College Station Independent School District

Annual Financial Report
For the Ten Months Ended June 30, 2025

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College Station Independent School District

Annual Financial Report
For the Ten Months Ended June 30, 2025
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Certificate of the Board

College Station Independent School District	**Brazos**	**021-901**
Name of School District	County	Co.-Dist Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and _____ approved _____ disapproved for the ten months ended June 30, 2025 at a meeting of the Board of Trustees of such school district on the _____ day of November, 2025.

Signature of Board Secretary

Signature of Board President

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

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Financial Section

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Austin, Texas 78746
512-609-1900

Independent Auditor's Report

To the Board of Trustees of
College Station Independent School District
College Station, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of College Station Independent School District (the District), as of and for the ten months ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the ten months 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.

Emphasis of Matter

Change in Fiscal Year End
As discussed in Note 1 to the basic financial statements, the District elected to change its fiscal year end from August 31 to June 30 effective for the 2024-2025 reporting period. Therefore, the basic financial statements present the ten-month period from September 1, 2024 through June 30, 2025. Our opinions are not modified with respect to this matter.

Implementation of New Accounting Standard
As discussed in Note 1 to the basic financial statements, during the ten months ended June 30, 2025, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Beginning net position has been restated as a result of the implementation of this statement. Our opinions are not modified with respect to this matter.

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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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 Supplementary Information and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information and Schedule of Expenditures of Federal Awards 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. 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 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 Supplementary Information and Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Required Responses to Selected School FIRST Indicators 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 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 November 14, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas
November 14, 2025

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Management's Discussion and Analysis
(Unaudited)

As management of the College Station Independent School District (the District), we offer readers of the accompanying report this narrative overview and analysis of the financial activities of the District for the ten months ended June 30, 2025. In reviewing this report, readers should be mindful that it is often necessary for management to make and use estimates in the preparation of financial statements. Examples of the use of such estimates may be found in amounts reported for depreciation and amortization, net taxes receivable, claims payable of the District's self-insured workers' compensation program, compensated absences liability and the net pension and net other postemployment benefit liability.

Financial Highlights

- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at period-end by $91,619,864 (net position). Of this amount, $32,148,663 (unrestricted net position) was in a deficit due to recognition of net pension liabilities, net OPEB liabilities and related deferrals.
- The District's total net position increased by $29,325,429 due to current operations.
- As of the close of the current period, the District's governmental funds had combined ending fund balances of $326,214,431, an increase of $159,608,672 from the preceding period.
- At the end of the current period, unassigned fund balance of the general fund was $52,724,519, or 40 percent of the period's total general fund expenditures.
- The District's net bonded debt increased by $153,217,818 (37 percent) due to the bond issuance in the current fiscal period.
- The District elected to change its fiscal year end from August 31 to June 30 effective for the 2024-2025 reporting period, therefore, only ten months are presented for 2025.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required supplementary information and supplementary and other information in addition to the basic financial statements.

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

The *Statement of Net Position* (Exhibit A-1) presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position.* Over time, increases or decreases in net position may serve as an indicator of how the financial position of the District is changing.

The *Statement of Activities* (Exhibit B-1) presents information showing how the District's net position changed during the most recent fiscal period. Changes in net position are reported upon occurrence of the underlying event giving rise to the change, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some transactions that will not result in cash flows until future fiscal periods (e.g., uncollected taxes and incurred but unpaid workers' compensation benefits).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include *Instruction, Instructional Resources and Media Services, Curriculum and Instructional Staff Development, Instructional Leadership, School Leadership, Guidance, Counseling, and Evaluation Services, Social Work Services, Health Services, Student Transportation, Food Services, Extracurricular Activities, General Administration, Plant Maintenance and Operations, Security and Monitoring Services, Data Processing Services, Community Services, Interest on Long-term Debt, Issuance Costs and Fees, Facilities Repair and Maintenance, Payments Related to Shared Services Arrangements, Payments to Juvenile Justice Alternative Education Programs, and Other Intergovernmental Charges.* The business-type activities of the District include the enterprise funds for *Community Education, Kids Klub, and Community Sports Camps.*

The government-wide financial statements can be found as noted in the table of contents of this report.

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, as do other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of governmental funds financial statements 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 effect 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 maintained twenty-three individual governmental funds during the period. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and capital projects funds, which are considered to be major funds. Data from the other twenty governmental funds are combined into a single, aggregated presentation titled *total nonmajor funds.*

The District adopts an annual revenue and appropriations budget for its general fund, debt service fund, and National School Breakfast and Lunch Program special revenue funds. All other governmental funds adopt project length budgets. Subsequent to adoption, amendments approved by the governing body are reflected in a revised budget column. A budgetary comparison schedule has been provided for the general fund, debt service fund, and National School Breakfast and Lunch Program special revenue funds to demonstrate compliance with its budget.

The basic governmental fund financial statements are noted in the table of contents of this report.

Proprietary Fund. The District maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The District uses enterprise funds to account for its Community Education program, Kids Klub, and Community Sports Camps. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District's various funds and functions. The District uses the internal service fund to account for its self-funded workers' compensation program. Because this service predominantly benefits governmental operations, their financial activities have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide essentially the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements are provided with the basic financial statements and provide information for the Community Education program, Kids Klub, Community Sports Camps, and the self-funded workers' compensation program.

The basic proprietary fund financial statements are noted in the table of contents of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of students and student organizations. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the District's own programs and activities. The basic fiduciary fund financial statements can be found as noted in the table of contents of this report.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements are noted in the table of contents of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report presents required supplementary information and supplementary information, including schedules required by the Texas Education Agency. Such information is noted in the table of contents of this report.

Government-wide Financial Analysis

As mentioned earlier, net position may, over time, serve as an indicator of a District's changing financial position. At the close of the District's most recent fiscal period, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $91,619,864.

College Station Independent School District's Net Position

	Governmental Activities		Business-type Activities		Totals	
	June 30, 2025	August 31, 2024	June 30, 2025	August 31, 2024	June 30, 2025	August 31, 2024
	Amount	Amount	Amount	Amount	Amount	Amount
Current and other assets	$ 365,432,137	$ 186,366,671	$ 1,215,908	$ 749,297	$ 366,648,045	$ 187,115,968
Capital assets, net	435,725,024	407,587,807	54,740	-	435,779,764	407,587,807
Total assets	801,157,161	593,954,478	1,270,648	749,297	802,427,809	594,703,775
Total deferred outflows of resources	29,681,630	36,916,794	-	-	29,681,630	36,916,794
Long-term liabilities outstanding	669,255,648	499,612,166	-	-	669,255,648	499,612,166
Other liabilities	38,581,800	16,036,964	322,836	154,121	38,904,636	16,191,085
Total liabilities	707,837,448	515,649,130	322,836	154,121	708,160,284	515,803,251
Total deferred inflows of resources	32,329,291	40,604,649	-	-	32,329,291	40,604,649
Net position:						
Net investment in capital assets	76,841,148	91,476,362	-	-	76,841,148	91,476,362
Restricted for grants	2,841,926	3,386,300	-	-	2,841,926	3,386,300
Restricted for debt service	44,085,453	15,437,881	-	-	44,085,453	15,437,881
Unrestricted (deficit)	(33,096,475)	(35,683,050)	947,812	595,176	(32,148,663)	(35,087,874)
Total net position	$ 90,672,052	$ 74,617,493	$ 947,812	$ 595,176	$ 91,619,864	$ 75,212,669

The largest portion of the District's net position of $76,841,148 is net investment in capital assets (e.g., land and improvements, buildings and improvements, furniture and equipment, right to use assets and construction in progress), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net position that is restricted for debt service and grants totaled $46,927,379.

Unrestricted net position of ($32,148,663) is reported as a deficit resulting from the recognition net pension and net OPEB liabilities, as well as related deferred outflows and deferred inflows. At the end of the current period, the District is able to report positive balances in total net position for governmental and business-type activities.

The District implemented GASB Statement No. 101, *Compensated Absences,* in fiscal period 2025 resulting in a restatement which decreased net position in governmental activities by $12,918,234 as of September 1, 2024. Because the restatement is the result of a change in accounting principle, the information for 2024 in the MD&A tables has not been restated in accordance with GASB Statement No. 100, *Accounting for Changes and Error Corrections – an Amendment of GASB Statement No. 62*. See Note 1 for further information. Governmental activities increased the District's net position by $28,972,793 from current operations and business-type activities increased the District's net position by $352,636. Key elements of this change are as follows:

College Station Independent School District's Changes in Net Position

	Governmental Activities		Business-type Activities		Totals	
	Ten Months Ended June 30, 2025	Twelve Months Ended August 31, 2024	Ten Months Ended June 30, 2025	Twelve Months Ended August 31, 2024	Ten Months Ended June 30, 2025	Twelve Months Ended August 31, 2024
Revenue						
Program revenues:						
Charges for services	$ 4,075,608	$ 4,349,246	$ 2,462,205	$ 2,770,219	$ 6,537,813	$ 7,119,465
Operating grants and contributions	22,761,439	34,953,964	-	-	22,761,439	34,953,964
General revenues:						
Property taxes, levied for general purposes	100,454,546	96,395,300	-	-	100,454,546	96,395,300
Property taxes, levied for debt service	39,814,579	36,227,065	-	-	39,814,579	36,227,065
Grants and contributions not restricted	33,452,548	41,381,471	-	-	33,452,548	41,381,471
Investment earnings	8,096,624	7,484,058	-	-	8,096,624	7,484,058
Miscellaneous	257,516	318,476	-	-	257,516	318,476
Total revenues	208,912,860	221,109,580	2,462,205	2,770,219	211,375,065	223,879,799
Expenses						
Instruction	96,712,539	110,815,213	-	-	96,712,539	110,815,213
Instructional resources and media services	1,481,888	1,394,097	-	-	1,481,888	1,394,097
Curriculum and instructional staff development	2,008,984	3,845,879	-	-	2,008,984	3,845,879
Instructional leadership	2,282,958	2,602,267	-	-	2,282,958	2,602,267
School leadership	6,539,573	8,241,888	-	-	6,539,573	8,241,888
Guidance, counseling, and evaluation services	6,611,623	6,935,014	-	-	6,611,623	6,935,014
Social work services	9,627	12,981	-	-	9,627	12,981
Health services	1,725,775	2,184,305	-	-	1,725,775	2,184,305
Student transportation	5,070,343	6,006,833	-	-	5,070,343	6,006,833
Food services	9,204,092	9,736,448	-	-	9,204,092	9,736,448
Extracurricular activities	7,862,186	8,745,725	-	-	7,862,186	8,745,725
General administration	4,041,983	5,050,706	-	-	4,041,983	5,050,706
Plant maintenance and operations	15,175,550	18,952,121	-	-	15,175,550	18,952,121
Security and monitoring services	2,109,502	2,744,408	-	-	2,109,502	2,744,408
Data processing services	3,669,981	4,804,961	-	-	3,669,981	4,804,961
Community services	838,086	896,986	-	-	838,086	896,986
Interest on long-term debt	11,522,325	11,862,817	-	-	11,522,325	11,862,817
Issuance costs and fees	1,402,654	737,390	-	-	1,402,654	737,390
Facilities repair and maintenance	117,509	1,794,171	-	-	117,509	1,794,171
Contracted instructional services between schools	-	28,145	-	-	-	28,145
Payments related to shared services arrangements	142,847	89,397	-	-	142,847	89,397
Payments to juvenile justice alternative education programs	10,592	12,034	-	-	10,592	12,034
Other intergovernmental charges	1,399,450	1,398,922	-	-	1,399,450	1,398,922
Community education	-	-	323,214	698,053	323,214	698,053
Kids Klub	-	-	1,659,916	1,695,270	1,659,916	1,695,270
Community sports camps	-	-	126,439	239,972	126,439	239,972
Total expenses	179,940,067	208,892,708	2,109,569	2,633,295	182,049,636	211,526,003
Change in net position	28,972,793	12,216,872	352,636	136,924	29,325,429	12,353,796
Net position - beginning	74,617,493	62,400,621	595,176	458,252	75,212,669	62,858,873
Cumulative effect of adoption of GASB 101	(12,918,234)	-	-	-	(12,918,234)	-
Net position - beginning, as restated	61,699,259	62,400,621	595,176	458,252	62,294,435	62,858,873
Net position - ending	$ 90,672,052	$ 74,617,493	$ 947,812	$ 595,176	$ 91,619,864	$ 75,212,669

Governmental Activities. Revenues, aggregating $208,912,860, were generated primarily from two sources. Property taxes of $140,269,125 represent 67 percent of total revenues, while grants and contributions (program and general) totaling $56,213,987 represent 27 percent of total revenues. The remaining 6 percent is generated from investment earnings, charges for services, and miscellaneous revenues.

The primary functional expense of the District is instruction totaling $96,712,539, which represents 54 percent of total expenses. The remaining expense categories are individually less than 10 percent of total expenses. There were no significant changes in expenses by function.

Business-type Activities. Business-type activities increased the District's net position by $352,636, primarily due to increased enrollment in the community programs during the period.

Financial Analysis of the Government's Funds

As mentioned earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. At the end of the fiscal period, the District's governmental funds had combined ending fund balances of $326,214,431, an increase of $159,608,672 from the preceding period. Comments as to each individual fund's change in fund balance follows.

The general fund is the primary operating fund of the District. At period-end, unassigned fund balance of the general fund was $52,724,519, while total fund balance was $58,181,958. To evaluate the general fund's liquidity, it may be helpful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 40 percent of total general fund expenditures, while total fund balance represents 45 percent of that same total. The fund balance of the general fund increased $14,276,036 during the period, primarily due to the change in fiscal year, which resulted in less operating expenditures in the current period.

The debt service fund ended the period with a total fund balance of $48,408,217, all of which is restricted for the payment of principal and interest on debt. The debt service fund balance increased $33,117,825 during the period, primarily due to the change in fiscal year, which resulted in recognition of less debt service payments in the current period.

The capital projects fund has a total fund balance of $214,451,699, all of which is restricted for capital expenditures. The net increase in fund balance during the current period in the capital projects fund was $112,474,580 primarily due to proceeds from the issuance of building bonds.

Governmental funds financial statements may be found by referring to the table of contents.

Proprietary Funds. The District's proprietary fund financial statements, reflecting enterprise and internal service funds created for its Community Education program, Kids Klub, Community Sports Camps, and self-funded workers' compensation program, provides information as to profitability of those programs. The net change in assets of the internal service fund is eliminated and allocated to the governmental expenses in the government-wide financial statements. The enterprise funds have been addressed in the discussion of the District's business-type activities.

General Fund Budgetary Highlights

The District amends the budget as needed throughout the period. The final amended budget of the general fund included a decrease in local and intermediate budgeted revenues of $3.1 million and an increase in state program budgeted revenues by $2.0 million from the original budget due to local insurance proceeds received and an increase in state funding due to increased student enrollment and other factors. The $11.6 million decrease in the expenditure budget is primarily due to the change in fiscal year in the current period.

The most significant variance between the amended budget and actual revenue was state program revenues which were $2.2 million under budget. The $11.3 million variance between the amended budget and actual for expenditures is primarily the result of budgeted funds not expended for instruction as well as various other expenditure functions.

Capital Assets and Long-term Liabilities

Capital Assets. The District's investment in capital assets for its governmental and business-type activities as of June 30, 2025 was $435,779,764 (net of accumulated depreciation and amortization). This investment in capital assets includes land and improvements, buildings and improvements, furniture, and equipment, right to use assets and construction in progress.

Major capital asset addition activity during the period included the following:

- Furniture and equipment totaling $6,830,207.
- Construction in progress totaling $38,192,966 and comprised of multiple renovations, athletic fields, and various other projects.

College Station Independent School District's Capital Assets
(net of depreciation and amortization)

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
	Amount	Amount	Amount	Amount	Amount	Amount
Land and improvements	$ 25,507,272	$ 25,507,272	$ -	$ -	$ 25,507,272	$ 25,507,272
Buildings and improvements	347,810,772	339,258,397	-	-	347,810,772	339,258,397
Furniture and equipment	18,106,036	14,230,876	54,740	-	18,160,776	14,230,876
Right to use lease assets	1,011,703	174,302	-	-	1,011,703	174,302
Right to use subscription assets	2,013,044	3,047,230	-	-	2,013,044	3,047,230
Construction in progress	41,276,197	25,369,730	-	-	41,276,197	25,369,730
Totals	$ 435,725,024	$ 407,587,807	$ 54,740	$ -	$ 435,779,764	$ 407,587,807

Commitments. At the end of the current fiscal period, the District's commitments with construction contractors totaled $149,736,415.

Additional information on the District's capital assets can be found in the notes to the financial statements per the table of contents.

Long-term Liabilities. At period-end, the District had the following long-term liabilities:

College Station Independent School District's Long-Term Liabilities Outstanding

	Governmental Activities					
	2025		2024		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
General obligation bonds (net)	$ 571,533,437	86	$ 418,315,619	84	$ 153,217,818	37
Arbitrage liability	2,465,940	-	1,635,355	-	830,585	51
Leases payable	1,041,062	-	90,733	-	950,329	1,047
Subscriptions payable	1,999,853	-	2,911,649	1	(911,796)	(31)
Workers' compensation	380,193	-	576,132	-	(195,939)	(34)
Compensated absences	14,001,287	2	938,820	-	13,062,467	1,391
Net pension liability	46,235,123	7	51,908,705	10	(5,673,582)	(11)
Net OPEB liability	31,598,753	5	23,235,153	5	8,363,600	36
Totals	$ 669,255,648	100	$ 499,612,166	100	$ 169,643,482	

The District's total net debt increased by $153,217,818 primarily due to the issuance of $189,820,000 of general obligation bonds, a $13 million increase in compensated absences, the result of implementation of GASB Statement No. 101, *Compensated Absences,* a $5.7 million decrease in the District's net pension liability, and an $8.4 million increase in the District's net OPEB liability.

The District's general obligation debt is backed by the full faith and credit of the District and is further guaranteed by the Texas Permanent School Fund Bond Guarantee Program or by a municipal bond insurance policy. State statutes do not limit the amount of bonded indebtedness issued by school districts, so long as the debt service tax rate does not exceed the limit established in Texas Education Code 45.0031. Additionally, approval by the Attorney General of the State of Texas is required prior to the sale of bonds.

Additional information on the District's long-term liabilities can be found in the notes to the financial statements per the table of contents.

Economic Factors and Next Year's Budget and Rates

- School year (2025-26) student enrollment is 14,018, a 3 percent decrease from the preceding period.
- District staff totals 2,108 employees in 2025-26, excluding substitutes and other part-time employees, of which 1,042 are teachers and 434 are teacher aides and secretaries.
- The District maintains 19 regular education campuses.
- Property values of the District are projected to increase by 6 percent for the 2025-26 year.
- A maintenance and operations tax rate of $0.6963 and a debt service tax rate of $0.2790, a total rate of $0.9753, were adopted for 2025-26. Preceding period rates were $0.6969, $0.2760, and $0.9729, respectively.

All of these factors and others were considered in preparing the District's budget for the 2025-26 fiscal year.

Requests for Information

This financial report is intended to provide a general overview of the District's finances for those with an interest in this information. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, College Station Independent School District, 1812 Welsh, College Station, Texas 77840.

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Basic Financial Statements

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College Station Independent School District

Exhibit A-1

Statement of Net Position

June 30, 2025

Data Control Codes		1	2	3
		Primary Government		
		Governmental Activities	Business-type Activities	Total
	ASSETS			
1110	Cash and cash equivalents	$ 117,646,018	$ 1,208,877	$ 118,854,895
1120	Current investments	229,540,876	-	229,540,876
1220	Property taxes receivable	6,631,216	-	6,631,216
1230	Allowance for uncollectible taxes	(66,312)	-	(66,312)
1240	Due from other governments	9,480,221	-	9,480,221
1290	Other receivables	492,774	-	492,774
1300	Inventories	505,396	-	505,396
1410	Prepaid items	1,201,948	7,031	1,208,979
	Capital assets, not being depreciated and amortized:			
1510	Land and improvements	25,507,272	-	25,507,272
1580	Construction in progress	41,276,197	-	41,276,197
	Capital assets, net of accumulated depreciation and amortization:			
1520	Buildings and improvements	347,810,772	-	347,810,772
1530	Furniture and equipment	18,106,036	54,740	18,160,776
1550	Right to use lease assets	1,011,703	-	1,011,703
1553	Right to use subscription assets	2,013,044	-	2,013,044
1000	Total assets	801,157,161	1,270,648	802,427,809
	DEFERRED OUTFLOWS OF RESOURCES			
1705	Deferred outflows - pension	12,866,376	-	12,866,376
1706	Deferred outflows - OPEB	14,058,292	-	14,058,292
1710	Deferred charge on refunding	2,756,962	-	2,756,962
1700	Total deferred outflows of resources	29,681,630	-	29,681,630
	LIABILITIES			
2110	Accounts payable	14,510,008	100,332	14,610,340
2140	Interest payable	5,121,916	-	5,121,916
2150	Payroll deductions and withholdings	1,314,790	-	1,314,790
2160	Accrued wages payable	17,305,514	201	17,305,715
2300	Unearned revenue	329,572	222,303	551,875
	Noncurrent liabilities:			
2501	Due within one year	34,904,123	-	34,904,123
2502	Due in more than one year	556,517,649	-	556,517,649
2540	Net pension liability	46,235,123	-	46,235,123
2545	Net OPEB liability	31,598,753	-	31,598,753
2000	Total liabilities	707,837,448	322,836	708,160,284
	DEFERRED INFLOWS OF RESOURCES			
2605	Deferred inflows - pension	2,789,679	-	2,789,679
2606	Deferred inflows - OPEB	28,021,427	-	28,021,427
2610	Deferred gain on refunding	1,518,185	-	1,518,185
2600	Total deferred inflows of resources	32,329,291	-	32,329,291
	NET POSITION			
3200	Net investment in capital assets	76,841,148	-	76,841,148
3820	Restricted for grants	2,841,926	-	2,841,926
3850	Restricted for debt service	44,085,453	-	44,085,453
3900	Unrestricted (deficit)	(33,096,475)	947,812	(32,148,663)
3000	**TOTAL NET POSITION**	$ 90,672,052	$ 947,812	$ 91,619,864

The Notes to the Financial Statements are an integral part of this statement.

College Station Independent School District

Statement of Activities

For the Ten Months Ended June 30, 2025

Data Control Codes	Functions/Programs	1 Expenses	3 Program Revenues: Charges for Services	4 Program Revenues: Operating Grants and Contributions
	PRIMARY GOVERNMENT			
	Governmental activities:			
0011	Instruction	$ 96,712,539	$ 312,838	$ 8,230,246
0012	Instructional resources and media services	1,481,888	23,318	150,405
0013	Curriculum and instructional staff development	2,008,984	1,084	1,192,587
0021	Instructional leadership	2,282,958	-	326,558
0023	School leadership	6,539,573	4,078	206,269
0031	Guidance, counseling, and evaluation services	6,611,623	52,498	1,551,495
0032	Social work services	9,627	-	9,126
0033	Health services	1,725,775	474	187,308
0034	Student transportation	5,070,343	-	187,282
0035	Food services	9,204,092	2,924,170	5,418,073
0036	Extracurricular activities	7,862,186	600,742	1,364,242
0041	General administration	4,041,983	-	221,182
0051	Plant maintenance and operations	15,175,550	151,938	313,003
0052	Security and monitoring services	2,109,502	217	397,517
0053	Data processing services	3,669,981	-	42,041
0061	Community services	838,086	168	694,147
0072	Interest on long-term debt	11,522,325	-	2,247,650
0073	Issuance costs and fees	1,402,654	-	-
0081	Facilities repair and maintenance	117,509	4,083	22,308
0093	Payments related to shared services arrangement	142,847	-	-
0095	Payments to juvenile justice alternative education programs	10,592	-	-
0099	Other intergovernmental charges	1,399,450	-	-
TG	Total governmental activities	179,940,067	4,075,608	22,761,439
	Business-type activities:			
01	Community education	323,214	389,351	-
02	Kids Klub	1,659,916	1,789,122	-
03	Community sports camps	126,439	283,732	-
TB	Total business-type activities	2,109,569	2,462,205	-
TP	**TOTAL PRIMARY GOVERNMENT**	$ 182,049,636	$ 6,537,813	$ 22,761,439
	General revenues:			
MT	Property taxes, levied for general purposes			
DT	Property taxes, levied for debt service			
GC	Grants and contributions not restricted to specific programs			
IE	Investment earnings			
MI	Miscellaneous			
TR	Total general revenues			
CN	Change in net position			
NB	Net position - beginning			
PA	Cumulative effect of adoption of GASB 101			
	Net position - beginning, as restated			
NE	**NET POSITION - ENDING**			

The Notes to the Financial Statements are an integral part of this statement.

6	7	8
Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	**Business-type Activities**	**Total**
$ (88,169,455)	$ -	$ (88,169,455)
(1,308,165)	-	(1,308,165)
(815,313)	-	(815,313)
(1,956,400)	-	(1,956,400)
(6,329,226)	-	(6,329,226)
(5,007,630)	-	(5,007,630)
(501)	-	(501)
(1,537,993)	-	(1,537,993)
(4,883,061)	-	(4,883,061)
(861,849)	-	(861,849)
(5,897,202)	-	(5,897,202)
(3,820,801)	-	(3,820,801)
(14,710,609)	-	(14,710,609)
(1,711,768)	-	(1,711,768)
(3,627,940)	-	(3,627,940)
(143,771)	-	(143,771)
(9,274,675)	-	(9,274,675)
(1,402,654)	-	(1,402,654)
(91,118)	-	(91,118)
(142,847)	-	(142,847)
(10,592)	-	(10,592)
(1,399,450)	-	(1,399,450)
(153,103,020)	-	(153,103,020)
-	66,137	66,137
-	129,206	129,206
-	157,293	157,293
-	352,636	352,636
(153,103,020)	352,636	(152,750,384)
100,454,546	-	100,454,546
39,814,579	-	39,814,579
33,452,548	-	33,452,548
8,096,624	-	8,096,624
257,516	-	257,516
182,075,813	-	182,075,813
28,972,793	352,636	29,325,429
74,617,493	595,176	75,212,669
(12,918,234)	-	(12,918,234)
61,699,259	595,176	62,294,435
$ 90,672,052	$ 947,812	$ 91,619,864

College Station Independent School District

Balance Sheet – Governmental Funds
June 30, 2025

Data Control Codes		199 General Fund	599 Debt Service Fund
	ASSETS		
1110	Cash and cash equivalents	$ 51,548,894	$ 36,946,084
1120	Current investments	3,897,033	9,979,658
1220	Property taxes receivable	4,813,595	1,817,621
1230	Allowance for uncollectible taxes	(48,136)	(18,176)
1240	Due from other governments	6,911,843	344,439
1260	Due from other funds	10,446,021	-
1290	Other receivables	254,421	137,743
1300	Inventories	328,319	-
1410	Prepaid items	1,179,120	-
1000	Total assets	79,331,110	49,207,369
1000a	**TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**	$ 79,331,110	$ 49,207,369
	LIABILITIES		
2110	Accounts payable	$ 1,365,834	$ -
2150	Payroll deductions and withholdings	1,314,790	-
2160	Accrued wages payable	16,156,182	-
2170	Due to other funds	8,150	-
2300	Unearned revenue	72,600	-
2000	Total liabilities	18,917,556	-
	DEFERRED INFLOWS OF RESOURCES		
2620	Unavailable revenue - property taxes	2,231,596	799,152
2625	Unavailable revenue - grants	-	-
	Total deferred inflows of resources	2,231,596	799,152
	FUND BALANCES		
3410	Nonspendable - inventories	328,319	-
3430	Nonspendable - prepaid items	1,179,120	-
3450	Restricted - grant funds	-	-
3470	Restricted - capital acquisitions and contractual obligations	-	-
3480	Restricted - debt service	-	48,408,217
3510	Committed - construction	2,750,000	-
3530	Committed - capital expenditures for equipment	200,000	-
3545	Committed - other	1,000,000	-
3600	Unassigned	52,724,519	-
3000	Total fund balances	58,181,958	48,408,217
4000	**TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES**	$ 79,331,110	$ 49,207,369

The Notes to the Financial Statements are an integral part of this statement.

699 Capital Projects Fund	Total Nonmajor Funds	98 Total Governmental Funds
$ 21,670,327	$ 5,387,777	$ 115,553,082
214,865,471	208,654	228,950,816
-	-	6,631,216
-	-	(66,312)
-	2,223,939	9,480,221
-	8,150	10,454,171
83,343	9,395	484,902
-	177,077	505,396
79,447	33,365	1,291,932
236,698,588	8,048,357	373,285,424
$ 236,698,588	$ 8,048,357	$ 373,285,424
$ 12,883,920	$ 260,254	$ 14,510,008
-	-	1,314,790
-	1,149,332	17,305,514
9,362,969	1,083,052	10,454,171
-	256,972	329,572
22,246,889	2,749,610	43,914,055
-	-	3,030,748
-	126,190	126,190
-	126,190	3,156,938
-	-	328,319
-	32,994	1,212,114
-	2,841,926	2,841,926
214,451,699	-	214,451,699
-	-	48,408,217
-	-	2,750,000
-	-	200,000
-	2,423,827	3,423,827
-	(126,190)	52,598,329
214,451,699	5,172,557	326,214,431
$ 236,698,588	$ 8,048,357	$ 373,285,424

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College Station Independent School District

Exhibit C-1R

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2025

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS (EXHIBIT C-1)		$ 326,214,431
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The governmental capital assets at year-end consist of:		
Governmental capital assets costs	$ 711,672,119	
Accumulated depreciation and amortization of governmental capital assets	(275,947,095)	435,725,024
Prepaid expenditures for subscriptions, which will be expenditures that apply to a future period(s), are reported as capital assets for governmental activities in the statement of net position.		(89,984)
Property taxes receivable, which will be collected subsequent to year-end, but are not available soon enough to pay expenditures and, therefore, are deferred in the funds.		3,030,748
Federal and state grant reimbursements have been submitted and are due this year, but are not available soon enough to pay for the current period's expenditures.		126,190
Long-term liabilities, including bonds payable, rebatable arbitrage, leases payable, subscriptions payable, compensated absences, and net pension and OPEB liability, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Liabilities at year-end related to such items, consist of:		
Bonds payable, at original par	$ (538,410,000)	
Premium on bonds payable	(33,123,437)	
Rebatable arbitrage	(2,465,940)	
Accrued interest on the bonds	(5,121,916)	
Leases payable	(1,041,062)	
Subscriptions payable	(1,999,853)	
Compensated absences	(14,001,287)	
Net pension liability	(46,235,123)	
Net OPEB liability	(31,598,753)	(673,997,371)
An internal service fund is used by the District to charge the costs of workers' compensation benefits to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities.		2,310,675
Deferred charge on refunding is reported as deferred outflow in the statement of net position and is not reported in the governmental funds as it is not a current financial resource available to pay for current expenditures.		2,756,962
Deferred gain on refunding represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.		(1,518,185)
Deferred outflows of resources for pension represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until then.		12,866,376
Deferred inflows of resources for pension represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.		(2,789,679)
Deferred outflows of resources for OPEB represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until then.		14,058,292
Deferred inflows of resources for OPEB represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.		(28,021,427)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES (EXHIBIT A-1)		$ 90,672,052

The Notes to the Financial Statements are an integral part of this statement.

College Station Independent School District

Statement of Revenues, Expenditures, and Changes
in Fund Balances – Governmental Funds
For the Ten Months Ended June 30, 2025

Data Control Codes		199 General Fund	599 Debt Service Fund
	REVENUES		
5700	Local and intermediate sources	$ 104,629,978	$ 41,202,669
5800	State program revenues	40,129,954	2,247,650
5900	Federal program revenues	471,566	-
5020	Total revenues	145,231,498	43,450,319
	EXPENDITURES		
	Current:		
0011	Instruction	78,822,540	-
0012	Instructional resources and media services	1,174,026	-
0013	Curriculum and instructional staff development	793,957	-
0021	Instructional leadership	2,111,337	-
0023	School leadership	6,154,232	-
0031	Guidance, counseling, and evaluation services	5,171,818	-
0032	Social work services	-	-
0033	Health services	1,543,221	-
0034	Student transportation	3,843,187	-
0035	Food services	1,842	-
0036	Extracurricular activities	5,208,738	-
0041	General administration	3,937,966	-
0051	Plant maintenance and operations	14,555,705	-
0052	Security and monitoring services	1,827,494	-
0053	Data processing services	2,790,748	-
0061	Community services	98,970	-
	Debt service:		
0071	Principal on long-term debt	889,800	1,870,000
0072	Interest on long-term debt	128,382	7,902,374
0073	Issuance costs and fees	-	276,181
	Capital outlay:		
0081	Facilities acquisition and construction	-	-
	Intergovernmental:		
0093	Payments related to shared services arrangements	142,847	-
0095	Payments to juvenile justice alternative education programs	10,592	-
0099	Other intergovernmental charges	1,399,450	-
6030	Total expenditures	130,606,852	10,048,555
1100	Excess (deficiency) of revenues over (under) expenditures	14,624,646	33,401,764
	OTHER FINANCING SOURCES (USES)		
7901	Issuance of refunding bonds	-	39,750,000
7911	Issuance of bonds	-	-
7913	Issuance of leases	1,264,629	-
7916	Premium or discount on issuance of bonds	-	3,789,466
7940	Issuance of subscriptions	9,602	-
7949	Insurance proceeds	10,022	-
8940	Payment to bond refunding escrow agent	-	(43,815,696)
8949	Refunds to taxpayers	(1,439,166)	(507,709)
7080	Total other financing sources (uses)	(154,913)	(783,939)
	EXTRAORDINARY ITEMS		
7919	Extraordinary gain	413,837	500,000
8913	Extraordinary loss	(607,534)	-
	Total extraordinary items	(193,697)	500,000
1200	Net change in fund balances	14,276,036	33,117,825
0100	Fund balances - beginning	43,905,922	15,290,392
3000	**FUND BALANCES - ENDING**	$ 58,181,958	$ 48,408,217

The Notes to the Financial Statements are an integral part of this statement.

699 Capital Projects Fund	Total Nonmajor Funds	98 Total Governmental Funds
$ 3,941,855	$ 5,730,086	$ 155,504,588
-	543,768	42,921,372
-	13,913,059	14,384,625
3,941,855	20,186,913	212,810,585
4,883,050	5,939,325	89,644,915
-	124,154	1,298,180
-	1,165,959	1,959,916
-	270,185	2,381,522
-	56,675	6,210,907
-	1,362,834	6,534,652
-	9,627	9,627
-	157,599	1,700,820
3,803,578	130,000	7,776,765
-	8,778,960	8,780,802
99,500	1,154,674	6,462,912
-	23,131	3,961,097
235,321	205,719	14,996,745
-	390,963	2,218,457
702,500	-	3,493,248
-	655,136	754,106
-	-	2,759,800
-	-	8,030,756
1,126,473	-	1,402,654
39,688,326	21,741	39,710,067
-	-	142,847
-	-	10,592
-	-	1,399,450
50,538,748	20,446,682	211,640,837
(46,596,893)	(259,769)	1,169,748
-	-	39,750,000
150,070,000	-	150,070,000
-	-	1,264,629
9,001,473	-	12,790,939
-	-	9,602
-	-	10,022
-	-	(43,815,696)
-	-	(1,946,875)
159,071,473	-	158,132,621
-	-	913,837
-	-	(607,534)
-	-	306,303
112,474,580	(259,769)	159,608,672
101,977,119	5,432,326	166,605,759
$ 214,451,699	$ 5,172,557	$ 326,214,431

College Station Independent School District

Exhibit C-3

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Ten Months Ended June 30, 2025

TOTAL NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (EXHIBIT C-2)		$ 159,608,672
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation or amortization expense.		
Capital assets increased	$ 46,446,973	
Depreciation and amortization expense	(17,972,885)	28,474,088
The net effect of miscellaneous transactions (transfers, adjustments and dispositions of capital assets or insurance recoveries) is an increase (decrease) to net position.		(1,076,162)
The net effect of reclassification of prepaid expenditures for subscriptions is an increase (decrease) to net position.		50,262
Because some property taxes will not be collected for several months after the District's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Deferred inflows for taxes increased (decreased) by this amount this year.		1,425,556
Because some grants will not be collected for several months after the District's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Deferred inflows for grants increased (decreased) by this amount this year.		126,190
Issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.		
Issuance of bonds, at par value	$ (189,820,000)	
Issuance of bonds, (premium) discount	(12,790,939)	
Issuance of subscriptions payable	(9,602)	
Issuance of leases	(1,264,629)	(203,885,170)
Payment to escrow agent to refund bonds from refunding proceeds.		43,815,696
Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Repayment of bonds payable principal	$ 2,420,794	
Repayment of subscription payable principal	604,819	
Repayment of leases payable principal	284,981	3,310,594
The net effect of the termination of a lease/SBITA is an increase to net position.		345,898
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The changes reported in the statement of activities consists of the following:		
Accrued interest on current interest bonds payable (*increased) decreased*	$ (4,138,458)	
Amortization of bond premium	1,633,402	
Amortization of deferred charge on refundings	(472,475)	
Amortization of deferred gain on refundings	5,044	(2,972,487)
An internal service fund is used by the District to charge the costs of workers' compensation benefits to the individual funds. The net activity of the internal service fund was reported in the government-wide statements.		383,638
The (increase) decrease in arbitrage liability is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.		(830,585)
The (increase) decrease in compensated absences is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.		(144,233)
The net change in net pension liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:		
Deferred outflows increased (decreased)	$ (11,524,312)	
Deferred inflows (increased) decreased	2,263,079	
Net pension liability (increased) decreased	5,673,582	(3,587,651)
The net change in net OPEB liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:		
Deferred outflows increased (decreased)	$ 4,761,623	
Deferred inflows (increased) decreased	7,530,464	
Net OPEB liability (increased) decreased	(8,363,600)	3,928,487
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES (EXHIBIT B-1)		$ 28,972,793

The Notes to the Financial Statements are an integral part of this statement.

College Station Independent School District **Exhibit D-1**

Statement of Net Position
Proprietary Funds
June 30, 2025

Data Control Codes		Business-type Activities	Governmental Activities
		Nonmajor Enterprise Fund	Internal Service Fund 773 Workers' Compensation
	ASSETS		
	Current assets:		
1110	Cash and cash equivalents	$ 1,208,877	$ 2,092,936
1120	Current investments	-	590,060
1290	Other receivables	-	7,872
1410	Prepaid items	7,031	-
	Total current assets	1,215,908	2,690,868
	Noncurrent assets:		
	Capital assets:		
1530	Furniture and equipment	62,642	-
1570	Accumulated depreciation	(7,902)	-
	Total noncurrent assets	54,740	-
1000	Total assets	1,270,648	2,690,868
	LIABILITIES		
	Current liabilities:		
2110	Accounts payable	100,332	-
2160	Accrued wages payable	201	-
2300	Unearned revenue	222,303	-
2123	Claims payable - due within one year	-	380,193
2000	Total liabilities	322,836	380,193
	NET POSITION		
3200	Net investment in capital assets	54,740	-
3900	Unrestricted	893,072	2,310,675
3000	**TOTAL NET POSITION**	$ 947,812	$ 2,310,675

The Notes to the Financial Statements are an integral part of this statement.

College Station Independent School District **Exhibit D-2**

Statement of Revenues, Expenses, and Changes
in Net Position – Proprietary Funds
For the Ten Months Ended June 30, 2025

Data Control Codes		Business-type Activities	Governmental Activities
		Nonmajor Enterprise Fund	Internal Service Fund 773 Workers' Compensation
	OPERATING REVENUES		
5739	Tuition	$ 2,462,205	$ -
5754	Interfund service provided	-	439,443
5020	Total revenues	2,462,205	439,443
	OPERATING EXPENSES:		
6100	Payroll costs	1,783,806	52,717
6200	Professional and contracted services	32,137	-
6300	Supplies and materials	36,769	-
6400	Other operating costs	256,857	102,828
6030	Total expenses	2,109,569	155,545
	Operating income (loss)	352,636	283,898
	NONOPERATING REVENUES (EXPENSES)		
7955	Earnings from temporary deposits and investments	-	99,740
8030	Total nonoperating revenues (expenses)	-	99,740
1300	Change in net position	352,636	383,638
0100	Net position - beginning	595,176	1,927,037
3300	**NET POSITION - ENDING**	$ 947,812	$ 2,310,675

The Notes to the Financial Statements are an integral part of this statement.

College Station Independent School District **Exhibit D-3**

Statement of Cash Flows
Proprietary Funds
For the Ten Months Ended June 30, 2025

	Business-type Activities	Governmental Activities
	Nonmajor Enterprise Fund	Internal Service Fund 773 Workers' Compensation
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from user charges	$ 2,621,903	$ 439,443
Cash payments for employees services and benefits	(1,857,337)	(52,717)
Cash payments for claims	-	(225,445)
Cash payments for other operating expenses	(250,246)	(15,360)
Net cash provided by (used for) operating activities	514,320	145,921
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	-	99,740
Purchase of investments	-	(21,782)
Net cash provided by (used for) investing activities	-	77,958
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(54,740)	-
Net cash provided by (used for) capital and related financing activities	(54,740)	-
Net increase (decrease) in cash and cash equivalents	459,580	223,879
Cash and cash equivalents at the beginning of the year	749,297	1,869,057
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,208,877	$ 2,092,936
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Operating income (loss)	$ 352,636	$ 283,898
Effect of increases and decreases in current assets and liabilities:		
(Increase) decrease in other receivables	-	965
(Increase) decrease in prepaid items	(7,031)	65,433
Increase (decrease) in accounts payable	82,548	(8,436)
Increase (decrease) in accrued wages payable	(73,531)	-
Increase (decrease) in unearned revenue	159,698	-
Increase (decrease) in claims payable	-	(195,939)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$ 514,320	$ 145,921

The Notes to the Financial Statements are an integral part of this statement.

College Station Independent School District **Exhibit E-1**

Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2025

	Custodial Fund
ASSETS	
Cash and cash equivalents	$ 507,036
Other receivables	2,775
Total assets	509,811
LIABILITIES	
Accounts payable	10,816
Total liabilities	10,816
NET POSITION	
Restricted for:	
Student activity	498,995
TOTAL NET POSITION	$ 498,995

The Notes to the Financial Statements are an integral part of this statement.

College Station Independent School District **Exhibit E-2**

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Ten Months Ended June 30, 2025

	Custodial Fund
ADDITIONS	
Contributions and gifts	$ 66,142
Fundraising activity	188,891
Student club fees	31,586
Investment earnings	7,502
Total additions	294,121
DEDUCTIONS	
Student activities	227,233
Administrative expense	1,215
Beneficiary payments	21,132
Total deductions	249,580
Net change in fiduciary net position	44,541
Net position - beginning of year	454,454
TOTAL NET POSITION	$ 498,995

The Notes to the Financial Statements are an integral part of this statement.

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Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The College Station Independent School District (the District) is governed by a seven-member board of trustees (the Board), which has governance responsibilities over all activities related to public elementary and secondary education within the District. Members of the Board are elected by the public, have authority to make decisions, appoint management and significantly influence operations, and have primary accountability for fiscal matters; the District is not included in any other governmental reporting entity.

House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2024-2025 reporting period. As such, the financial statements are presented for a ten-month period of September 1, 2024 through June 30, 2025.

B. Description of Government-wide 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 primary government (the District). All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District's enterprise funds. 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.

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

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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 District, except those accounted for in another fund.

The *debt service fund* is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

The *capital projects fund* accounts for the acquisition and construction of the District's major capital facilities, other than those financed by proprietary funds.

Additionally, the District reports the following fund types:

The *special revenue funds* are used to account for the proceeds of specific revenue sources (other than those identified as a major fund) that are restricted or committed to expenditures for specific purposes.

The *enterprise funds* account for the District's operation of a before and after school care program (Kids Klub) and summer programs (Community Education and Sports Camps). These funds are supported principally by revenues generated through program fees.

The *internal service fund* accounts for risk management services claims for workers' compensation claims and administrative expenses provided to other departments or agencies of the District.

The *custodial fund* accounts for assets held by the District for student organizations or for scholarships. The fund is fiduciary in nature and is not used for the benefit of the District.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements 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 revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The 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 collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as required under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases and subscriptions are reported as other financing sources.

Interest associated with the current fiscal period is all considered to be susceptible to accrual and has been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 120 days of year end). All other revenue items, including property taxes, are considered to be measurable and available only when cash is received by the District.

The proprietary and custodial funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand and bank demand or time deposits with original maturities of three months or less from the date of acquisition.

2. Investments

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

3. Inventories and Prepaid Items

Inventories are valued at cost using the average cost method and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Capital Assets

Capital assets, which include land and improvements, construction in progress, buildings and improvements, furniture and equipment, and right to use assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. The District's infrastructure includes parking lots and sidewalks associated with various buildings. The cost of the infrastructure was initially capitalized with the building cost and is being depreciated over the same useful life as the building. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the District chose to include all such items regardless of their acquisition date or amount. The District was able to estimate the historical cost for the initial reporting of these assets. As the District constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Right to use assets are amortized over the duration of the lease using the straight-line method. Land and improvements and construction in progress are not depreciated. The buildings and improvements and furniture and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Capital Asset Classes	Lives
Buildings and improvements	5 - 47
Furniture and equipment	5 - 7
Right-to-use lease assets	Shorter of lease term or useful life
Right-to-use subscription assets	Shorter of subscription term or useful life

5. Leases

Lessee
The District is a lessee for noncancellable leases of property and equipment. The District recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset (lease asset), reported with other capital assets, in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of $10,000 or more.

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

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

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the District is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

6. Subscription-Based Information Technology Arrangements (SBITAs)
The District has noncancellable contracts with SBITA vendors for the right to use information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). The District recognizes a subscription liability, reported with long-term debt, and a right-to-use subscription asset (an intangible asset), reported with other capital assets, in the government-wide financial statements. The District recognizes subscription liabilities with an initial, individual value of $10,000 or more.

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

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

- The District uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the noncancellable period of the SBITA.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, termination penalties if the District is reasonably certain to exercise such options, subscription contract incentives receivable from the SBITA vendor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The District monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

7. Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until then. Deferred inflows of resources represent an acquisition of net position/fund balance that applies to a future period(s) and will not be recognized as an inflow of resource (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension and OPEB activities are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and OPEB plan, except for projected and actual earnings differences on investments which are amortized on a closed basis over a 5-year period.
- District contributions to the pension and OPEB plans after the measurement date of each plan are recognized in the subsequent fiscal year.
- Deferred charge/gain on refunding is amortized over the shorter of the life of the refunded or refunding debt.
- Unavailable property tax revenues are recognized in the period the amount becomes available.
- Unavailable grant revenues are recognized in the period the amount becomes available.

8. Compensated Absences

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee benefit account) during or upon separation from employment. Based on the criteria listed, the following types of leave qualify for liability recognition for compensated absences – state personal leave, sick leave, and vacation. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

State Personal Leave

The District is required under Texas Education Code 22.003 to provide eligible employees with a minimum of five days of personal leave per year (state leave) with no limit on accumulation and no restrictions on transfer between Districts. State leave benefits are eligible for payment upon separation from employment, with limitations.

Sick Leave

The District's policy provides permits employees to accumulate earned but unused sick leave benefits, with no limit on accumulation. Sick leave benefits are eligible for payment upon separation from employment, with limitations.

Vacation

The District's policy permits employees to accumulate earned but unused vacation benefits, with limits on accumulation. Vacation benefits are eligible for payment upon separation from employment, with limitations.

A liability for the estimated value of leave benefits that will be paid upon separation of service or used by employees as time off is included in the liability for compensated absences.

9. Pension

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

10. Other Post-Employment Benefits

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

11. Net Position Policies

Net position of governmental activities is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District classifies net position as follows:

Net investment in capital assets – the component of net position that reports capital assets, net of accumulated depreciation and amortization, and net of related debt, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

Restricted – the component of net position that is constrained for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions or enabling legislation. This classification includes retirement of long-term debt, and other federal and state grants.

Unrestricted – the component of net position that includes the residual difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources that is not classified in the categories mentioned above.

12. Net Position Flow Assumption

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

It is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

13. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District classifies governmental fund balances as follows:

Non-spendable – includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes prepaid items and inventories.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions or enabling legislation. This classification includes retirement of long-term debt, construction programs and other federal and state grants.

Committed – includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The board of trustees (the Board) is the highest level of decision-making authority for the District that can, by board action or adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the board action or resolution remains in place until a similar action is taken (the board action or adoption of another resolution) to remove or revise the limitation.

Assigned – includes fund balance amounts that are self-imposed by the District to be used for specific purposes, but do not meet the criteria to be classified as non-spendable, restricted, or committed. The Board has, by policy, authorized the superintendent or his/her designee to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned – includes residual positive fund balance within the general fund which has not been classified within the other above-mentioned categories. The general fund should be the only fund that reports a positive unassigned fund balance. Unassigned fund balance may also include deficit balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District shall strive to maintain an assigned and unassigned fund balance in the general operating fund at or near three months operating expenditures.

14. Fund Balance Flow Assumptions

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

G. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as *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 or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property values are determined by the County Appraisal District as of January 1 of each year. Prior to September 1 of each year (July 1 starting with the 2025-2026 reporting period), the District must adopt its annual budget and as soon thereafter as practicable, shall adopt a tax rate thus creating the tax levy. Property taxes for the current calendar year are levied on approximately October 1 of each year and are payable by January 31 of the following year. Property tax receivables are recorded as of the date levied. Unpaid taxes become delinquent on February 1 and a tax lien on real property is created as of January 1 of each year. Additionally, the District offers taxpayers the option of paying taxes in two installments. If this option is elected, the first half must be paid by November 30 and the final payment is due by June 30. Under this option, taxes are not delinquent until July 1.

3. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

H. Use of Estimates

The presentation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

I. Data Control Codes

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

J. Implementation of New Accounting Standards

GASB Statement No. 101*, Compensated Absences* (GASB 101), improves the information needs of financial statements users by updating the recognition and measurement guidance for compensated absences under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2023, with earlier application encouraged. GASB 101 was implemented in the District's fiscal period 2025 financial statements with a restatement of ($12,918,234) to net position as of September 1, 2024 to reflect the changes adopted to conform to the new standard as described in Note 5.

GASB Statement No. 102*, Certain Risk Disclosures* (GASB 102), improves financial reporting by providing users of financial statements with essential information regarding certain concentrations of constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. The requirements of this statement are effective for reporting periods beginning after June 15, 2024, with earlier application encouraged. GASB 102 was implemented in the District's fiscal period 2025 financial statements with no impact to amounts or disclosures previously reported.

K. Recent Accounting Pronouncements

GASB Statement No. 103*, Financial Reporting Model Improvements* (GASB 103), improves 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 reporting periods beginning after June 15, 2025, with earlier application encouraged. GASB 103 will be implemented in the District's fiscal year 2026 financial statements and the impact has not yet been determined.

GASB Statement No. 104*, Disclosure of Certain Capital Assets* (GASB 104), establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures. It also establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this statement are effective for reporting periods beginning after June 15, 2025, with earlier application encouraged. GASB 104 will be implemented in the District's fiscal year 2026 financial statements and the impact has not yet been determined.

Note 2. Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, National School Breakfast and Lunch Program special revenue fund, and debt service fund. All annual appropriations lapse at fiscal year end. The following procedures are followed in establishing the budgetary data reflected in the financial statements.

1. Prior to August 20 (June 20 starting with the 2025-2026 reporting period) of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1 (July 1 starting with the 2025-2026 reporting period). The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
3. Prior to September 1 (July 1 starting with the 2025-2026 reporting period), the budget is legally enacted through passage of a resolution by the Board.

The appropriated budget is prepared by fund, function, and campus/department. The District's campus/department heads may make transfers of appropriations within a campus/department. Transfers of appropriations between campus/departments require the approval of the District's management. Transfers of appropriations between functions require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level within a fund.

B. Excess of Expenditures Over Appropriations

For the ten months ended June 30, 2025, expenditures exceeded appropriations in the following function:

Fund	Function	Final Budget	Actual	Variance
General fund	Interest on long-term debt	$ -	$ 128,382	$ (128,382)

The District exceeded its final budget due to unanticipated reclassification of these expenditures during the period-end financial statement closing process.

C. Encumbrances

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as restricted, committed, or assigned fund balances as appropriate. The encumbrances do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Encumbrances included in governmental fund balances are as follows:

	Encumbrances Included in: Restricted Fund Balance
Capital projects fund	$ 149,736,415
Total encumbrances	$ 149,736,415

Deficit Fund Equity

As of June 30, 2025, the District reported a deficit of $126,190 in the Head Start special revenue fund due to expenditure-driven grant reimbursements not collected within the availability period for this revenue source after period-end.

Note 3. Detailed Notes on All Funds

A. Deposits and Investments

Cash Deposits
The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas School Depository Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the District's and the depository banks' agent bank. The pledged securities shall be in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

Investments
The District's investment policy is in accordance with the Public Funds Investment Act, the Public Funds Collateral Act, and federal and state laws. State law and District policy limits credit risk by allowing investing in:

1. Obligations of, or guaranteed by governmental entities as permitted by the Public Funds Investment Act;
2. Certificates of deposit and share certificates;
3. Fully collateralized repurchase agreements;
4. Securities lending program as permitted by the Public Funds Investment Act;
5. Bankers acceptances with a stated maturity of 270 days or fewer from the date of issuance;
6. Commercial paper, if it has a stated maturity of 365 days or fewer from the date of its issuance and is rated not less than A-1 or P-1 or an equivalent rating by at least
   - two nationally recognized credit rating agencies; or
   - one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state;
7. No-load mutual funds, except for bond proceeds, and no-load money market mutual funds, as permitted by the Public Funds Investment Act;
8. A guaranteed investment contract (for bond proceeds only) which meets the criteria and eligibility requirements established by the Public Funds Investment Act;
9. Public funds investment pools as permitted by the Public Funds Investment Act.

The District's investments are in investment pools, are measured at amortized cost or Net Asset Value (NAV) and are not required to be categorized in the fair value hierarchy as presented in the table below. The District's investment balances, weighted average maturity, and rating of such investments are as follows:

	June 30, 2025	Percent of Total Investments	Weighted Average Maturity (Days)	Rating
Investments measured at amortized cost:				
Investment pools:				
TexPool	$ 896,143	0%	38	AAAm*
Lone Star - government overnight fund	130,154	0%	28	AAAm*
Lone Star - corporate overnight fund	8,614,312	4%	32	AAAm*
Investments measured at Net Asset Value (NAV):				
Investment pools:				
Texas CLASS	219,786,228	96%	37	AAAm*
Texas CLASS Government	114,039	0%	18	AAAm*
Total value	$ 229,540,876	100%		
Portfolio weighted average maturity			37	

* Standard & Poor's Rating

TexPool is duly chartered and overseen by the State Comptroller's Office, administered and managed by Federated Investors, Inc. State Street Bank serves as the custodial bank. The portfolio consists of U.S. Government securities; collateralized repurchase and reverse repurchase agreements; and AAA rated money market mutual funds.

Lone Star is duly chartered by the State of Texas Interlocal Cooperation Act, is administered by First Public, LLC, a subsidiary of the Texas Association of School Boards, and managed by Mellon Investments Corporation and American Beacon Advisors. State Street Bank and Trust Company is the custodial bank.

The TexPool and Lone Star investment pools are external investment pools measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, investment pools must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The investment pools transact at a net asset value of $1.00 per share, have a weighted average maturity of 60 days or less and weighted average life of 120 days or less, investments held are highly rated by nationally recognized statistical rating organization, have no more than 5% of portfolio with one issuer (excluding US government securities), and can meet reasonably foreseeable redemptions. TexPool and Lone Star have a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

Texas CLASS was created in accordance with the requirements contained in section 2256.016 of the Public Funds Investment Act (PFIA). 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 government entities that choose to participate in the Trust (the Participants), Public Trust Advisors, LLC (Public Trust) as Program Administrator, and UMB Bank, N.A. as Custodian.

Texas CLASS is an external investment pool measured at fair value, i.e., net asset value. The investment pool's strategy is to seek preservation of principal, liquidity, and current income through investment in a diversified portfolio of short-term marketable securities. There are no unfunded commitments related to the investment pools. Texas CLASS has a redemption notice period of one day and may redeem daily. The investment pool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pool's liquidity. The Texas CLASS portfolio consists of U.S. Government securities; collateralized repurchase and reverse repurchase agreements; AAA rated money market mutual funds; and commercial paper. The Texas CLASS Government portfolio consists of U.S. Government securities; collateralized repurchase and reverse repurchase agreements; and AAA rated money market mutual funds.

Credit Risk
All credit ratings met acceptable levels required by legal guidelines prescribed in both the Public Funds Investment Act and the District's investment policy. At period-end, the District's investments were rated as noted in the previous page.

Interest Rate Risk
Interest rate risk is the risk that changes in interest rates may adversely affect the value of the investments. The District monitors interest rate risk utilizing weighted average maturity analysis. In accordance with its investment policy, the District shall have a maximum dollar weighted maturity of 180 days. The maximum allowable stated maturity of any other individual investment owned by the District is not to exceed one year from the time of purchase.

Concentration of Credit Risk
The District's investment policy does not limit an investment in any one issuer. The investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over-concentration of assets in a specific class of investments, specific maturity, or specific issuer.

Custodial Credit Risk – Deposits
In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2025, the District's bank balance was not exposed to custodial credit risk because it was insured and collateralized with securities held by the District's agent in the District's name.

Custodial Credit Risk – Investments
For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investments are held by the District's agent in the District's name for the benefit of the District.

B. Receivables

Tax revenues of the general and debt service fund are reported net of estimated uncollectible amounts. Total change in uncollectible amounts related to revenues of the current period increased (decreased) revenues as follows:

Change in uncollectibles related to general fund property taxes	$ (35,878)
Change in uncollectibles related to debt service property taxes	(14,220)
Total change in uncollectibles in the current fiscal year	$ (50,098)

Approximately 99% of the outstanding balance of property taxes receivable is not anticipated to be collected within the next year.

Interfund Receivables, Payables, and Transfers

1. Receivables/Payables

The composition of interfund balances as of June 30, 2025, is as follows:

Fund	Interfund Receivables	Interfund Payables
General fund	$ 10,446,021	$ 8,150
Capital projects fund	-	9,362,969
Nonmajor governmental funds	8,150	1,083,052
Totals	$ 10,454,171	$ 10,454,171

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

2. Transfers

Interfund transfers are defined as "flows of assets without equivalent flow of assets in return and without a requirement for repayment." Transfers are the use of funds collected in one fund and are transferred to finance various programs accounted for in other funds. The District reported no interfund transfers for the ten months ended June 30, 2025.

C. Capital Assets

Capital asset activity for the ten months ended June 30, 2025 was as follows:

	Beginning Balance	Additions	Retirements, Transfers, and Adjustments	Ending Balance
Governmental activities:				
Capital assets, not being depreciated and amortized:				
Land and improvements	$ 25,507,272	$ -	$ -	$ 25,507,272
Construction in progress	25,369,730	38,192,966	(22,286,499)	41,276,197
Total capital assets, not being depreciated and amortized	50,877,002	38,192,966	(22,286,499)	66,783,469
Capital assets, being depreciated and amortized:				
Buildings and improvements	559,330,087	149,569	22,248,820	581,728,476
Furniture and equipment	51,667,251	6,830,207	(229,542)	58,267,916
Right-to-use lease assets - furniture and equipment	308,020	1,264,629	(308,020)	1,264,629
Right-to-use subscription assets	4,131,594	9,602	(513,567)	3,627,629
Total capital assets, being depreciated and amortized	615,436,952	8,254,007	21,197,691	644,888,650
Less accumulated depreciation and amortization for:				
Buildings and improvements	(220,071,690)	(13,883,693)	37,679	(233,917,704)
Furniture and equipment	(37,436,375)	(2,955,047)	229,542	(40,161,880)
Right-to-use lease assets - furniture and equipment	(133,718)	(406,936)	287,728	(252,926)
Right-to-use subscription assets	(1,084,364)	(727,209)	196,988	(1,614,585)
Total accumulated depreciation and amortization	(258,726,147)	(17,972,885)	751,937	(275,947,095)
Total capital assets, being depreciated and amortized, net	356,710,805	(9,718,878)	21,949,628	368,941,555
Governmental activities capital assets, net	$ 407,587,807	$ 28,474,088	$ (336,871)	$ 435,725,024
Business-type activities:				
Capital assets, being depreciated:				
Furniture and equipment	$ 7,902	$ 54,740	$ -	$ 62,642
Less accumulated depreciation:				
Furniture and equipment	(7,902)	-	-	(7,902)
Business-type activities capital assets, net	$ -	$ 54,740	$ -	$ 54,740

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

Governmental activities:		
11	Instruction	$ 11,578,502
12	Instructional resources and media services	233,399
13	Curriculum and instructional staff development	48,571
21	Instructional leadership	155
23	School leadership	632,749
31	Guidance, counseling, and evaluation services	250,332
33	Health services	81,211
34	Student transportation	1,101,967
35	Food services	295,141
36	Extracurricular activities	1,646,344
41	General administration	236,091
51	Plant maintenance and operations	843,677
52	Security and monitoring services	226,254
53	Data processing services	768,446
61	Community services	30,046
Total depreciation and amortization expense - governmental activities		$ 17,972,885

Construction Commitments
The District has active construction projects as of June 30, 2025. The projects include the construction and equipment of school facilities. At period end, the District's commitments with contractors are as follows:

Project	Remaining Commitment
CSHS addition/renovation	$ 39,475,635
AMCHS addition/renovation	35,852,850
AMCHS stadium renovations	26,539,980
College Station CTE Facility	26,148,905
Rock Prarie Elementary addition/renovation	10,958,508
CSISD baseball & softball fields	5,844,933
AMCHS building roof replacement	2,938,723
CSISD MS field improvements	1,976,881
Total	$ 149,736,415

The commitment for construction and equipment of school facilities is being financed by general obligation bonds secured by ad valorem tax revenues.

D. Long-term Liabilities

The District's long-term liabilities consist of bond indebtedness, leases payable, subscriptions payable, arbitrage liability, self-insured workers' compensation, compensated absences, and net pension and OPEB liability. The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund. The current requirements for the self-funded workers' compensation claims are accounted for in the internal service fund. Other long-term liabilities are generally liquidated with resources of the general fund.

Changes in Long-term Liabilities

Long-term liability activity for the ten months ended June 30, 2025, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	$ 393,685,000	$ 189,820,000	$ (45,095,000)	$ 538,410,000	$ 28,485,000
Issuance premiums	24,630,619	12,790,939	(4,298,121)	33,123,437	-
Total bonds payable, net	418,315,619	202,610,939	(49,393,121)	571,533,437	28,485,000
Leases payable	90,733	1,264,629	(314,300)	1,041,062	246,518
Subscriptions payable	2,911,649	9,602	(921,398)	1,999,853	644,447
Arbitrage liability	1,635,355	895,119	(64,534)	2,465,940	-
Workers' compensation	576,132	-	(195,939)	380,193	380,193
Compensated absences*	13,857,054	144,233	-	14,001,287	5,147,965
Net pension liability	51,908,705	5,072,265	(10,745,847)	46,235,123	-
Net OPEB liability	23,235,153	9,539,081	(1,175,481)	31,598,753	-
Governmental activities long-term liabilities	$ 512,530,400	$ 219,535,868	$ (62,810,620)	$ 669,255,648	$ 34,904,123

* Beginning balance was adjusted to reflect implementation of GASB Statement No. 101, *Compensated Absences.* Compensated absences are reported as a net change for the period as allowed under the provisions of GASB 101, paragraph 30.

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities.

General Obligation Bonds

The District issues general obligation bonds to provide funds for the construction and equipment of school facilities (SCH) and to refund general obligation bonds (REF). General obligation bonds are direct obligations and pledge the full faith and credit of the District.

The following is a summary of changes in the general obligation bonds for the ten months ended:

Series	Interest Rate	Original Issue	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance
2014 SCH	3.00-5.00%	78,790,000	2039	$ 43,775,000	$ -	$ (31,465,000)	$ 12,310,000
2015 REF	2.00-5.00%	46,455,000	2028	12,980,000	-	-	12,980,000
2016 SCH	2.00-5.00%	64,100,000	2042	45,235,000	-	(11,760,000)	33,475,000
2016 REF	1.75-5.00%	37,345,000	2035	25,070,000	-	-	25,070,000
2017 SCH	3.00-5.00%	65,450,000	2043	54,255,000	-	-	54,255,000
2017 REF	3.00-5.00%	46,125,000	2037	45,510,000	-	-	45,510,000
2022 SCH	2.25 - 5.00%	73,470,000	2047	72,415,000	-	(1,870,000)	70,545,000
2024 SCH	4.00-5.00%	94,445,000	2050	94,445,000	-	-	94,445,000
2024 SCH & REF	5.00%	189,820,000	2051	-	189,820,000	-	189,820,000
Totals				$ 393,685,000	$ 189,820,000	$ (45,095,000)	$ 538,410,000

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

Year Ending June 30,	Principal	Interest	Total Requirements
2026	$ 28,485,000	$ 19,065,660	$ 47,550,660
2027	22,610,000	21,104,844	43,714,844
2028	21,545,000	20,133,644	41,678,644
2029	21,445,000	19,173,969	40,618,969
2030	22,430,000	18,142,419	40,572,419
2031	23,905,000	17,092,344	40,997,344
2032	24,710,000	16,090,309	40,800,309
2033	22,380,000	14,949,538	37,329,538
2034	26,990,000	13,981,875	40,971,875
2035	28,035,000	12,945,778	40,980,778
2036	27,105,000	11,891,400	38,996,400
2037	24,050,000	10,892,306	34,942,306
2038	22,535,000	9,971,444	32,506,444
2039	19,905,000	9,135,747	29,040,747
2040	19,870,000	8,345,750	28,215,750
2041	20,665,000	7,536,547	28,201,547
2042	21,505,000	6,675,381	28,180,381
2043	18,870,000	5,870,894	24,740,894
2044	15,565,000	5,178,675	20,743,675
2045	16,225,000	4,506,475	20,731,475
2046	16,910,000	3,798,819	20,708,819
2047	17,635,000	3,063,813	20,698,813
2048	14,175,000	2,296,069	16,471,069
2049	14,845,000	1,609,906	16,454,906
2050	15,550,000	891,056	16,441,056
2051	10,465,000	261,624	10,726,624
Totals	$ 538,410,000	$ 264,606,286	$ 803,016,286

As of June 30, 2025, the District has $96,175,000 of authorized but unissued bonds available from the November 2023 bond elections.

In June 2025, the District issued $189,820,000 of Unlimited Tax Building and Refunding Bonds, Series 2025. The issuance refunded $43,225,000 of the District's Series 2014 and 2016 bonds and was initiated to provide long-term financing at fixed rates and to pay the costs of issuance related to the bonds. The net carrying value of the old debt was more than the reacquisition price by $1,523,229. This amount is amortized over the life of the new debt. The refunding resulted in a debt service savings of $1,754,476 and an economic gain of $1,336,888. The Bonds are scheduled to mature on August 15, 2050.

The District defeased certain bonds through the issuance of new bonds and placed the proceeds in an irrevocable trust to provide for all future debt service payments of the old bonds. Accordingly, the trust account securities and the liability for the defeased bonds are not included in the District's basic financial statements. As of June 30, 2025, the remaining outstanding defeased bonds to be called for redemption was $43,225,000.

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed or are not performed correctly, a liability to the District could result. The District periodically engages an arbitrage consultant to perform the calculations in accordance with the Internal Revenue Service's rules and regulations. The District identified arbitrage liability of $2,465,940 as of June 30, 2025.

Leases Payable

The District has entered into a lease agreement as lessee. The lease allows the right-to-use copiers over the term of the lease. The District is required to make monthly payments at its incremental borrowing rate or the interest rate stated or implied within the leases. The lease rate, term and ending lease liability are as follows:

	Interest Rate(s)	Lease Term in Years	Ending Balance
Governmental activities:			
Copiers	4.02%-4.99%	4.0-5.0	$ 1,041,062
Total governmental activities			$ 1,041,062

The future principal and interest lease payments as of period end are as follows:

Year Ending June 30,	Principal	Interest	Total Requirements
2026	$ 246,518	$ 26,971	$ 273,489
2027	248,613	24,877	273,490
2028	250,725	22,765	273,490
2029	252,855	20,634	273,489
2030	42,351	3,231	45,582
Totals	$ 1,041,062	$ 98,478	$ 1,139,540

The value of the right-to-use assets as of the end of the current period was $1,264,629 and had accumulated amortization of $252,926.

Subscription Based Information Technology Arrangements (SBITA)

The District has entered into multiple SBITAs that allow the right-to-use the SBITA vendor's information technology software over the subscription term. The District is required to make annual payments at its incremental borrowing rate or the interest rate stated or implied within the SBITAs. The SBITA rate, term and ending subscription liability are as follows:

	Interest Rate(s)	SBITA Term in Years	Ending Balance
Governmental activities:			
Software subscriptions	4.19%-4.30%	2.0-4.0	$ 1,999,853
Total governmental activities			$ 1,999,853

The future principal and interest SBITA payments as of period end are as follows:

Year Ending June 30,	Principal	Interest	Total Requirements
2026	$ 644,447	$ 86,480	$ 730,927
2027	649,951	56,791	706,742
2028	705,455	29,559	735,014
Totals	$ 1,999,853	$ 172,830	$ 2,172,683

The value of the subscription assets as of the end of the current period was $3,627,629 and had accumulated amortization of $1,614,586.

E. Fund Balance

Other committed fund balance includes the following commitments of funds:

Governmental funds:	
General fund - insurance reserves	$ 1,000,000
Campus activity	2,423,827
Total other committed fund balance	$ 3,423,827

F. Revenues from Local and Intermediate Sources

During the current period, revenues from local and intermediate sources of the governmental funds consisted of the following:

	General	Debt Service	Capital Projects Funds	Nonmajor Governmental Funds	Totals
Property taxes	$ 100,875,652	$ 39,914,792	$ -	$ -	$ 140,790,444
Investment income	2,710,719	1,287,877	3,888,247	110,041	7,996,884
Charges for services	759,766	-	-	3,315,842	4,075,608
Gifts and bequests	115,753	-	-	899,997	1,015,750
Other	168,088	-	53,608	1,404,206	1,625,902
Totals	$ 104,629,978	$ 41,202,669	$ 3,941,855	$ 5,730,086	$ 155,504,588

Note 4. Other Information

A. Risk Management

General
Like all public-school districts, 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. The District has purchased commercial insurance for claims related to all risks.

Health Care Coverage
During the period ended June 30, 2025, employees of the District were covered by Texas Municipal League Health Benefits Pool (the Pool) a cost sharing risk pool. The District paid a minimum of $472 in premiums per month, per employee to the Pool. Employees, at their option, authorized payroll withholdings to pay premiums for dependents.

Workers' Compensation
During the period ended June 30, 2025, the District met its statutory workers' compensation obligations by participating as a self-funded member of the Texas Association of School Boards (TASB) Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and Chapter 504, Texas Labor Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

As a self-funded member of the Fund, the District is solely responsible for all claim costs, both reported and unreported. The Fund provides administrative services to its self-funded members including claims administration and customer service.

The District is protected against higher-than-expected claims costs through the purchase of stop loss coverage.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2024, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

The liability estimation requires the estimate of loss development over an extended period of time. Numerous internal and external factors will affect the ultimate settlement value of claims. Due to the inherent uncertainty with regard to the impact of these factors, there can be no guarantee that actual losses will not vary, perhaps significantly, from the estimates. There were no significant reductions in insurance coverage from the prior year or settlements exceeding insurance coverage for each of the past three fiscal years. The following is a summary of the changes in the balances of claims liabilities for workers' compensation for the past two periods:

	Ten Months Ended 6/30/2025	Year Ended 8/31/2024
Unpaid claims, beginning of fiscal year	$ 576,132	$ 765,015
Incurred claims (including IBNRs and changes in provisions)	-	-
Claim payments	(195,939)	(188,883)
Unpaid claims, end of fiscal year	$ 380,193	$ 576,132

B. Litigation and Contingencies

The District is generally involved in legal claims or assessments arising principally in the normal course of operations. In the opinion of the District's management, the District does not expect a loss and such matters will not have a material effect on the District's financial position, results of operations or liquidity.

The District participates in a number of federal and state financial assistance programs. Although the District's grant programs have been audited in accordance with the provisions of the Single Audit Act through June 30, 2025, these programs are subject to financial and compliance audits by the grantor agencies. The District is also subject to audit by the TEA of the attendance data upon which payments from the agency are based. These audits could result in questioned costs or refunds to be paid back to the granting agencies.

C. Defined Benefit Pension Plan

Plan Description
The District participates in a cost-sharing multiple-employer defined benefit pension plan that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS) and 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 workload and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

Pension Plan Fiduciary Net Position
Detailed information about the TRS's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/learning-resources/publications ; by writing to TRS at P.O. Box 149676, Austin, TX 78714-0185; or by calling 1-800-223-8778.

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

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

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

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

Rates for such plan fiscal years are as follows:

	Contribution Rates	
	2025	2024
Member	8.25%	8.25%
Non-employer contributing entity (State)	8.25%	8.25%
Employers (District)	8.25%	8.25%

The contribution amounts for the District's ten months ended June 30, 2025 are as follows:

District contributions	$ 3,448,013
Member contributions	7,195,517
NECE on-behalf contributions (State)	5,324,153

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

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 the 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 colleges, 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 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 are two surcharges an employer is subject to:

- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment-after-retirement surcharge.
- Public education employer contribution - all public schools, charter schools and regional education service centers must contribute 1.9% of the member's salary beginning in fiscal year 2024, gradually increasing to 2.0% in fiscal year 2025.

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

On June 30, 2025, the District reported a liability of $46,235,123 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District are as follows:

District's proportionate share of the net pension liability	$ 46,235,123
State's proportionate share of the net pension liability associated with the District	65,805,666
Total	$ 112,040,789

The net pension liability was measured as of August 31, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as August 31, 2023 rolled forward to August 31, 2024. 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, 2023 through August 31, 2024.

At the measurement date of August 31, 2024, the District's proportion of the collective net pension liability was 0.0756908%, which was an increase of 0.0001217% from its proportion measured as of August 31, 2023.

For the ten months ended June 30, 2025, the District recognized pension expense of $14,900,541 and revenue of $7,864,877 for support provided by the State.

On June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,548,417	$ 360,981
Changes of assumptions	2,387,218	320,044
Difference between projected and actual earnings on pension plan investments	281,047	-
Changes in proportion and differences between District's contributions and the proportionate share of contributions	4,201,681	2,108,654
District contributions paid subsequent to the measurement date	3,448,013	-
Totals	$ 12,866,376	$ 2,789,679

$3,448,013 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2026	$ 584,588
2027	5,736,363
2028	973,127
2029	(828,395)
2030	163,001
Total	$ 6,628,684

Actuarial Methods and Assumptions

The actuarial valuation of the total pension liability was performed as of August 31, 2023. Update procedures were used to roll forward the total pension liability to August 31, 2024 and was determined using the following actuarial methods and assumptions:

Actuarial cost method	Individual entry age normal
Asset valuation method	Fair value
Single discount rate	7.00%
Long-term expected rate of return	7.00%
Municipal bond rate as of August 2024	3.87% - The source for the rate is the Bond Buyers 20 Index which represents the estimated yield of a portfolio of 20 general obligation bonds maturing in 20 years based on a survey of municipal bond traders.
Last year ending August 31 in projection period (100 years)	2123
Inflation	2.30%
Salary increases	2.95% to 8.95% including inflation
Ad hoc postemployment benefit changes	None
Mortality rates	The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published projection scale ("U-MP"). The active mortality rates were based on the published PUB(2010) Mortality Tables for Teachers, below median, also with full generational mortality.

The actuarial methods and assumptions are primarily based on a study of actual experience for the four-year period ending August 31, 2021 and adopted in July 2022.

Discount Rate and Long-term Expected Rate of Return

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 pension plan investments of 7.00%. The projection of cash flows used to determine the single discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity will be made at the rates set by the legislature in the 2019 session. It is assumed that future employer and state contributions will be 9.54 percent of payroll in fiscal year 2025 and thereafter. This includes all employer and state contributions for active and rehired retirees.

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

The long-term expected rate of return on pension plan investments 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 weighing 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 TRS's target asset allocation as of August 31, 2024 are summarized below:

Asset Class	Target Allocation**	Long-term Expected Geometric Real Rate of Return***	Expected Contribution to Long-term Portfolio Returns
Global equity:			
U.S.	18.0%	4.4%	1.0%
Non-U.S. developed	13.0%	4.2%	0.8%
Emerging markets	9.0%	5.2%	0.7%
Private equity	14.0%	6.7%	1.2%
Stable value:			
Government bonds	16.0%	1.9%	0.4%
Absolute return*	-	4.0%	-
Stable value hedge funds	5.0%	3.0%	0.2%
Real return:			
Real estate	15.0%	6.6%	1.2%
Energy, natural resources and infrastructure	6.0%	5.6%	0.4%
Commodities	-	2.5%	-
Risk parity:			
Risk parity	8.0%	4.0%	0.4%
Asset allocation leverage:			
Cash	2.0%	1.0%	-
Asset allocation leverage	-6.0%	1.3%	-0.1%
Inflation expectation			2.4%
Volatility drag****			-0.7%
Total	100.0%		7.9%

* Absolute return includes credit sensitive investments.

** Target allocations are based on the FY 2024 policy model.

*** Capital market assumptions (CMA) come from 2024 SAA Study CMA Survey (as of 12/31/2023).

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

Discount Rate Sensitivity Analysis
The following table presents the District's proportionate share of the TRS net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher 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	$ 73,849,207	$ 46,235,123	$ 23,354,891

Change of Assumptions Since the Prior Measurement Date
The actuarial assumptions and methods are the same as used in the determination of the prior year's net pension liability.

Change of Benefit Terms Since the Prior Measurement Date
The 2023 Texas Legislature passed Senate Bill 10 (SB 10), which provided a stipend payment to certain retirees and variable ad hoc cost-of-living adjustments (COLA) to certain retirees in early fiscal year 2024. Due to its timing, the legislation and payments were not reflected in the August 31, 2023 actuarial valuation. Under the roll forward method, an adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, August 31, 2024. SB 10 and House Joint Resolution 2 (HJR 2) of the 88th Regular Legislative Session appropriated payments of $1.645 billion for one-time stipends and $3.355 billion for COLAs. This appropriation is treated as a supplemental contribution and included in other additions. Since the Legislature appropriated funds for this one-time stipend and COLA, there was no impact on the Net Pension Liability of TRS.

D. Defined Other Postemployment Benefit Plan

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 benefit Other Postemployment Benefit (OPEB) plan that has a special funding situation. TRS-Care was established in 1986 by the Texas Legislature and is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees in accordance with the Texas Insurance Code, Chapter 1575. 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
Detailed information about the TRS-Care's fiduciary net position is available in the separately issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/learning-resources/publications; by writing to TRS at P.O. Box 149676, Austin, TX 78714-0185; or by calling 1-800-223-8778.

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

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. There are no automatic post-employment benefit changes; including automatic cost of living adjustments (COLAs). The Board of Trustees of TRS is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052.

The 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.

Rates for such plan fiscal years are as follows:

	Contribution Rates	
	2025	2024
Active employee	0.65%	0.65%
Non-employer contribution entity (State)	1.25%	1.25%
Employers (District)	0.75%	0.75%
Federal/private funding*	1.25%	1.25%

*Contributions paid from federal funds and private grants are remitted by the employer (District) and paid at the State rate.

The contribution amounts for the District's ten months ended June 30, 2025 are as follows:

District contributions	$ 781,947
Member contributions	566,920
NECE on-behalf contributions (State)	1,002,287

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 TRS-Care a monthly surcharge of $535 per retiree.

The State of Texas also contributed $674,829, $557,887 and $549,497 in 2025, 2024, and 2023, respectively, for on-behalf payments for Medicare Part D.

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

On June 30, 2025, the District reported a liability of $31,598,753 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided by the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District are as follows:

District's proportionate share of the net OPEB liability	$ 31,598,753
State's proportionate share of the net OPEB liability associated with the District	39,592,809
Total	$ 71,191,562

The net OPEB liability was measured as of August 31, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as August 31, 2023 rolled forward to August 31, 2024. The District's proportion of the net OPEB liability was based on the District's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2023 through August 31, 2024.

At the measurement date of August 31, 2024, the employer's proportion of the collective net OPEB liability was 0.1041093%, which was a decrease of -0.0008453% from its proportion measured as of August 31, 2023.

For the ten months ended June 30, 2025, the District recognized net OPEB revenue of $(8,292,874) due to recognition of deferred inflows in excess of deferred outflows and current year expense. OPEB revenue of $(5,146,334) was recognized for support provided by the State.

On June 30, 2025, the District reported it's proportionate share of the TRS' deferred outflows of resources and deferred inflows of resources related to other postemployment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 6,056,420	$ 15,769,491
Changes of assumptions	4,044,267	10,310,307
Difference between projected and actual earnings on OPEB plan investments	-	88,487
Changes in proportion and difference between District's contributions and the proportionate share of contributions	3,175,658	1,853,142
District contributions paid subsequent to the measurement date	781,947	-
Totals	$ 14,058,292	$ 28,021,427

$781,947 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	
2026	$ (3,972,269)
2027	(2,541,128)
2028	(3,568,824)
2029	(3,058,561)
2030	(1,631,056)
Thereafter	26,756
Total	$ (14,745,082)

Actuarial Methods and Assumptions
The actuarial valuation of the total OPEB liability was performed as of August 31, 2023. Update procedures were used to roll forward the total OPEB liability to August 31, 2024.

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The following assumptions used for the valuation of the TRS-Care OPEB liability are identical to the assumptions employed in the August 31, 2023 TRS pension actuarial valuation that was rolled forward to August 31, 2024:

Demographic Assumptions	Economic Assumptions
Rates of mortality	General inflation
Rates of retirement	Wage inflation
Rates of termination	
Rates of disability	

See Note 4.C. for detail on these assumptions. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2021.

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

The initial medical trend rate was 6.75 percent for non-Medicare retirees. For Medicare retirees, trend rates are higher in the first two years due to anticipated growth but thereafter match those of non-Medicare retirees. The initial prescription drug trend rate was 7.25 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 11 years.

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

Actuarial cost method	Individual entry age normal
Single discount rate	3.87% as of August 31, 2024
Aging factors	Based on the Society of Actuaries' 2013 Study "Health Care Costs - From Birth to Death".
Election rates	Normal retirement: 62% participation prior to age 65 and 25% Pre-65 retirees: 30% of pre-65 retirees are assumed to
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Ad hoc postemployment benefit changes	None

Discount Rate

A single discount rate of 3.87% was used to measure the total OPEB liability at August 31, 2024. This was a decrease of 0.26% in the discount rate since the August 31, 2023 measurement date. The plan is essentially a "pay-as-you-go" plan and based on the assumption that contributions are made at the statutorily required rates, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments to current plan members and therefore, the single discount rate is equal to the prevailing municipal bond rate. The source for the rate is the same used for the pension plan.

Sensitivity Analysis of Rates

Discount Rate

The following table presents the District's proportionate share of the TRS-Care net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that was 1% less than and 1% greater than the discount rate that was used (3.87%) in measuring the net OPEB liability.

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
District's proportionate share of the net OPEB liability	$ 37,540,795	$ 31,598,753	$ 26,797,493

Healthcare Cost Trend Rates

The following table presents the District's proportionate share of net OPEB liability using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% lower or 1% higher than the assumed health-care cost trend rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 25,732,493	$ 31,598,753	$ 39,243,074

Change of Assumptions Since the Prior Measurement Date
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 discount rate changed from 4.13% as of August 31, 2023 to 3.87% as of August 31, 2024. Additionally, the tables used to model the impact of aging on the underlying claims were revised.

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

E. Shared Services Arrangement

Brazos Valley Regional Day School Program for the Deaf
The District participates in a shared services arrangement, Brazos Valley Regional Day School Program for the Deaf, with numerous districts for the education of students with a hearing impairment. The District neither has a joint ownership interest in capital assets purchased by the fiscal agent, Bryan Independent School District, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent is responsible for the financial activities of the shared services arrangement. The District's portion of expenditures for the ten months ended June 30, 2025 totaled $142,847.

F. Nonmonetary Transactions

During 2025, the District received goods purchased by the State of Texas for the benefit of the District through the Technology and Instructional Materials Allotment program. The instructional materials have been recorded in the amount of $460 in a special revenue fund as both state revenues and expenditures, which represents the amount of consideration given by the State of Texas.

During 2025, the District received goods purchased by the Texas Department of Agriculture (TDA) through the Food Distribution Program (commodities). These commodities have been recorded in the amount of $605,347 in a special revenue fund as federal revenues, which represents the amount of consideration given by TDA.

G. Extraordinary Items

During 2025, the District reported certain transactions as extraordinary items that are unusual in nature and infrequent in occurrence:

	General Fund	Debt Service Fund
Insurance recovery for water line rupture at Pebble Creek Elementary	$ 413,837	$ -
Insurance recovery for misdirected payment on bond redemption	-	500,000
Payments for water line rupture at Pebble Creek Elementary	(607,534)	-
Totals	$ (193,697)	$ 500,000

Note 5. Adjustments to and Restatements of Beginning Balances

During the ten months ended June 30, 2025, a change in accounting principles for the adoption of GASB 101, *Compensated Absences*, resulted in a restatement of beginning net position, as follows:

	Government-Wide Governmental Activities
Beginning balance, as previously reported	$ 74,617,493
Change in accounting principle	(12,918,234)
Beginning balance, as restated	$ 61,699,259

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Required Supplementary Information
(Unaudited)

College Station Independent School District

Exhibit G-1

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual General Fund
For the Ten Months Ended June 30, 2025

Data Control Codes		1 Budgeted Amounts Original	2 Budgeted Amounts Final	3 Actual	Variance with Final Budget
	REVENUES				
5700	Local and intermediate sources	$ 106,908,437	$ 103,394,912	$ 104,629,978	$ 1,235,066
5800	State program revenues	40,344,249	42,357,774	40,129,954	(2,227,820)
5900	Federal program revenues	1,295,000	1,295,000	471,566	(823,434)
5020	Total revenues	148,547,686	147,047,686	145,231,498	(1,816,188)
	EXPENDITURES				
	Current:				
0011	Instruction	89,283,530	81,576,377	78,822,540	2,753,837
0012	Instructional resources and media services	1,461,555	1,294,046	1,174,026	120,020
0013	Curriculum and instructional staff development	1,758,292	1,130,330	793,957	336,373
0021	Instructional leadership	2,333,298	2,440,177	2,111,337	328,840
0023	School leadership	7,443,740	7,428,130	6,154,232	1,273,898
0031	Guidance, counseling, and evaluation services	6,325,769	6,175,438	5,171,818	1,003,620
0033	Health services	1,995,676	1,930,307	1,543,221	387,086
0034	Student transportation	5,482,598	4,771,412	3,843,187	928,225
0035	Food services	2,258	2,258	1,842	416
0036	Extracurricular activities	5,860,741	5,317,837	5,208,738	109,099
0041	General administration	5,186,794	4,008,692	3,937,966	70,726
0051	Plant maintenance and operations	18,045,045	17,290,045	14,555,705	2,734,340
0052	Security and monitoring services	2,278,817	2,273,463	1,827,494	445,969
0053	Data processing services	4,138,565	3,584,133	2,790,748	793,385
0061	Community services	162,123	122,123	98,970	23,153
	Debt service:				
0071	Principal on long-term debt	-	1,003,512	889,800	113,712
0072	Interest on long-term debt	-	-	128,382	(128,382)
	Intergovernmental charges:				
0093	Payments related to shared services arrangements	140,000	145,857	142,847	3,010
0095	Payments to juvenile justice alternative education programs	14,000	14,000	10,592	3,408
0099	Other intergovernmental charges	1,626,553	1,426,553	1,399,450	27,103
6030	Total expenditures	153,539,354	141,934,690	130,606,852	11,327,838
1100	Excess (deficiency) of revenues over (under) expenditures	(4,991,668)	5,112,996	14,624,646	9,511,650
	OTHER FINANCING SOURCES (USES)				
7913	Issuance of leases	-	-	1,264,629	1,264,629
7940	Issuance of subscriptions	-	-	9,602	9,602
7949	Insurance proceeds	-	-	10,022	10,022
8949	Refunds to taxpayers	-	-	(1,439,166)	(1,439,166)
7080	Total other financing sources (uses)	-	-	(154,913)	(154,913)
	EXTRAORDINARY ITEMS				
7919	Extraordinary gain	-	413,837	413,837	-
8913	Extraordinary loss	-	(608,905)	(607,534)	1,371
7080	Total extraordinary items	-	(195,068)	(193,697)	1,371
1200	Net change in fund balance	(4,991,668)	4,917,928	14,276,036	9,358,108
0100	Fund balance - beginning	43,905,922	43,905,922	43,905,922	-
1300	Restatement of beginning fund balance	-	-	-	-
	Fund balance - beginning, as restated	43,905,922	43,905,922	43,905,922	-
3000	**FUND BALANCE - ENDING**	$ 38,914,254	$ 48,823,850	$ 58,181,958	$ 9,358,108

The Notes to the Required Supplementary Information are an integral part of this schedule.

College Station Independent School District **Exhibit G-2**

Schedule of the District's Proportionate Share of the Net Pension Liability
of a Cost-Sharing Multiple-Employer Pension Plan
Teacher Retirement System of Texas
For The Ten Years Ended*

Year	District's Proportion of Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State's Proportionate Share of the Net Pension Liability Associated with the District	Total	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	0.0756908%	$ 46,235,123	$ 65,805,666	$ 112,040,789	$ 106,557,188	43.39%	77.51%
2024	0.0755691%	51,908,705	76,441,554	128,350,259	102,002,006	50.89%	73.15%
2023	0.0691442%	41,049,118	67,923,413	108,972,531	93,618,435	43.85%	75.62%
2022	0.0753375%	19,185,806	30,232,659	49,418,465	91,641,814	20.94%	88.79%
2021	0.0623180%	33,376,266	71,709,152	105,085,418	88,475,028	37.72%	75.54%
2020	0.0716106%	37,225,409	61,296,657	98,522,066	82,679,455	45.02%	75.24%
2019	0.0704920%	38,800,522	65,098,630	103,899,152	78,588,520	49.37%	73.74%
2018	0.0674064%	21,552,941	37,406,346	58,959,287	74,083,764	29.09%	82.17%
2017	0.0685418%	25,900,909	43,719,778	69,620,687	70,905,322	36.53%	78.00%
2016	0.0700071%	24,746,578	39,780,931	64,527,509	65,947,738	37.52%	78.43%

* The amounts presented for the fiscal years were determined as of the Plan's fiscal year end, August 31 of the prior year.

The Notes to the Required Supplementary Information are an integral part of this schedule.

College Station Independent School District **Exhibit G-3**

Schedule of the District's Contributions to the
Teacher Retirement System of Texas Pension Plan
For the Last Ten Fiscal Years*

Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025 **	$ 3,448,013	$ (3,448,013)	$ -	$ 87,218,276	3.95%
2024	4,275,070	(4,275,070)	-	106,557,188	4.01%
2023	3,748,319	(3,748,319)	-	102,002,006	3.67%
2022	3,225,572	(3,225,572)	-	93,618,435	3.45%
2021	3,068,014	(3,068,014)	-	91,641,814	3.35%
2020	2,378,062	(2,378,062)	-	88,475,028	2.69%
2019	2,509,106	(2,509,106)	-	82,679,455	3.03%
2018	2,385,146	(2,385,146)	-	78,588,520	3.03%
2017	2,209,189	(2,209,189)	-	74,083,764	2.98%
2016	2,177,745	(2,177,745)	-	70,905,322	3.07%

* The amounts presented for the fiscal years were determined as of the District's fiscal year end.

** The amounts presented for the period were determined as of the District's fiscal period (ten months) ending June 30.

The Notes to the Required Supplementary Information are an integral part of this schedule.

College Station Independent School District

Exhibit G-4

Schedule of the District's Proportionate Share of the Net OPEB Liability of a Cost-Sharing Multiple-Employer OPEB Plan
Teacher Retirement System of Texas
For the Last Eight Fiscal Years*

Year	District's Proportion of Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	State's Proportionate Share of the Net OPEB Liability Associated with the District	Total	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2025	0.1041093%	$ 31,598,753	$ 39,592,809	$ 71,191,562	$ 106,557,188	29.65%	13.70%
2024	0.1049545%	23,235,153	28,036,783	51,271,936	102,002,006	22.78%	14.94%
2023	0.1012631%	24,246,437	29,576,843	53,823,280	93,618,435	25.90%	11.52%
2022	0.1028063%	39,656,999	53,131,541	92,788,540	91,641,814	43.27%	6.18%
2021	0.1029940%	39,152,652	52,611,780	91,764,432	88,475,028	44.25%	4.99%
2020	0.1577550%	50,022,511	66,468,730	116,491,241	82,679,455	60.50%	2.66%
2019	0.1041698%	52,012,954	65,727,916	117,740,870	78,588,520	66.18%	1.57%
2018	0.0952722%	41,430,286	57,119,812	98,550,098	74,083,764	55.92%	0.91%

* The amounts presented for the fiscal years were determined as of the Plan's fiscal year end, August 31 of the prior year.
Ten years of data is not available.

The Notes to the Required Supplementary Information are an integral part of this schedule.

College Station Independent School District **Exhibit G-5**

Schedule of the District's Contributions to the
Teacher Retirement System of Texas OPEB Plan
For the Last Eight Fiscal Years*

Year		Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	**	$ 781,947	$ (781,947)	$ -	$ 87,218,276	0.90%
2024		948,922	(948,922)	-	106,557,188	0.89%
2023		896,228	(896,228)	-	102,002,006	0.88%
2022		832,091	(832,091)	-	93,618,435	0.89%
2021		828,178	(828,178)	-	91,641,814	0.90%
2020		779,715	(779,715)	-	88,475,028	0.88%
2019		751,461	(751,461)	-	82,679,455	0.91%
2018		717,875	(717,875)	-	78,588,520	0.91%

* The amounts presented for the fiscal years were determined as of the District's fiscal year end.
Ten years of data is not available.

** The amounts presented for the period were determined as of the District's fiscal period (ten months) ending June 30.

The Notes to the Required Supplementary Information are an integral part of this schedule.

Note 1. Budget

A. Budgetary Information

Each school district in Texas is required by law to prepare annually a budget of anticipated revenues and expenditures for the general fund, debt service fund, and the child nutrition special revenue fund. The Texas Education Code requires the budget to be prepared not later than August 20 (June 20 starting with the 2025-2026 reporting period) and adopted by August 31 (July 1 starting with the 2025-2026 reporting period) of each year. The budgets are prepared on a basis of accounting that is used for reporting in accordance with generally accepted accounting principles.

The following procedures are followed in establishing the budgetary data reflected in the fund financial schedules:

1. Prior to August 20 (June 20 starting with the 2025-2026 reporting period) of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1 (July 1 starting with the 2025-2026 reporting period). The operating budget includes proposed expenditure and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
3. Prior to September 1 (July 1 starting with the 2025-2026 reporting period), the budget is formally approved and adopted by the Board.

The appropriated budget is prepared by fund and function. The District's campus/department heads may make transfers of appropriations within a campus or department. Transfers of appropriations between campuses or departments require the approval of the District's management. Increasing any one of the functional spending categories, or revenues object accounts and other resources and uses require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level within a fund. All annual appropriations lapse at fiscal year end.

B. Budget to Actual Expenditures

The District's actual expenditures exceeded its final budget in the following function:

Fund	Function	Final Budget	Actual	Variance
General fund	Interest on long-term debt	$ -	$ 128,382	$ (128,382)

The District exceeded its final budget due to unanticipated reclassification of these expenditures during the year-end financial statement closing process.

Note 2. Net Pension Liability and Net OPEB Liability

The following factors significantly affect trends in the amounts reported for the District's proportionate share of the net pension liability and net OPEB liability:

Changes in Actuarial Assumptions and Inputs

	Net Pension Liability		Net OPEB Liability
Measurement Date August 31,	Discount Rate	Long-term Expected Rate of Return	Discount Rate
2024	7.000%	7.000%	3.870%
2023	7.000%	7.000%	4.130%
2022	7.000%	7.000%	3.910%
2021	7.250%	7.250%	1.950%
2020	7.250%	7.250%	2.330%
2019	7.250%	7.250%	2.630%
2018	6.907%	7.250%	3.690%
2017	8.000%	8.000%	3.420%
2016	8.000%	8.000%	
2015	8.000%	8.000%	

Changes in Demographic and Economic Assumptions

For measurement date August 31, 2018 – Net Pension Liability and Net OPEB Liability:

- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement and economic assumptions, including rates of salary increase for individual participants were updated based on the experience study performed for TRS for the period ending August 31, 2017.

Changes in Benefit Terms

For measurement date August 31, 2024 – Net Pension Liability:

- The 2023 Texas Legislature passed Senate Bill 10 (SB 10), which provided a stipend payment to certain retirees and variable ad hoc cost-of-living adjustments (COLA) to certain retirees in early fiscal year 2024. Due to its timing, the legislation and payments were not reflected in the August 31, 2023 actuarial valuation. Under the roll forward method, an adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, August 31, 2024. SB 10 and House Joint Resolution 2 (HJR 2) of the 88th Regular Legislative Session appropriated payments of $1.645 billion for one-time stipends and $3.355 billion for COLAs. This appropriation is treated as a supplemental contribution and included in other additions. Since the Legislature appropriated funds for this one-time stipend and COLA, there was no impact on the Net Pension Liability of TRS.

For measurement date August 31, 2018 – Net OPEB Liability:

- Changes of benefit terms were made effective September 1, 2017 by the 85th Texas Legislature.

Other Changes
For measurement date August 31, 2024 – Net OPEB Liability:

- The tables used to model impact of aging on the underlying claims were revised.

For measurement date August 31, 2022 – Net OPEB Liability:

- The participation rate for pre-65 retirees was lowered from 65% to 62%. The participation rate for post-65 retirees was lowered from 40% to 25%.

For measurement date August 31, 2020 – Net OPEB Liability:

- The participation rate for post-65 retirees was lowered from 50% to 40%.
- The ultimate health care trend rate assumption decreased to reflect the repeal of the excise (Cadillac) tax on high-cost employer health plans.

For measurement date August 31, 2019 – Net Pension Liability:

- With the enactment of SB3 by the 2019 Texas Legislature, as assumption was made about how this would impact future salaries. It is assumed that eligible active members will each receive a $2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.

For measurement date August 31, 2019 – Net OPEB Liability:

- The participation rate for pre-65 retirees was lowered from 70% to 65%. The participation rate for post-65 retirees was lowered from 75% to 50%. 25% of pre-65 retirees are assumed to discontinue their coverage at age 65.
- The trend rates were reset to better reflect the plan's anticipated experience.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20% to 15%. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20% to 10%.

For measurement date August 31, 2018 – Net OPEB Liability:

- Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018.
- The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020.

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Supplementary Information

College Station Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds – Special Revenue Funds
June 30, 2025

Data Control Codes		205 Head Start	211 ESSA Title I, Part A - Improving Basic Programs	224 IDEA - Part B, Formula	225 IDEA - Part B, Preschool
	ASSETS				
1110	Cash and cash equivalents	$ -	$ -	$ -	$ -
1120	Current investments	-	-	-	-
1240	Due from other governments	509,782	742,339	712,610	5,888
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepaid items	-	-	-	-
1000	**TOTAL ASSETS**	$ 509,782	$ 742,339	$ 712,610	$ 5,888
	LIABILITIES				
2110	Accounts payable	$ 52,898	$ 39,313	$ 2,927	$ -
2160	Accrued wages payable	224,368	276,188	475,662	2,017
2170	Due to other funds	232,516	426,838	234,021	3,871
2300	Unearned revenue	-	-	-	-
2000	Total liabilities	509,782	742,339	712,610	5,888
	DEFERRED INFLOWS OF RESOURCES				
2625	Unavailable revenue - grants	126,190	-	-	-
	Total deferred inflows of resources	126,190	-	-	-
	FUND BALANCES				
3430	Nonspendable - prepaid items	-	-	-	-
3450	Restricted - grant funds	-	-	-	-
3545	Committed - other	-	-	-	-
3600	Unassigned	(126,190)	-	-	-
3000	Total fund balances	(126,190)	-	-	-
4000	**TOTAL LIABILITIES AND FUND BALANCES**	$ 509,782	$ 742,339	$ 712,610	$ 5,888

240	244	255	263	279	282
National School Breakfast and Lunch Program	**Career and Technical - Basic Grant**	**ESSA Title II, Part A - Teacher and Principal Training and Recruiting**	**Title III, Part A - English Language Acquisition and Enhancement**	**Texas COVID Learning Acceleration Supports - ARPA**	**Elementary and Secondary School Emergency Relief Fund III ARPA**
$ 2,190,923	$ -	$ -	$ -	$ -	$ -
208,654	-	-	-	-	-
42,272	8,505	89,946	49,430	-	-
8,150	-	-	-	-	-
8,203	-	-	-	-	-
177,077	-	-	-	-	-
371	-	-	-	-	-
$ 2,635,650	$ 8,505	$ 89,946	$ 49,430	$ -	$ -
$ 45,301	$ -	$ -	$ 23,106	$ -	$ -
171,097	-	-	-	-	-
-	8,505	89,946	26,324	-	-
197,850	-	-	-	-	-
414,248	8,505	89,946	49,430	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,221,402	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,221,402	-	-	-	-	-
$ 2,635,650	$ 8,505	$ 89,946	$ 49,430	$ -	$ -

College Station Independent School District

Combining Balance Sheet
Nonmajor Governmental Funds – Special Revenue Funds – Continued
June 30, 2025

Data Control Codes		289 Federally Funded Special Revenue Funds	385 Supplemental Visually Impaired	397 Advanced Placement Incentives	410 Instructional Materials Allotment Fund
	ASSETS				
1110	Cash and cash equivalents	$ 51,015	$ -	$ 204	$ 7,221
1120	Current investments	-	-	-	-
1240	Due from other governments	5,681	-	-	-
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	672	-	-
1300	Inventories	-	-	-	-
1410	Prepaid items	-	-	-	-
1000	**TOTAL ASSETS**	$ 56,696	$ 672	$ 204	$ 7,221
	LIABILITIES				
2110	Accounts payable	$ -	$ -	$ -	$ 39
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	5,681	672	-	-
2300	Unearned revenue	51,015	-	-	-
2000	Total liabilities	56,696	672	-	39
	DEFERRED INFLOWS OF RESOURCES				
2625	Unavailable revenue - grants	-	-	-	-
	Total deferred inflows of resources	-	-	-	-
	FUND BALANCES				
3430	Nonspendable - prepaid items	-	-	-	-
3450	Restricted - grant funds	-	-	204	7,182
3545	Committed - other	-	-	-	-
3600	Unassigned	-	-	-	-
3000	Total fund balances	-	-	204	7,182
4000	**TOTAL LIABILITIES AND FUND BALANCES**	$ 56,696	$ 672	$ 204	$ 7,221

427	429	461	481	482	
Workforce Investment Act Dislocated Workers Grant	**State-Funded Special Revenue Funds**	**Campus Activity Funds**	**Education Foundation Grant**	**Adam Foundation Security Grant**	**Total Nonmajor Funds (See Exhibit C-1)**
$ -	$ 3,277	$ 2,493,131	$ 32,566	$ 609,440	$ 5,387,777
-	-	-	-	-	208,654
18,165	-	-	-	-	2,223,939
-	-	-	-	-	8,150
-	-	520	-	-	9,395
-	-	-	-	-	177,077
-	-	32,994	-	-	33,365
$ 18,165	$ 3,277	$ 2,526,645	$ 32,566	$ 609,440	$ 8,048,357
$ 2,808	$ -	$ 69,824	$ 24,038	$ -	$ 260,254
-	-	-	-	-	1,149,332
15,357	-	-	-	-	1,083,052
-	-	-	8,107	-	256,972
18,165	-	69,824	32,145	-	2,749,610
-	-	-	-	-	126,190
-	-	-	-	-	126,190
-	-	32,994	-	-	32,994
-	3,277	-	421	609,440	2,841,926
-	-	2,423,827	-	-	2,423,827
-	-	-	-	-	(126,190)
-	3,277	2,456,821	421	609,440	5,172,557
$ 18,165	$ 3,277	$ 2,526,645	$ 32,566	$ 609,440	$ 8,048,357

College Station Independent School District

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds – Special Revenue Funds
For the Ten Months Ended June 30, 2025

Data Control Codes		205 Head Start	211 ESSA Title I, Part A - Improving Basic Programs	224 IDEA - Part B, Formula	225 IDEA - Part B, Preschool
	REVENUES				
5700	Local and intermediate sources	$ 1,441	$ 915	$ 865	$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	2,326,677	2,450,824	2,690,932	40,861
5020	Total revenues	2,328,118	2,451,739	2,691,797	40,861
	EXPENDITURES				
	Current:				
0011	Instruction	1,297,990	1,864,551	1,573,200	40,861
0012	Instructional resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	242,612	337,416	77,700	-
0021	Instructional leadership	139,496	1,112	44,527	-
0023	School leadership	-	7,846	-	-
0031	Guidance, counseling, and evaluation services	13,147	65,239	996,370	-
0032	Social work services	9,627	-	-	-
0033	Health services	155,073	-	-	-
0034	Student transportation	-	130,000	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	14,789	3,342	-	-
0051	Plant maintenance and operations	5,659	-	-	-
0052	Security and monitoring services	-	-	-	-
0061	Community services	575,915	42,233	-	-
	Capital outlay:				
0081	Facilities acquisition and construction	-	-	-	-
6030	Total expenditures	2,454,308	2,451,739	2,691,797	40,861
1100	Excess (deficiency) of revenues over (under) expenditures	(126,190)	-	-	-
0100	Fund balances - beginning	-	-	-	-
3000	**FUND BALANCES - ENDING**	$ (126,190)	$ -	$ -	$ -

226	240	244	255	263	279	282
High Cost Fund	**National School Breakfast and Lunch Program**	**Career and Technical - Basic Grant**	**ESSA Title II, Part A - Teacher and Principal Training and Recruiting**	**Title III, Part A - English Language Acquisition and Enhancement**	**Texas COVID Learning Acceleration Supports - ARPA**	**Elementary and Secondary School Emergency Relief Fund III ARPA**
$ -	$ 3,074,654	$ 153	$ 418	$ 44	$ -	$ 3,044
-	35,086	-	-	-	-	-
39,321	5,247,383	135,097	509,322	104,758	1,010	244,750
39,321	8,357,123	135,250	509,740	104,802	1,010	247,794
39,321	-	50,200	82,971	59,544	1,010	69,573
-	-	-	-	-	-	-
-	-	-	407,352	43,521	-	50,088
-	-	85,050	-	-	-	-
-	-	-	19,417	-	-	-
-	-	-	-	1,737	-	6,824
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	8,778,960	-	-	-	-	-
-	-	-	-	-	-	9,278
-	-	-	-	-	-	5,000
-	93,029	-	-	-	-	107,031
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
39,321	8,871,989	135,250	509,740	104,802	1,010	247,794
-	(514,866)	-	-	-	-	-
-	2,736,268	-	-	-	-	-
$ -	$ 2,221,402	$ -	$ -	$ -	$ -	$ -

College Station Independent School District

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds – Special Revenue Funds – Continued
For the Ten Months Ended June 30, 2025

Data Control Codes		289 Federally Funded Special Revenue Funds	385 Supplemental Visually Impaired	397 Advanced Placement Incentives	410 Instructional Materials Allotment Fund
	REVENUES				
5700	Local and intermediate sources	$ 44	$ -	$ -	$ 291
5800	State program revenues	-	7,981	-	134,829
5900	Federal program revenues	117,611	-	-	-
5020	Total revenues	117,655	7,981	-	135,120
	EXPENDITURES				
	Current:				
0011	Instruction	51,645	7,981	-	156,016
0012	Instructional resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	1,499	-	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	7,700	-	-	-
0031	Guidance, counseling, and evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-
0052	Security and monitoring services	56,811	-	-	-
0061	Community services	-	-	-	-
	Capital outlay:				
0081	Facilities acquisition and construction	-	-	-	-
6030	Total expenditures	117,655	7,981	-	156,016
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-	(20,896)
0100	Fund balances - beginning	-	-	204	28,078
3000	**FUND BALANCES - ENDING**	$ -	$ -	$ 204	$ 7,182

427	429	461	481	482	
Workforce Investment Act Dislocated Workers Grant	**State-Funded Special Revenue Funds**	**Campus Activity Funds**	**Education Foundation Grant**	**Adam Foundation Security Grant**	**Total Nonmajor Funds (See Exhibit C-2)**
$ -	$ -	$ 2,331,208	$ 317,009	$ -	$ 5,730,086
31,581	334,291	-	-	-	543,768
4,513	-	-	-	-	13,913,059
36,094	334,291	2,331,208	317,009	-	20,186,913
-	-	317,546	326,916	-	5,939,325
-	-	124,154	-	-	124,154
-	-	5,771	-	-	1,165,959
-	-	-	-	-	270,185
-	-	21,712	-	-	56,675
-	-	279,517	-	-	1,362,834
-	-	-	-	-	9,627
-	-	2,526	-	-	157,599
-	-	-	-	-	130,000
-	-	-	-	-	8,778,960
-	-	1,145,396	-	-	1,154,674
-	-	-	-	-	23,131
-	-	-	-	-	205,719
-	332,996	1,156	-	-	390,963
36,094	-	894	-	-	655,136
-	-	21,741	-	-	21,741
36,094	332,996	1,920,413	326,916	-	20,446,682
-	1,295	410,795	(9,907)	-	(259,769)
-	1,982	2,046,026	10,328	609,440	5,432,326
$ -	$ 3,277	$ 2,456,821	$ 421	$ 609,440	$ 5,172,557

College Station Independent School District **Exhibit I-1**

Combining Statement of Net Position
Nonmajor Enterprise Fund
June 30, 2025

Data Control Codes		Business-type Activities 713 Community Education	714 Kids Klub	715 Community Sports Camps	Total Nonmajor Enterprise Fund
	ASSETS				
	Current assets:				
1110	Cash and cash equivalents	$ 311,703	$ 650,927	$ 246,247	$ 1,208,877
1410	Prepaid items	7,031	-	-	7,031
	Total current assets	318,734	650,927	246,247	1,215,908
	Noncurrent assets:				
	Capital assets:				
1530	Furniture and equipment	7,902	54,740	-	62,642
1570	Accumulated depreciation	(7,902)	-	-	(7,902)
	Total noncurrent assets	-	54,740	-	54,740
1000	Total assets	318,734	705,667	246,247	1,270,648
	LIABILITIES				
	Current liabilities:				
2110	Accounts payable	40,033	55,677	4,622	100,332
2160	Accrued wages payable	-	201	-	201
2300	Unearned revenue	176,478	45,825	-	222,303
2000	Total liabilities	216,511	101,703	4,622	322,836
	NET POSITION				
3200	Net investment in capital assets	-	54,740	-	54,740
3900	Unrestricted	102,223	549,224	241,625	893,072
3000	**TOTAL NET POSITION**	$ 102,223	$ 603,964	$ 241,625	$ 947,812

College Station Independent School District **Exhibit I-2**

Combining Statement of Revenues, Expenses,
and Changes in Net Position
Nonmajor Enterprise Fund
For the Ten Months Ended June 30, 2025

Data Control Codes		Business-type Activities 713 Community Education	714 Kids Klub	715 Community Sports Camps	Total Nonmajor Enterprise Fund
	OPERATING REVENUES				
5739	Tuition	$ 389,351	$ 1,789,122	$ 283,732	$ 2,462,205
5020	Total revenues	389,351	1,789,122	283,732	2,462,205
	OPERATING EXPENSES:				
6100	Payroll costs	218,981	1,461,631	103,194	1,783,806
6200	Professional and contracted services	11,115	20,272	750	32,137
6300	Supplies and materials	9,271	20,309	7,189	36,769
6400	Other operating costs	83,847	157,704	15,306	256,857
6030	Total expenses	323,214	1,659,916	126,439	2,109,569
1300	Change in net position	66,137	129,206	157,293	352,636
0100	Net position - beginning	36,086	474,758	84,332	595,176
3300	**NET POSITION - ENDING**	$ 102,223	$ 603,964	$ 241,625	$ 947,812

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College Station Independent School District **Exhibit I-3**

Combining Statement of Cash Flows
Nonmajor Enterprise Fund
For the Ten Months Ended June 30, 2025

	Business-type Activities			
	713	714	715	
	Community Education	Kids Klub	Community Sports Camps	Total Nonmajor Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from user charges	$ 565,829	$ 1,772,342	$ 283,732	$ 2,621,903
Cash payments for employee services and benefits	(218,981)	(1,535,162)	(103,194)	(1,857,337)
Cash payments for other operating expenses	(74,880)	(156,720)	(18,646)	(250,246)
Net cash provided by (used for) operating activities	271,968	80,460	161,892	514,320
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	-	(54,740)	-	(54,740)
Net cash provided by (used for) capital and related financing activities	-	(54,740)	-	(54,740)
Net increase (decrease) in cash and cash equivalents	271,968	25,720	161,892	459,580
Cash and cash equivalents at the beginning of the year	39,735	625,207	84,355	749,297
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 311,703	$ 650,927	$ 246,247	$ 1,208,877
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES				
Operating income (loss)	$ 66,137	$ 129,206	$ 157,293	$ 352,636
Effect of increases and decreases in current assets and liabilities:				
(Increase) decrease in prepaid items	(7,031)	-	-	(7,031)
Increase (decrease) in accounts payable	36,384	41,565	4,599	82,548
Increase (decrease) in accrued wages payable	-	(73,531)	-	(73,531)
Increase (decrease) in unearned revenue	176,478	(16,780)	-	159,698
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 271,968	$ 80,460	$ 161,892	$ 514,320

College Station Independent School District

Schedule of Delinquent Taxes Receivable
For the Ten Months Ended June 30, 2025

Ten Months Ended June 30,	1 Tax Rates Maintenance	2 Tax Rates Debt Service	3 Assessed/ Appraised Value For School Tax Purposes	10 Beginning Balance 9/1/2024
2016 and prior years	Various	Various	Various	$ 268,565
2017	1.04000	0.356000	8,452,966,691	51,983
2018	1.04000	0.358000	9,430,263,448	57,668
2019	1.04000	0.332000	10,102,930,612	49,183
2020	0.97000	0.269000	10,675,771,751	62,574
2021	0.96600	0.263000	10,868,677,136	94,163
2022	0.95220	0.263000	11,279,167,380	143,196
2023	0.91510	0.263000	12,610,518,122	258,870
2024	0.69920	0.263000	13,870,954,479	635,204
2025	0.69690	0.276000	14,746,165,690	-
1000 TOTALS				$ 1,621,406

8000 - Taxes refunded under section 26.1115, tax code, for owners who received an exemption as provided by section 11.42(f), tax code

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

20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 6/30/2025	99 Total Taxes Refunding Under Section 26.1115(c)
$ -	$ 3,635	$ 1,129	$ -	$ 263,801	
-	1,007	345	-	50,631	
-	1,843	635	-	55,190	
-	(2,338)	(746)	(5,464)	46,803	
-	(185)	(51)	26,468	89,278	
-	(6,265)	(1,706)	16,472	118,606	
-	7,692	2,125	49,768	183,147	
-	(235,194)	(67,595)	(291,432)	270,227	
-	(924,822)	(347,866)	(1,377,682)	530,210	
143,465,446	97,747,832	38,712,013	(1,982,278)	5,023,323	
$ 143,465,446	$ 96,593,205	$ 38,298,283	$ (3,564,148)	$ 6,631,216	
					$ 97,371
	$ -				

College Station Independent School District

Schedule of Delinquent Taxes Receivable

For the Twelve Months Ended August 31, 2025

Year Ended August 31,	1 Tax Rates Maintenance	2 Tax Rates Debt Service	3 Assessed/ Appraised Value For School Tax Purposes	10 Beginning Balance 9/1/2024
2016 and prior years	Various	Various	Various	$ 268,565
2017	1.04000	0.356000	8,452,966,691	51,983
2018	1.04000	0.358000	9,430,263,448	57,668
2019	1.04000	0.332000	10,102,930,612	49,183
2020	0.97000	0.269000	10,675,771,751	62,574
2021	0.96600	0.263000	10,868,677,136	94,163
2022	0.95220	0.263000	11,279,167,380	143,196
2023	0.91510	0.263000	12,610,518,122	258,870
2024	0.69920	0.263000	13,870,954,479	635,204
2025	0.69690	0.276000	14,746,165,690	-
1000 TOTALS				$ 1,621,406

8000 - Taxes refunded under section 26.1115, tax code, for owners who received an exemption as provided by section 11.42(f), tax code

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

20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/2025	99 Total Taxes Refunding Under Section 26.1115(c)
$ -	$ 3,906	$ 1,213	$ -	$ 263,446	
-	1,007	345	-	50,631	
-	1,843	635	-	55,190	
-	(3,533)	(1,128)	(7,395)	46,449	
-	(1,192)	(331)	24,496	88,593	
-	(4,912)	(1,337)	22,553	122,965	
-	16,493	4,555	67,006	189,154	
-	(252,091)	(72,451)	(279,620)	303,792	
-	(1,057,805)	(397,887)	(1,473,366)	617,530	
143,465,446	100,353,358	39,743,904	(2,340,541)	1,027,643	
$ 143,465,446	$ 99,057,074	$ 39,277,518	$ (3,986,867)	$ 2,765,393	
					$ 97,371
	$ -				

College Station Independent School District **Exhibit J-2**

National School Breakfast And Lunch Program
Budgetary Comparison Schedule
For the Ten Months Ended June 30, 2025

Data Control Codes		1 Budgeted Amounts Original	2 Budgeted Amounts Final	3 Actual	Variance with Final Budget
	REVENUES				
5700	Local and intermediate sources	$ 4,169,965	$ 4,169,965	$ 3,074,654	$ (1,095,311)
5800	State program revenues	59,855	59,855	35,086	(24,769)
5900	Federal program revenues	5,716,655	5,716,655	5,247,383	(469,272)
5020	Total revenues	9,946,475	9,946,475	8,357,123	(1,589,352)
	EXPENDITURES				
	Current:				
0035	Food services	9,794,725	9,794,725	8,778,960	1,015,765
0051	Plant maintenance and operations	151,750	151,750	93,029	58,721
6030	Total expenditures	9,946,475	9,946,475	8,871,989	1,074,486
1200	Net change in fund balance	-	-	(514,866)	(514,866)
0100	Fund balance - beginning	2,736,268	2,736,268	2,736,268	-
3000	**FUND BALANCE - ENDING**	$ 2,736,268	$ 2,736,268	$ 2,221,402	$ (514,866)

College Station Independent School District **Exhibit J-3**

Debt Service Fund
Budgetary Comparison Schedule
For the Ten Months Ended June 30, 2025

Data Control Codes		1 Budgeted Amounts Original	2 Budgeted Amounts Final	3 Actual	Variance with Final Budget
	REVENUES				
5700	Local and intermediate sources	$ 41,851,821	$ 40,351,821	$ 41,202,669	$ 850,848
5800	State program revenues	2,124,621	2,124,621	2,247,650	123,029
5020	Total revenues	43,976,442	42,476,442	43,450,319	973,877
	EXPENDITURES				
	Debt service:				
0071	Principal on long-term debt	28,385,000	1,870,000	1,870,000	-
0072	Interest on long-term debt	15,501,442	8,501,442	7,902,374	599,068
0073	Issuance costs and fees	15,000	765,000	276,181	488,819
6030	Total expenditures	43,901,442	11,136,442	10,048,555	1,087,887
1100	Excess (deficiency) of revenues over (under) expenditures	75,000	31,340,000	33,401,764	2,061,764
	OTHER FINANCING SOURCES (USES)				
7901	Issuance of refunding bonds	-	-	39,750,000	39,750,000
7916	Premium or discount on issuance of bonds	-	-	3,789,466	3,789,466
8940	Payment to bond refunding escrow agent	(75,000)	(75,000)	(43,815,696)	(43,740,696)
8949	Refunds to taxpayers	-	-	(507,709)	(507,709)
7080	Total other financing sources (uses)	(75,000)	(75,000)	(783,939)	(708,939)
	EXTRAORDINARY ITEMS				
7919	Extraordinary gain	-	-	500,000	500,000
	Total extraordinary items	-	-	500,000	500,000
1200	Net change in fund balance	-	31,265,000	33,117,825	1,852,825
0100	Fund balance - beginning	15,290,392	15,290,392	15,290,392	-
3000	**FUND BALANCE - ENDING**	$ 15,290,392	$ 46,555,392	$ 48,408,217	$ 1,852,825

College Station Independent School District **Exhibit J-4**

Use of Funds Report – Select State Allotment Programs
For the Ten Months Ended June 30, 2025

Data Codes		Responses
	Section A: Compensatory Education Programs	
AP1	Did your District expend any state compensatory education program state allotment funds during the District's fiscal year?	Yes
AP2	Does the District have written policies and procedures for its state compensatory education program?	Yes
AP3	Total state allotment funds received for state compensatory education programs during the District's fiscal year.	$ 8,970,912
AP4	Actual direct program expenditures for state compensatory education programs during the District's fiscal year. (PICs 24, 26, 28, 29, 30)	$ 2,521,464
	Section B: Bilingual Education Programs	
AP5	Did your District expend any bilingual education program state allotment funds during the District's fiscal year?	Yes
AP6	Does the District have written policies and procedures for its bilingual education program?	Yes
AP7	Total state allotment funds received for bilingual education programs during the District's fiscal year.	$ 1,113,957
AP8	Actual direct program expenditures for bilingual education programs during the District's fiscal year. (PICs 25)	$ 1,289,700

Overall Compliance, Internal Control Section and Federal Awards

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1601 South MoPac Expressway, Suite D250
Austin, Texas 78746
512-609-1900

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Trustees of
College Station Independent School District
College Station, Texas

We have audited, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of College Station Independent School District (the District) as of and for the ten months ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 14, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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.*

The Board of Trustees of
College Station Independent School District

Purpose of this Report

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas
November 14, 2025

1601 South MoPac Expressway, Suite D250
Austin, Texas 78746
512-609-1900

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by Uniform Guidance

To the Board of Trustees of
College Station Independent School District
College Station, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited College Station Independent School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the ten months ended June 30, 2025. 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 ten months ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibility for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

The Board of Trustees of
College Station Independent School District

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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas
December 11, 2025

College Station Independent School District

Schedule of Findings and Questioned Costs
For the Ten Months Ended June 30, 2025

Section 1. Summary of Auditor's Results

Financial Statements

1.	Type of auditor's report issued	Unmodified
2.	Internal control over financial reporting:	
	a. Material weakness(es) identified?	No
	b. Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
3.	Noncompliance material to financial statements noted?	No

Federal Awards

4.	Internal control over major programs:	
	a. Material weakness(es) identified?	None reported
	b. Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
5.	Type of auditor's report issued on compliance with major programs	Unmodified
6.	Any audit findings disclosed that are required to be reported in accordance under 2 CFR 200.516(a)?	No
7.	Identification of major programs	Child Nutrition Cluster – 10.553 & 10.555
8.	Dollar threshold used to distinguish between Type A and Type B federal programs	$750,000
9.	Auditee qualified as a low-risk auditee?	Yes

Section 2. Financial Statement Findings

None reported

Section 3. Federal Award Findings and Questioned Costs

None reported

College Station Independent School District
Summary Schedule of Prior Audit Findings
For the Ten Months Ended June 30, 2025

Prior Year Findings

None reported

College Station Independent School District

Exhibit K-1

Schedule of Expenditures of Federal Awards
For the Ten Months Ended June 30, 2025

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Child Nutrition Cluster:			
Passed Through Texas Education Agency:			
National School Breakfast Program	10.553	71402501	$ 1,087,257
National School Lunch Program	10.555	71302501	3,312,345
Passed Through Texas Department of Agriculture:			
COVID 19 - Supply Chain Assistance	10.555	NT4XL1YGLGC5	238,631
Passed Through Texas Department of Agriculture - Non-Cash Assistance:			
National School Lunch Program	10.555	NT4XL1YGLGC5	605,347
Total Assistance Listing Number 10.555			4,156,323
Total Child Nutrition Cluster			5,243,580
Passed Through Texas Department of Agriculture:			
COVID-19 - State Administrative Expenses	10.560	NT4XL1YGLGC5	3,803
TOTAL U.S. DEPARTMENT OF AGRICULTURE			5,247,383
U.S. DEPARTMENT OF LABOR			
WIOA Cluster:			
Passed Through Texas Workforce Commission:			
WIA Dislocated Workers	17.278	1625ATP001	4,513
TOTAL U.S. DEPARTMENT OF LABOR			4,513
U.S. DEPARTMENT OF EDUCATION			
Passed Through Texas Education Agency:			
Title I, Part A - Improving Basic Programs	84.010A	24610101021901	148,724
Title I, Part A - Improving Basic Programs	84.010A	25610101021901	2,407,542
Total Assistance Listing Number 84.010A			2,556,266
Special Education Cluster (IDEA):			
Passed Through Texas Education Agency:			
IDEA - Part B, Formula	84.027A	246600010219016600	315
IDEA - Part B, Formula	84.027A	256600010219016600	2,690,617
High Cost Fund	84.027A	66002506	39,321
Total Assistance Listing Number 84.027A			2,730,253
Passed Through Texas Education Agency:			
IDEA - Part B, Preschool	84.173A	256610010219016610	40,861
Total Special Education Cluster (IDEA)			2,771,114
Career and Technology - Basic Grant	84.048A	25420006021901	135,097
Title III, Part A - English Language Acquisition and Language Enhancement	84.365A	25671001021901	104,758

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

College Station Independent School District

Exhibit K-1

Schedule of Expenditures of Federal Awards
For the Ten Months Ended June 30, 2025

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Title II, Part A - Teacher & Principal Training & Recruiting	84.367A	25680101021901	509,322
Title IV - Part A Subpart I	84.424A	25680101021901	117,611
COVID-19 - Coronavirus Learning Acceleration Supports (TCLAS) - ESSER	84.425U	21528042021901	17,194
COVID-19 - American Rescue Plan - ARP (ESSER III)	84.425U	21528001021901	253,113
Total Assistance Listing Number 84.425U			270,307
TOTAL U.S. DEPARTMENT OF EDUCATION			6,464,475
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Direct:			
Head Start - Reg Grant	93.600	06CH012585-01	2,410,572
Head Start - Reg Grant	93.600	06CH012585-02	42,295
Total Assistance Listing Number 93.600			2,452,867
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			2,452,867
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 14,169,238

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

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College Station Independent School District

Notes to the Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of College Station Independent School District (the District) and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

National School Breakfast and Lunch Program non-cash commodities are recorded at their estimated market value at the time of donation.

Note 2. Indirect Cost Rate

The District has elected not to use the 10% de minimis indirect cost rate as allowed under Uniform Guidance.

Note 3. Reconciliation to the Basic Financial Statements

Presented below is a reconciliation of federal revenues:

Total expenditures of federal awards per Exhibit K-1	$ 14,169,238
General fund - federal revenue:	
School Health and Related Services	341,577
Nonmajor governmental fund - unavailable revenue:	
Head Start	(126,190)
Total federal revenues per Exhibit C-2	$ 14,384,625

College Station Independent School District **Exhibit L-1**

Schedule of Required Responses to Selected
School FIRST Indicators (Unaudited)
For the Ten Months Ended June 30, 2025

Data Codes		Responses
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year-end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments.) Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued.	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end	$ -