER SCHOOL  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2024**

Data Control Codes	<b>Special Revenue Funds</b>				<b>Total Nonmajor Governmental Funds</b>	
	<b>224 IDEA Part B, Formula</b>	<b>410 State Textbook Fund</b>	<b>429 Other State Programs</b>	<b>461 Campus Activity Funds</b>		
<b>REVENUES</b>						
5700	Total local and intermediate sources	-	-	-	13,120	13,120
5800	State program revenues	-	9,472	170,887	-	180,359
5900	Federal program revenues	30,563	-	-	-	30,563
5020	Total Revenues	30,563	9,472	170,887	13,120	224,042
<b>EXPENDITURES</b>						
0011	Instruction	30,563	9,472	-	13,488	53,523
0052	Security and monitoring services	-	-	170,887	-	170,887
6030	Total Expenditures	30,563	9,472	170,887	13,488	224,410
1100	Excess (Deficiency) of Revenues Over Expenditures	-	-	-	(368)	(368)
<b>OTHER FINANCING SOURCES (USES)</b>						
7915	Transfers in	-	-	-	-	-
8911	Transfers out	-	-	-	-	-
7080	Total other financing sources and uses	-	-	-	-	-
1200	Net change in fund balances	-	-	-	(368)	(368)
0100	Fund balances, beginning	-	-	-	19,252	19,252
3000	Fund balances, ending	-	-	-	18,884	18,884

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## **Required TEA Schedules**



**STEPHEN F. AUSTIN STATE UNIVERSITY CHARTER SCHOOL  
USE OF FUNDS REPORT - STATE ALLOTMENT PROGRAMS  
FOR THE YEAR ENDED AUGUST 31, 2024**

**Section A: Compensatory Education Programs**

AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	<u>Yes</u>
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	<u>Yes</u>
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	<u>\$ 37,037</u>
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year.	<u>\$ 190,955</u>

**Section B: Bilingual Education Programs**

AP5	Did your LEA expend any bilingual education program state allotment funds during the district's fiscal year?	<u>Yes</u>
AP6	Does the LEA have written policies and procedures for its bilingual education program?	<u>Yes</u>
AP7	List the total state allotment funds received for bilingual education programs during the district's fiscal year.	<u>\$ 5,341</u>
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year.	<u>\$ 6,907</u>

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**FEDERAL AWARDS SECTION**







G o f f & H e r r i n g t o n , P . C .

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Daniel Raney, CPA  
Laurie Durbin, CPA

Certified Public Accountants

**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**

Members of the Charter Board  
Stephen F. Austin State University Charter School  
Nacogdoches, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Stephen F. Austin State University Charter School (School), as of and for the year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated January 2, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School'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 School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

**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**

Members of the Charter Board

January 2, 2025

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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 Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Goff & Herrington, P.C.*

GOFF & HERRINGTON, P.C.

Certified Public Accountants

January 2, 2025

**STEPHEN F. AUSTIN STATE UNIVERSITY CHARTER SCHOOL  
SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED AUGUST 31, 2024**

None identified.

**STEPHEN F. AUSTIN STATE UNIVERSITY CHARTER SCHOOL  
SCHEDULE OF STATUS OF PRIOR FINDINGS  
FOR THE YEAR ENDED AUGUST 31, 2024**

There were no prior audit findings reported.

**STEPHEN F. AUSTIN STATE UNIVERSITY CHARTER SCHOOL  
CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED AUGUST 31, 2024**

None required.

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