ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

PREPARED BY

BURTON MCCUMBER & LONGORIA, LLP

SHARYLAND INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

SHARYLAND INDEPENDENT SCHOOL DISTRICT
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INTRODUCTORY SECTION

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SHARYLAND INDEPENDENT SCHOOL DISTRICT
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2025

BOARD OF TRUSTEES

MARITZA VENECIA	**PRESIDENT**
HECTOR RIVERA	**VICE PRESIDENT**
DAVID KEITH	**SECRETARY**
MEAGAN SULLIVAN	**ASSISTANT SECRETARY**
JULIO CERDA	**MEMBER**
DR. NOE OLIVEIRA	**MEMBER**
ANDREW RIDDLE	**MEMBER**

ADMINISTRATION

DR. ELAINE HOWARD	**SUPERINTENDENT**

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CERTIFICATE OF BOARD

SHARYLAND INDEPENDENT SCHOOL DISTRICT
HIDALGO COUNTY

County Number 108, District Number 911, Region Number 1

We, the undersigned, certify that the attached annual financial and compliance reports of the above-named District were reviewed and (check one) X approved _____ disapproved for the fiscal year ended June 30, 2025 at a meeting of the Board of Directions of such service on the 19th day of January, 2026.

Maritza Venecia (Jan 21, 2026 14:29:58 CST)
President, Board of Trustees

David B. Keith
Secretary, Board of Trustees

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Sharyland Independent School District

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Sharyland Independent School District (the "District") as of and for the year 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 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 year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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

As discussed in Note 2 to the basic financial statements, during the year ended June 30, 2025, the District implemented Governmental Auditing Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

BML y Fragoso, S.C.
Matamoros, MX

205 Pecan Boulevard, McAllen, TX 78501
956-618-2300 • www.bmltexas.com

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 accompanying 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*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

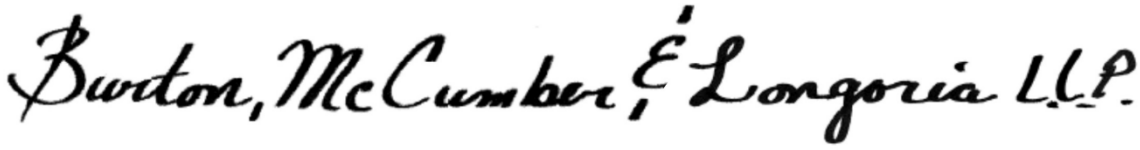
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



McAllen, Texas
December 29, 2025

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As management of the Sharyland Independent School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- At June 30, 2025, the assets and deferred outflows of the District exceeded its liabilities and deferred inflows of resources by $61,574,364 (*net position)*.

- The District's expenses for the year for governmental activities were $126,638,731 that accounted for $7,256,154 less than revenues of $133,894,885.

- At June 30, 2025, the District's governmental funds reported combined fund balances of $47,893,440. Approximately, 85% of this amount, $40,379,525 is available for spending at the District's discretion (*unassigned fund balance*). Unassigned fund balance was approximately 38% of total general fund expenditures.

- The general fund reported an excess of revenues over expenditures this year of $3,608,337. There were other financing sources and uses totaling ($1,052,081). The net increase to the general fund was $2,556,256 with an ending fund balance of $40,949,653.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are 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 financial statements. This report also contains required supplementary information and other information in addition to the basic financial statements themselves.

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

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

The *statement of activities* presents information for all of the current year's revenues and expenses regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the District's government-wide financial statements distinguish the functions of the District as being principally supported by taxes and intergovernmental revenues (governmental activities) as opposed to business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges.

The District has one business-type activity, the Afterschool Day Care, and no component units for which it is financially accountable. The government-wide financial statements can be found on pages 15-17.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. The fund financial statements provide more detailed information about the District's most significant funds-not the District as a whole.

- Some funds are required by State law and/or bond covenants.
- Other funds may be established by the Board to control and manage money for particular purposes or to show that it is properly using certain taxes or grants.

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 spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government'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. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and capital projects fund, both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. The District adopts an annual appropriated budget for its general fund, debt service fund and food service fund. A budgetary comparison schedule has been provided to demonstrate compliance with these budgets. The basic governmental fund financial statements can be found on pages 18-21 of this report.

Proprietary funds. *Proprietary funds* provide the same type of information as the government-wide financial statements, only in more detail. There are two proprietary fund types. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. As mentioned above in the government-wide definition, the District has one business-type activity or enterprise fund.

The second type of proprietary fund is the internal service fund. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the various functions. The District uses the internal service fund to report activities for its self-funded health and worker's compensation insurance programs. The basic proprietary fund financial statements can be found on pages 22-24 of this report.

Fiduciary funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. 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. The District is the trustee, or fiduciary, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position that can be found on pages 25-26.

Notes to the financial statements. The notes provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-70 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. Required supplementary information can be found on pages 74-83 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As previously noted, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $61,574,364 as of June 30, 2025 and by $58,961,442 as of June 30, 2024.

Net Position

Table A-1
Net Position Summary

	Governmental Activities		Business-type Activities		Total	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Current and Other Assets	$ 62,953,925	$ 62,363,394	$ 340,156	$ 219,905	$ 63,294,081	$ 62,583,299
Capital Assets	153,710,627	156,666,395	59,930	77,166	153,770,557	156,743,561
Total Assets	216,664,552	219,029,789	400,086	297,071	217,064,638	219,326,860
Deferred Outflows	15,546,878	19,382,043	-	-	15,546,878	19,382,043
Other Liabilities	13,933,301	13,629,888	-	-	13,933,301	13,629,888
Long-term Liabilities	132,531,489	137,252,249	-	-	132,531,489	137,252,249
Total Liabilities	146,464,790	150,882,137	-	-	146,464,790	150,882,137
Deferred Inflows	24,572,362	28,865,324	-	-	24,572,362	28,865,324
Net Investment in Capital Assets	76,219,235	72,039,651	129,625	77,166	76,348,860	72,116,817
Restricted	6,215,546	6,948,312	-	-	6,215,546	6,948,312
Unrestricted	(21,260,503)	(20,323,592)	270,461	219,905	(20,990,042)	(20,103,687)
Total Net Position	$ 61,174,278	$ 58,664,371	$ 400,086	$ 297,071	$ 61,574,364	$ 58,961,442

The District uses its 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. An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The deficit in the unrestricted balance was mainly due to GASB 68 and 75 transactions.

Governmental activities. The District's total net position for Governmental Activities increased by $7,256,154 in 2025 and increased by $11,224,851 in 2024. The total cost of all governmental activities these years was $126,638,731 in 2025 and $129,957,527 in 2024. The amount that our taxpayers paid for these activities through property taxes was $41,178,286 or 33% in 2025 and $39,639,943 or 31% in 2024.

Business-type activities. The District's total net position for business-type activities increased $103,015 in 2025 and increased $88,393 in 2024. The total cost of all business-type activities these years was $251,953 in 2025 and $213,765 in 2024.

Table A-2
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Program Revenues:						
Charges for Services	$ 1,923,326	$ 1,912,981	$ 354,968	$ 302,158	$ 2,278,294	$ 2,215,139
Operating Grants and Contributions	20,418,658	23,871,033	-	-	20,418,658	23,871,033
Capital Grants and Contributions	2,563,109	7,024,454	-	-	2,563,109	7,024,454
General Revenues:						
Property Taxes	41,178,286	39,639,943	-	-	41,178,286	39,639,943
State Aid and Other Grants and Contributions	65,473,929	64,937,727	-	-	65,473,929	64,937,727
Investment Earnings	2,097,294	2,511,950	-	-	2,097,294	2,511,950
Other	240,283	1,284,290	-	-	240,283	1,284,290
Total Revenues	133,894,885	141,182,378	354,968	302,158	134,249,853	141,484,536
Program Expenses:						
Instruction	65,595,237	67,575,516	-	-	65,595,237	67,575,516
Instructional Resources and Media Services	1,278,491	1,316,938	-	-	1,278,491	1,316,938
Curriculum and Instructional Staff Development	1,221,474	1,435,045	-	-	1,221,474	1,435,045
Instructional Leadership	2,764,075	3,120,442	-	-	2,764,075	3,120,442
School Leadership	6,602,496	6,591,882	-	-	6,602,496	6,591,882
Guidance, Counseling and Evaluation Services	5,535,598	5,720,084	-	-	5,535,598	5,720,084
Social Work services	45,132	43,560	-	-	45,132	43,560
Health Services	920,408	1,137,444	-	-	920,408	1,137,444
Student (Pupil) Transportation	4,460,395	4,760,600	-	-	4,460,395	4,760,600
Food Services	7,954,365	7,509,757	-	-	7,954,365	7,509,757
Extracurricular Activities	8,124,506	8,060,936	-	-	8,124,506	8,060,936
General Administration	3,355,693	3,683,042	-	-	3,355,693	3,683,042
Facilities Maintenance and Operations	12,256,051	12,176,327	-	-	12,256,051	12,176,327
Security and Monitoring Services	1,904,523	1,954,006	-	-	1,904,523	1,954,006
Data Processing Services	1,250,981	1,263,329	-	-	1,250,981	1,263,329
Community Services	639,104	670,709	251,953	213,765	891,057	884,474
Debt Services- Interest on Long-Term Debt	1,893,873	2,492,811	-	-	1,893,873	2,492,811
Debt Services- Bond Issuance Cost and Fees	59,150	62,333	-	-	59,150	62,333
Capital Outlay	180,372	-	-	-	180,372	-
Payments to Juvenile Justice Alternative Ed. Pg.	15,875	-	-	-	15,875	-
Other Intergovernmental Charges	580,932	382,766	-	-	580,932	382,766
Total Expenses	126,638,731	129,957,527	251,953	213,765	126,890,684	130,171,292
Increase (Decrease) in Net Position	7,256,154	11,224,851	103,015	88,393	7,359,169	11,313,244
Beginning Net Position	53,918,124	47,439,520	297,071	208,678	54,215,195	47,648,198
Ending Net Position	$ 61,174,278	$ 58,664,371	$ 400,086	$ 297,071	$ 61,574,364	$ 58,961,442

Table A-3 represents the cost of each of the District's largest functions as well as each function's net cost (total cost less fees generated by the charges for services and operating grants and contributions). The net cost reflects the financial burden that was placed on the District's taxpayers for each of these functions.

Table A-3
District's Largest Functions

	Total Cost of Services		
	2025	2024	% Change
Instruction	$ 65,595,237	$ 67,575,516	-2.93%
Facilities Maintenance & Operations	12,256,051	12,176,327	0.65%
Extracurricular Activities	8,124,506	8,060,936	0.79%
Food Services	7,954,365	7,509,757	5.92%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, bond covenants, and segregation for particular purposes.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of a fiscal year.

As of the end of June 30, 2025, the District's governmental funds reported combined ending fund balances of $47,893,440 an increase of $1,928,963. Approximately 84 percent of this total amount $40,379,525 constitutes unassigned fund balance. The remainder of fund balance is nonspendable, restricted, committed, or assigned to indicate that it is not available for new spending. The District reported fund balance as nonspendable for inventories $326,584, for endowment principal of $10,000 and for prepaid items $243,544. The District reported restricted fund balance for federal and state fund grants $2,105,445, for debt service $4,015,418, and for other contractual obligations $2,621. The District also had other committed fund balances in the amount of $798,552 and committed fund balances assigned for construction in the amount of $11,751 as of June 30, 2025.

The general fund is the primary operating fund of the District. At June 30, 2025, unassigned fund balance of the general fund was $40,379,525 while the total fund balance was $40,949,653. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to the total fund expenditures. Unassigned fund balance represents 38 percent of the total general fund expenditures, while total fund balance represents 38 percent of that same amount.

The fund balance of the District's general fund increased by $2,556,256 during the current fiscal period.

Proprietary funds. As mentioned earlier, the District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The unrestricted net position of the enterprise fund at June 30, 2025 totaled $270,461. During the year, the funds had an increase in net position of $103,015.

General Fund Budgetary Highlights

Over the course of the year, the District recommended and the Board approved budget revisions on an operating basis. The major amendments fall into the following categories:

- Amendments to revise estimates for local and state revenue based on the latest information on student attendance numbers and favorable current and delinquent tax collection rates.
- Amendments during the year for unexpected occurrences.
- Amendments throughout the year for renovation/construction projects.

The District made the following amendments to increase (decrease) budgeted revenue:

State Program Revenues	$	1,744,077

The following is a summary of amendments made to increase (decrease) appropriations:

Instruction	$	173,192
Instructional Resources and Media Services		93,612
Curriculum and Instructional Staff Development		241,833
Instructional Leadership		303,444
School Leadership		190,930
Guidance, Counseling and Evaluation Services		282,674
Social Work Services		10,954
Health Services		12,420
Student (Pupil) Transportation		1,596,935
Food Service		50,000
Extracurricular Activities		338,359
General Administration		(215,963)
Facilities Maintenance and Operations		997,653
Security and Monitoring Services		374,080
Data Processing Services		183,448
Community Services		(8,355)
Principal on Long-Term Debt		488,500
Facilitates Acquisition and Construction		1,780,398
Payment to Juvenile Justice AEP		10,000
Other Intergovernmental Charges		-

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets for its governmental activities as of June 30, 2025 amounts to $153,710,627 (net of accumulated depreciation and amortization), a decrease of 2% over prior year. This investment in capital assets includes land, buildings, etc. as listed below.

	Governmental Activities	
	2025	2024
Land	$ 11,783,647	$ 11,783,647
Construction in Progress	1,561,808	6,239,550
Buildings and Improvements	130,996,908	128,894,756
Furniture and Equipment	7,643,344	7,701,430
Infrastructure assets - roads	245,830	272,898
Infrastructure assets - networks and subsystems	262,073	287,850
Right-to-use leased assets	729,516	928,813
Right-to-use subscription assets	487,501	557,450
Net Capital Assets	$ 153,710,627	$ 156,666,394

Additional information on the District's capital assets can be found in Note 7 on pages 48-49 of this report.

Long-term debt. At the end of June 30, 2025, the District had $81,835,052 in long-term obligations including general obligation bonds, lease payable, SBITA's payable, maintenance tax notes (excluding the effects of compensated absences). Long-term obligations presented a decrease of $7,681,450 over prior year.

The District's bonds have received a rating of "Aaa" by Moody's by virtue of the guarantee of the Permanent School fund of the State of Texas.

The presently outstanding tax supported debt of the District is rated "A2" by Moody's and "A" by Fitch Ratings. The District also has issues outstanding which are rated "Aaa" by Moody's and "A by Fitch Ratings by virtue of the guarantee of the Permanent School Fund of the State of Texas. State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the District is $451,122,760 which is significantly in excess of the District's outstanding general obligation debt.

Additional information on the District's long-term debt can be found in Note 10 on pages 50-55 of this report.

Economic Factors and Next Year's Budgets and Rates

- Previously very rapid enrollment growth has subsided to a more sustainable pace, and anticipated future enrollment gains should position the district for additional state funding growth. The District's budget was prepared using prior year's Average Daily Attendance (ADA).

- Taxable assessed valuation continues to register gains primarily due to ongoing residential and commercial development. Although taxable assessed valuation growth has slowed since the pre-recession double-digit rates, the community's existing infrastructure, attractive master planned communities, and strength of our school system position the District for continued growth. The District taxable value for 2025 experienced a 1.56% growth when compared to 2024.

- The District has estimated revenues and appropriated expenditures in the 2025-2026 fiscal year. General Fund officially adopted a budget of $107,709,693.

Independent Audit

The Texas Education Code, as well as our District policy, requires an annual audit of the District's financial statements by independent certified public accountants selected by the Board of Trustees. In addition to meeting the requirements set forth in state statues, the financial audit was designed to also meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The independent auditor's report on the basic financial statements, required supplementary information, and other schedules are included in the financial sections of this report.

Awards

The Financial Integrity Rating System of Texas (FIRST) program, a financial accountability system for Texas school districts was developed by the Texas Education Agency in response to Senate bill 875 of the 76th Texas Legislature in 1999. The primary goal of FIRST is to achieve quality performance in the management of school district financial resources, a goal made more significant due to the complexity of accounting associated with the Texas school financial system. The District has been awarded the "Superior Achievement" rating under FIRST since the inception of the ratings. The "Superior Achievement" rating is the state's highest financial rating, demonstrating the quality of Sharyland ISD sound fiscal management.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of Sharyland Independent School District's finances as well as demonstrate accountability for funds the District receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Jaime Ortega
Chief Financial Officer
Sharyland ISD
1200 N. Shary Road
Mission, Texas 78572

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BASIC FINANCIAL STATEMENTS

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EXHIBIT A-1

SHARYLAND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

Data Control Codes		1 Primary Government Governmental Activities	2 Primary Government Business-Type Activities	3 Primary Government Total
	ASSETS			
1110	Cash and Cash Equivalents	$ 34,208,571	$ 340,156	34,548,727
1120	Current Investments	1,631,921	-	1,631,921
1220	Property Taxes- Delinquent	1,433,882	-	1,433,882
1240	Receivables from Other Governments	24,260,065	-	24,260,065
1250	Accrued Interest	130,257	-	130,257
1290	Other Receivables	640,961	-	640,961
1300	Inventories	404,724	-	404,724
1410	Prepaid Items	243,544	-	243,544
	Capital Assets Not Subject to Depreciation:			
1510	Land	11,783,647	-	11,783,647
1580	Construction in Progress	1,561,808	-	1,561,808
	Capital Assets Net of Depreciation:			
1520	Buildings, Net	130,996,908	42,310	131,039,218
1530	Furniture and Equipment, Net	7,643,344	17,620	7,660,964
1550	Right-to-Use Leased Assets, Net	729,516	-	729,516
1553	SBITA Assets, Net	487,501	-	487,501
1590	Infrastructure, Net	507,903	-	507,903
1000	Total Assets	216,664,552	400,086	217,064,638
	DEFERRED OUTFLOWS OF RESOURCES			
1701	Deferred Charge for Refunding	36,511	-	36,511
1705	Deferred Outflow Related to Pension Activities	6,617,128	-	6,617,128
1706	Deferred Outflow Related to OPEB	8,893,239	-	8,893,239
1700	Total Deferred Outflows of Resources	15,546,878	-	15,546,878
	LIABILITIES			
2110	Accounts Payable	2,469,389	-	2,469,389
2140	Interest Payable	911,609	-	911,609
2150	Payroll Deductions and Withholdings Payable	1,002,915	-	1,002,915
2160	Accrued Wages Payable	8,142,532	-	8,142,532
2200	Accrued Expenditures	1,261,019	-	1,261,019
2300	Unearned Revenue	145,837	-	145,837
	Noncurrent Liabilities:			
2501	Due Within One Year	4,980,420	-	4,980,420
2502	Due in More than One Year	76,854,632	-	76,854,632
2540	Net Pension Liability (District's Share)	29,959,741	-	29,959,741
2545	Net OPEB Liability (District's Share)	20,736,696	-	20,736,696
2000	Total Liabilities	146,464,790	-	146,464,790
	DEFERRED INFLOWS OF RESOURCES			
2605	Deferred Inflow Related to Pension Activities	2,957,685	-	2,957,685
2606	Deferred Inflow Related to OPEB Activities	21,614,677	-	21,614,677
2600	Total Deferred Inflows of Resources	24,572,362	-	24,572,362
	NET POSITION			
3200	Net Investment in Capital Assets	76,219,235	129,625	76,348,860
3820	Restricted for Federal and State Programs	2,105,445	-	2,105,445
3850	Restricted for Debt Service	4,110,101	-	4,110,101
3900	Unrestricted	(21,260,503)	270,461	(20,990,042)
3000	Total Net Position	$ 61,174,278	$ 400,086	$ 61,574,364

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

SHARYLAND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Data Control Codes		1 Expenses	Program Revenues 3 Charges for Services	4 Operating Grants and Contributions	5 Capital Grants and Contributions
Primary Government					
	GOVERNMENTAL ACTIVITIES:				
11	Instruction	$ 65,595,237	$ 389,950	$ 8,717,619	$ -
12	Instructional Resources and Media Services	1,278,491	80,702	129,091	-
13	Curriculum and Instructional Staff Development	1,221,474	-	288,103	-
21	Instructional Leadership	2,764,075	6,925	405,505	-
23	School Leadership	6,602,496	432,816	411,691	-
31	Guidance, Counseling & Evaluation Services	5,535,598	7,740	1,586,567	-
32	Social Work Services	45,132	-	3,168	
33	Health Services	920,408	-	135,336	-
34	Student (Pupil) Transportation	4,460,395	-	380,499	-
35	Food Services	7,954,365	225,904	6,774,528	-
36	Extracurricular Activities	8,124,506	616,294	244,979	-
41	General Administration	3,355,693	88,398	178,257	-
51	Facilities Maintenance and Operations	12,256,051	72,554	423,218	-
52	Security and Monitoring Services	1,904,523	2,043	83,727	-
53	Data Processing Services	1,250,981	-	74,844	-
61	Community Services	639,104	-	581,526	-
72	Debt Services- Interest on Long-Term Debt	1,893,873	-	-	-
73	Debt Services- Bond Issuance Cost and Fees	59,150	-	-	-
81	Capital Outlay	180,372	-	-	2,563,109
95	Payments to Juvenile Justice Alternative Ed. Pg.	15,875	-	-	-
99	Other Intergovernmental Charges	580,932	-	-	-
[TG]	Total Governmental Activities:	$ 126,638,731	$ 1,923,326	$ 20,418,658	$ 2,563,109
	BUSINESS-TYPE ACTIVITIES:				
01	Enterprise Funds - After School Day Care	251,953	354,968	-	-
[TB]	Total Business-Type Activities	251,953	354,968	-	-
[TP]	TOTAL PRIMARY GOVERNMENT:	$ 126,890,684	$ 2,278,294	$ 20,418,658	$ 2,563,109

Data Control Codes	
	General Revenues:
	Taxes:
MT	Property Taxes, Levied for General Purposes
DT	Property Taxes, Levied for Debt Service
GC	Grants and Contributions not Restricted
IE	Investment Earnings
MI	Miscellaneous Local and Intermediate Revenue
TR	Total General Revenues
CN	Change in Net Position
NB	Net Position - Beginning
	Restatements
NE	Net Position - Ending

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

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
6	7	8
Governmental Activities	Business-type Activities	Total
$ (56,487,668)	$ -	$ (56,487,668)
(1,068,698)	-	(1,068,698)
(933,371)	-	(933,371)
(2,351,645)	-	(2,351,645)
(5,757,989)	-	(5,757,989)
(3,941,291)	-	(3,941,291)
(41,964)		(41,964)
(785,072)	-	(785,072)
(4,079,896)	-	(4,079,896)
(953,933)	-	(953,933)
(7,263,233)	-	(7,263,233)
(3,089,038)	-	(3,089,038)
(11,760,279)	-	(11,760,279)
(1,818,753)	-	(1,818,753)
(1,176,137)	-	(1,176,137)
(57,578)	-	(57,578)
(1,893,873)	-	(1,893,873)
(59,150)	-	(59,150)
2,382,737	-	2,382,737
(15,875)	-	(15,875)
(580,932)	-	(580,932)
$ (101,733,638)	$ -	$ (101,733,638)
-	103,015	103,015
-	103,015	103,015
$ (101,733,638)	$ 103,015	$ (101,630,623)
33,843,001	-	33,843,001
7,335,285	-	7,335,285
65,473,929	-	65,473,929
2,097,294	-	2,097,294
240,283	-	240,283
108,989,792	-	108,989,792
7,256,154	103,015	7,359,169
58,664,371	297,071	58,961,442
$ (4,746,247)	$ -	$ (4,746,247)
$ 61,174,278	$ 400,086	$ 61,574,364

EXHIBIT C-1

SHARYLAND INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

Data Control Codes		10 General Fund	Other Funds	Total Governmental Funds
	ASSETS			
1110	Cash and Cash Equivalents	$ 23,195,197	$ 8,219,061	$ 31,414,258
1120	Investments	1,589,198	42,723	1,631,921
1220	Property Taxes Receivable, Net	1,264,340	169,542	1,433,882
1240	Due from Other Governments	22,803,165	1,456,900	24,260,065
1250	Accrued Interest	95,104	24,720	119,824
1260	Due from Other Funds	4,002,096	-	4,002,096
1300	Inventories	326,584	78,140	404,724
1410	Prepaid items	243,544	-	243,544
1000	Total Assets	$ 53,519,228	$ 9,991,086	$ 63,510,314
	LIABILITIES			
2110	Accounts Payable	1,237,334	144,088	1,381,422
2150	Payroll Deductions and Withholdings Payable	937,404	65,511	1,002,915
2160	Accrued Wages Payable	7,643,174	499,360	8,142,534
2170	Due to Other Funds	-	2,102,096	2,102,096
2200	Accrued Expenses	26,255	-	26,255
2300	Unearned Revenue	4,276	141,561	145,837
2000	Total Liabilities	9,848,443	2,952,616	12,801,059
	DEFERRED INFLOWS OF RESOURCES			
2601	Unavailable Revenue - Property Taxes	953,323	94,683	1,048,006
2602	Deferred Inflow of Resources - Other	1,767,809	-	1,767,809
2600	Total Deferred Inflows of Resources	2,721,132	94,683	2,815,815
	FUND BALANCES			
	Nonspendable Fund Balance:			
3410	Inventories	326,584	-	326,584
3425	Endowment Principal	-	10,000	10,000
3430	Prepaid Items	243,544	-	243,544
	Restricted Fund Balance:			
3450	Federal or State Funds Grant Restrictions	-	2,105,445	2,105,445
3470	Restricted for Contractual Obligations	-	2,621	2,621
3480	Retirement of Long-Term Debt	-	4,015,418	4,015,418
	Committed fund balance:			
3545	Other committed fund balance	-	798,552	798,552
	Assigned Fund Balance:			
3550	Assigned for Construction	-	11,751	11,751
3600	Unassigned Fund Balance	40,379,525	-	40,379,525
3000	Total Fund Balances	40,949,653	6,943,787	47,893,440
4000	Total Liabilities, Deferred Inflows & Fund Balances	$ 53,519,228	$ 9,991,086	$ 63,510,314

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

EXHIBIT C-2

SHARYLAND INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

	Total Fund Balances - Governmental Funds	$ 47,893,440
1	The District uses internal service funds to charge the cost of certain activities, such as health and worker's compensation self insurance plans. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect is a decrease to net position.	(777,023)
2	Capital assets (including right-to-use lease and SBITAs) of $264,878,112 net of accumulated depreciation/amortization of ($111,167,485) are not financial resources, and therefore, are not reported as assets in governmental funds. This results in an increase in net position.	153,710,627
3	Long-term liabilities, including bonds and notes payable of ($67,895,000), premium on bonds and notes of ($7,693,473), accretion of CAB's of ($1,357,822), deferred charges on refunding of $36,512, leases and SBITAs liabilities of ($581,617), and compensated absences ($4,307,140) are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.	(81,798,540)
4	Accrued interest payable is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.	(911,609)
5	Property tax receivables of $1,048,006 and SHARS receivable of $1,767,809 are not currently available and are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	2,815,815
6	Included in items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS included deferred resources outflow in the amount of $6,617,128, a deferred resources inflow in the amount of ($2,957,685), and a net pension liability in the amount of ($29,959,741). This resulted in a decrease in net position.	(26,300,298)
7	Included in items related to debt is the recognition of the District's proportionate share of the net other post-employment benefits (OPEB) liability required by GASB 75. The net position related to TRS included deferred resources outflow in the amount of $8,893,239, a deferred resources inflow in the amount of ($21,614,677), and a net OPEB liability in the amount of ($20,736,696). This resulted in a decrease in net position.	(33,458,134)
8	**Net Position of Governmental Activities**	$ 61,174,278

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

EXHIBIT C-3

SHARYLAND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Data Control Codes		10 General Fund	Other Funds	Total Governmental Funds
	REVENUES:			
5700	Local and Intermediate Sources	$ 36,705,480	$ 8,906,634	$ 45,612,114
5800	State Program Revenues	73,215,936	3,097,158	76,313,094
5900	Federal Program Revenues	502,179	15,164,128	15,666,307
5020	Total Revenues	110,423,595	27,167,920	137,591,515
	EXPENDITURES:			
	Current:			
11	Instruction	57,961,257	5,155,748	63,117,005
12	Instructional Resources and Media Services	1,133,484	145,532	1,279,016
13	Curriculum and Instructional Staff Development	947,951	282,688	1,230,639
21	Instructional Leadership	2,616,836	253,120	2,869,956
23	School Leadership	6,364,811	423,636	6,788,447
31	Guidance, Counseling and Evaluation Services	4,431,234	1,324,563	5,755,797
32	Social Work Services	41,515	-	41,515
33	Health Services	863,967	78,351	942,318
34	Student (Pupil) Transportation	4,701,547	80,146	4,781,693
35	Food Service	70,081	7,777,952	7,848,033
36	Extracurricular Activities	7,272,425	239,495	7,511,920
41	General Administration	3,479,483	8,376	3,487,859
51	Facilities Maintenance and Operations	11,386,907	469,210	11,856,117
52	Security and Monitoring Services	1,736,162	86,202	1,822,364
53	Data Processing Services	1,258,190	-	1,258,190
61	Community Services	97,183	564,299	661,482
	Debt Service:			
71	Principal on Long Term-Debt	911,830	5,605,120	6,516,950
72	Interest on Long-Term Debt	124,536	2,722,085	2,846,621
73	Bond Issuance Cost and Fees	-	59,150	59,150
	Capital Outlay:			
81	Facilities Acquisition and Construction	819,052	2,563,109	3,382,161
	Intergovernmental:			
95	Payment to Juvenile Justice Alternative Education	15,875	-	15,875
99	Other Intergovernmental Charges	580,932	-	580,932
6030	Total Expenditures	106,815,258	27,838,782	134,654,040
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	3,608,337	(670,862)	2,937,475
	OTHER FINANCING SOURCES (USES):			
7912	Sale of Real and Personal Property	12,525	-	12,525
7913	Issuance of Leases	-	-	-
7915	Transfers in	6,741,931	58,069	6,800,000
7949	Issuance of SBITA's	228,963	-	228,963
8911	Transfers out	(8,035,500)	(14,500)	(8,050,000)
7080	Total Other Financing Sources (Uses)	(1,052,081)	43,569	(1,008,512)
1200	Net Change in Fund Balances	2,556,256	(627,293)	1,928,963
0100	Fund Balance - (Beginning)	38,393,397	7,571,080	45,964,477
3000	Fund Balance - (Ending)	$ 40,949,653	$ 6,943,787	$ 47,893,440

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

EXHIBIT C-4

SHARYLAND INDEPENDENT SCHOOL DISTRICT
RECONCILIATON OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Total Net Change in Fund Balances - Governmental Funds	$ 1,928,963
1	The District uses an internal service fund to charge certain costs, such as self- insurance plans to appropriate functions in other funds. The net income (loss) of the internal service fund are reported with governmental activities.	(1,202,298)
2	Capital outlays are reported in the governmental funds as expenditures. In the statement of activities these costs totaling $4,823,602 are capitalized. The cost of capital assets is allocated over their useful lives as depreciation and amortization expense which totaled ($7,779,369) for the year. Assets retired during the period were fully depreciated, therefore, the net effect was $0.	(2,955,767)
3	Because some property taxes and SHARS receivables will not be collected for several months after the District's year end, they are not considered "available" revenues in the governmental funds. This is the change in unavailable revenue.	(544,940)
4	Repayment of principal on long-term debt is an expenditure in the funds but is not an expense in the statement of activities for $6,516,950. Proceeds from SBITAs ($228,963) is reported as other financing sources in the governmental funds but increase the liabilities in the statement of net position.	6,287,987
5	Governmental funds report premiums, discounts, gains/losses on debt transactions when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. Interest is recorded in the governmental funds when paid but in the statement of activities it is accrued. This is the net impact of amortization of premiums, deferred losses, accretion of interest on capital appreciation bonds and the change in accrued interest.	952,748
6	GASB 68 requires that certain plan expenditures be de-expended and recorded as deferred resources outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by $2,424,726. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in the net pension liability. This caused a decrease in net position totaling ($2,349,653). Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense decreased the change in net position by ($971,755). The net results is a decrease in the change in net position.	(896,682)
7	GASB 75 requires that certain plan expenditures be de-expended and recorded as deferred resources outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by $525,220. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in the net OPEB liability. This caused a decrease in net position totaling ($524,648). Finally, the proportionate share of the TRS OPEB expense on the plan as a whole had to be recorded . The net OPEB expense increased the change in net position by $3,246,464. The net results is an increase in the change in net position.	3,247,036
8	Some expenses such as the effect of the change in compensated absences reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	439,107
9	**Change in Net Position of Governmental Activities**	$ 7,256,154

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

EXHIBIT D-1

SHARYLAND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Business-Type Activities	Governmental Activities
	Total Enterprise Funds	Total Internal Service Funds
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 340,156	$ 2,794,312
Accrued Interest	-	10,433
Other receivables	-	640,961
Total Current Assets	340,156	3,445,706
Noncurrent Assets:		
Buildings	176,233	-
Furniture and Equipment	131,378	-
Accumulated Depreciation	(247,681)	-
Total Noncurrent Assets	59,930	-
Total Assets	400,086	3,445,706
LIABILITIES		
Accounts Payable	-	1,087,965
Due to Other Funds	-	1,900,000
Accrued Expenses	-	1,234,764
Total Liabilities	-	4,222,729
NET POSITION		
Net Investments in Capital Assets	129,625	-
Unrestricted Net Position (Deficit)	270,461	$ (777,023)
Total Net Position (Deficit)	$ 400,086	$ (777,023)

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

EXHIBIT D-2

SHARYLAND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-Type Activities	Governmental Activities
	Total Enterprise Funds	Total Internal Service Funds
OPERATING REVENUES:		
Local and Intermediate Sources	$ 342,132	$ 11,219,309
State Program Revenues	12,836	-
Total Operating Revenue	354,968	11,219,309
OPERATING EXPENSES:		
Payroll Costs	189,012	-
Professional and Contracted Services	30,649	3,946,428
Other Operating Costs	6,905	9,838,630
Supplies and Materials	8,150	-
Depreciation Expense	17,237	-
Total Operating Expenses	251,953	13,785,058
Operating Income (Loss)	103,015	(2,565,749)
NONOPERATING REVENUES (EXPENSES):		
Earnings from Temporary Deposits and Investments	-	113,451
Transfers In	-	1,250,000
Total Nonoperating Revenues (Expenses)	-	1,363,451
Change in Net Position	103,015	(1,202,298)
Total Net Position - Beginning	297,071	425,275
Total Net Position - Ending	$ 400,086	$ (777,023)

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

EXHIBIT D-3

SHARYLAND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-Type Activities	Governmental Activities
	Total Enterprise Funds	Total Internal Service Funds
Cash Flows from Operating Activities:		
Cash Received from User Charges	$ 354,969	$ 11,219,309
Cash Received from Assessments - Other Funds	-	(1,655,516)
Cash Payments to Employees for Services	(218,023)	-
Cash Payments to Professional and Contract Services	(1,640)	(3,064,944)
Cash Payments to Suppliers	(8,150)	-
Cash Payments for Other Operating Expenses	(6,905)	(10,323,561)
Net Cash Provided By Operating Activities	120,251	(3,824,712)
Cash Flows from Non-Capital Financing Activities		
Earnings from Temporary Deposits and Investments	-	113,453
Transfers in	-	1,250,000
Net Cash Provided By Non-Capital Financing Activities	-	1,363,453
Net increase in Cash and Cash Equivalents	120,251	(2,461,259)
Cash and Cash Equivalents at Beginning of Year	219,905	5,255,571
Cash and Cash Equivalents at End of Year	$ 340,156	$ 2,794,312
Reconciliation of Operating Income to Net Cash Provided By Operating Activities:		
Operating Income (Loss):	$ 103,015	$ (2,565,749)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used In Operating Activities:		
Depreciation	17,236	-
Effects of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Accrued Interest	-	12,484
Decrease (increase) in Receivables	-	(222,353)
Increase (decrease) in Accounts Payable	-	881,484
Increase (decrease) in Due to Other Funds	-	(1,668,000)
Increase (decrease) in Accrued Expenses	-	(262,578)
Net Cash Provided By Operating Activities	$ 120,251	$ (3,824,712)

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

EXHIBIT E-1

SHARYLAND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025

	Private-Purpose Trust Fund	Custodial Funds
ASSETS		
Cash and Cash Equivalents	$ 157,865	$ 473,018
Investments	-	315,512
Accrued Interest	572	1,715
Total Assets	158,437	790,245
LIABILITIES		
Accounts Payable	-	6,310
Total Liabilities	-	6,310
NET POSITION		
Restricted Net Assets	158,437	783,935
Total Net Position	$ 158,437	$ 783,935

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

EXHIBIT E-2

SHARYLAND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025

	Private-Purpose Trust Fund	Custodial Funds
ADDITIONS:		
Miscellaneous Revenue - Student Activities	$ -	$ 859,141
Contributions to Student Activities	-	247,705
Earnings from Temporary Deposits and Investments	7,235	39,566
Contributions, Gifts and Donations	8,300	-
Total Additions	15,535	1,146,412
DEDUCTIONS:		
Supplies and Materials	-	1,037,485
Miscellaneous Deductions	14,500	-
Total Deductions	14,500	1,037,485
Change in Net Position	1,035	108,927
Total Net Position - Beginning	157,402	675,008
Total Net Position - Ending	$ 158,437	$ 783,935

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Sharyland Independent School District ("District") was created in 1921. The District is committed to providing the highest quality education for all students. There are a total of thirteen campuses, which include eight elementary schools, two junior high schools, and three high schools.

A. Reporting Entity

The Sharyland Independent School District is a public educational agency operating under the applicable laws and regulation of the State of Texas. A seven-member Board of Trustees governs the District that is elected by registered voters of the District. The District prepares its basic financial statements in conformity with Generally Accepted Accounting Principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources of the American Institute of Certified Public Accountants. Additionally, the District complies with the requirements of the appropriate version of the Texas Educational Agency ("TEA") Financial Accountability System Resource Guide (FASRG) and the requirements of contracts and grants of agencies from which it receives funds.

The Board of Trustees ("Board"), a seven-member group constituting an on-going entity, is the level of government which has governance responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the Sharyland Independent School District. The governing Board derives its powers from the statutes of the State of Texas and the rules and regulations of the Texas State Department of Education. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. However, as the District is not included in any other governmental "reporting entity" as defined by the GASB in its Statements No. 14, as amended by GASB Statement No. 39, GASB Statement No. 61, and GASB Statement No. 80. The District has no component units.

B. Government-wide and Fund Financial Statements

The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities, which generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual government funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated by type and reported as non-major funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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, as are the proprietary funds and fiduciary fund financial statements. 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 revenues 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 when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon thereafter to pay liabilities of the current period. Therefore, the District considers revenues to be available if they are collected within 60 days of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to longevity pay, 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 capital leases are reported as other financing sources.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State of Texas are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

Unearned revenue is reported in the governmental funds when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures.

In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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 fiduciary funds, though these are excluded from the government-wide financial statements.

As discussed earlier, the District has no component units.

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

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

Fiduciary funds are used to report assets held in a trustee or agency capacity for others that cannot be used to support the government's own programs. Custodial funds are purely custodial and do not involve measurement of results of operations.

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 required to be accounted for in another fund. Major revenue sources include local property taxes, state funding under the Foundation School Program, and interest earnings. Expenditures include all costs associated with the daily operations of the District except for specific programs funded by the federal or state government, food service, and debt service.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Fund Financial Statements (Continued)

Additionally, the District reports the following fund types:

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes other than capital projects. Most federal and some state financial award programs are accounted for in these funds and sometimes unused balances must be returned to the grantor at the close of specified project periods.

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* is used to account for expenditures of resources accumulated from loan and interest earnings for the acquisition and construction of facilities.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 internal service fund and after school care funds is charges for services. Operating expenses for enterprise funds and internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The *Enterprise Fund* accounts for the District's After-School Day Care Programs.

The *Internal Service Fund* accounts for the District's self-funded medical and workers' compensation insurance plans provided for the benefit of eligible employees. The plans are intended to be self-supporting and contributions for premiums are increased periodically to cover the cost of claims, insurance premiums and administrative fees.

Fiduciary funds are used to report assets held in a trustee or agency capacity for others that cannot be used to support the government's own programs. Custodial funds are purely custodial and do not involve measurement of results of operations.

The *Private-purpose trust fund* accounts for donations for scholarship funds that are received by the District that are to be awarded to current and former students for post-secondary education purposes.

The *Custodial fund* accounts for resources held in a custodial capacity by the District and consists of funds that are the property of student groups or others. The District provides accounting services and collect monies on behalf of student groups or others expected to be distributed within three months of receipt. These funds are not held in trust.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Fund Financial Statements (Continued)

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 so that only the net amount is included as internal balances in the governmental activities column.

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and debt service fund. Certain special revenue funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one fiscal year.

The appropriated budget is prepared by fund and function. Transfers of appropriations between funds require the approval of the board of trustees. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

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

Cash and cash equivalents

For the purposes of the statement of cash flows, the District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

NOTE 1 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance (Continued)

Investments

The District is required by government Code Chapter 2256, The Public Funds Investment Act (the "Act"), to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rate of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposits.

The Act requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports, and establishment of appropriate policies, the District adhered to the requirement of the Act. Additionally, investment practices of the District were in accordance with local policies.

Investments in entities (such as investment pools) that calculate Net Asset Value per Share and follow the requirements of GASB Statement No. 79 are reported at amortized costs. All other investments are reported at fair value unless a legal contract exists which guarantees a high value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

The Act determines the type of investments, which are allowable for the District. These include, with certain restrictions, (1) obligation of, or guaranteed by, governmental entities, (2) certificates of deposit and share certificates, (3) fully collateralized repurchase agreements, (4) a securities lending program, (5) banker's acceptances, (6) commercial paper, (7) no-load money market mutual funds and no-load mutual funds, (8) guaranteed investment contracts, and (9) public funds investment pools. The district policy authorizes all the State allowable investments.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal period are referred to as either "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectible. Property taxes are levied by October 1st on the assessed value listed as of the prior January 1st for all real and business personal property in the District in conformity with Subtitle E, Texas Property Code. Taxes are due upon receipt of the tax bill and are delinquent if not paid before February 1st of the year following the year in which imposed. On January 31st of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance (Continued)

Receivables and Payables (Continued)

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

Accrued liabilities include amounts accrued for salaries and for self-insurance claims.

Interfund Activities and Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" within the fund financial statements. Long-term borrowings between funds are classified as "advances to other funds" or "advances from other funds" in the fund financial statements. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any residual balance outstanding between the governmental and business-type activities at the end of the fiscal year, which are reported in the government-wide financial statements as internal balances.

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net assets. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements

Inventories and Prepaid Items

Inventories of supplies on the balance sheet are stated at cost and they include consumable custodial, maintenance, transportation supplies. Inventories of governmental funds are recorded as expenditures when they are consumed rather than when purchased. Inventories of food commodities are recorded at market values supplied by the Texas Department of Agriculture. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of Agriculture and recorded as inventory and deferred revenue when received in the governmental funds. When requisitioned, inventory and deferred revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount. Prepaid items are payments made for services that benefit periods beyond the current period.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance (Continued)

Capital Assets

Capital assets, which include land, buildings, right-to-use leased assets, right-to-use subscription assets, furniture and equipment, are reported in the applicable governmental or business type activity columns in the government-wide financial statements. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their acquisition value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the lives of the assets are not capitalized. A capitalization threshold of $5,000 is used.

Land and construction in progress are not depreciated. The other capital assets are being depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings	50
Building improvements	7-25
Furniture and equipment	5-20
Right-to-use lease assets	3-12
Right-to-use subscription assets	3-5
Infrastructure assets - roads	20
Infrastructure assets - network and subsystems	5

Deferred Outflows/Inflows of Resources

Certain defined transactions that do not quality for treatment as either assets or liabilities are required to be accounted for and reported as either deferred outflows of resources (a separate subheading following assets but before liabilities) or deferred inflows of resources (a separate subheading following liabilities but before equity).

Deferred outflows of resources represent a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then. It has a positive effect on net position, similar to assets. The deferred amount for advance refunding of debt is a result of the difference in the carrying value of refunded debt and its reacquisition price is reported as a deferred outflow of resources. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Unavailable revenue from property taxes and School Health and Related Services (SHARS) is reported in the governmental funds balance sheet.

The deferred outflows and deferred inflows related to pensions and other postemployment benefits (OPEB) are an aggregate of items related to pensions and OPEB calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria.* Deferred inflows of resources for pension and OPEB are reported in the government-wide financial statement of net position. These deferred inflows result primarily from differences between projected and actual earnings on pension plan investments and on changes in actuarial assumptions in the OPEB plan. These amounts will be amortized over 5.6451 years for the District's pension and 9.4212 years for OPEB.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance (Continued)

Fair Value Measurements

The District adopted GASB Statement No. 72, *Fair Value Measurement and Application*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows:

- Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.

- Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.

- Level 3 are unobservable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

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

- Market approach - uses prices generated by market transactions involving identical or comparable assets or liabilities

- Cost approach - uses the amount that currently would be required to replace the service capacity of an asset (replacement cost)

- Income approach - uses valuation techniques to convert future amounts to present amounts based on current market expectations.

Leases

Lease contracts that provide the District with control of a non-financial asset, such as land, buildings, or equipment, for a period of time in excess of twelve months are reported as a leased asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The leased asset is recorded for the same amount as the related lease liability plus prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payments.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (Continued)

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 – sick local leave and personal business leave. 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.

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.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds and is recorded as an adjustment to interest expense. Bonds payable are reported net of the applicable bond premium or discount. In accordance with GASB Codification Section I30: *Interest Costs – Imputation,* bond issuance costs are expensed in the period incurred except for prepaid insurance costs.

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

Pensions

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities, and additions to/deductions from TRS 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (Continued)

Other Post-Employment Benefits (OPEB) Liability

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 OPEB, 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.

Government-wide Net Position

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. The District's net position is composed of the following:

Net Investment in Capital Assets. The component of net position that represents capital assets net of accumulated depreciation less capital related debt.

Restricted for State and Federal Programs. The component of net position that reports the difference between assets and liabilities of the Federal and State special revenue programs that consists of assets with constraints placed on their use by the Department of Education, Agriculture, the Texas Education Agency and other federal and state entities.

Restricted for Debt Service. The component of net position that reports the restricted assets set aside in a sinking fund, net of accrued interest, that have constraints placed on their use by the debt covenant.

Unrestricted. The difference between the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not reported in net position invested in capital assets, net position restricted for debt services, or net position restricted for state and federal programs. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (Continued)

Fund Balance

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. There are two major categories of fund balances, which are nonspendable and spendable.

Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. As such, the prepaid insurance and inventories have been properly classified in the Governmental Funds Balance Sheet (Exhibit C-1).

In addition to the nonspendable fund balance, there is a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

Fund Balance Flow Assumptions. Sometimes the government 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, 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. The District's net fund balance is composed of the following:

- *Restricted*: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.

- *Committed*: fund balances that can be used only for the specific purposes imposed by formal action through the adoption of a resolution by the Board of Trustees, which is the highest level of decision making authority in the District. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process.

  Constraints imposed on the use of committed amounts are imposed by the Board, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered legally enforceable. Committed fund balance also incorporates contract obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (Continued)

- *Assigned*: fund balances that contain self-imposed constraints of the government to be used for a particular purpose. The Board has, by local policy – annual operating budget, authorized the Superintendent, or his designee, to assign fund balance. The Board, Superintendent or designee may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. An additional action does not have to be taken for the removal of an assignment.

- *Unassigned*: fund balance of the general fund that is not constrained for any particular purpose.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates. Actual results could vary from the estimates assumed in preparing the financial statements. Estimates that are particularly susceptible to significant change in the near term are related to allowance for doubtful accounts, pension liability, and OPEB liability.

Internal Service Fund Activity

Because the principal users of the internal service activities are the District's governmental activities, the financial statement of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statements.

Only the net profit or loss before investment income is allocated to the operating programs benefited. Investment income is combined with other unrestricted income as general revenue in the statement of activities.

Accounting System

In accordance with the Resource Guide, the District has adopted and installed an accounting system which meets at least the minimum requirements prescribed by the State board of Education and approved by the State Auditor. Specifically, the District's accounting system uses codes and the code structure prescribed by TEA in the Resource Guide. Mandatory codes are recorded in the order provided in that section.

Data Control Codes

The data control codes refer to the account code structure prescribed by TEA in the FASRG. The TEA requires school districts to display these codes in the financial statement filed with the Agency in order to ensure accuracy in building a statewide database for policy development and funding plans.

NOTE 1 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (Continued)

Recently Issued Accounting Pronouncements

Future accounting standards possibly applicable to the District that have been issued by the Governmental Accounting Standards Board are:

- Statement No. 103, *Financial Reporting Model Improvements*
- Statement No. 104, *Disclosure of Certain Capital Assets*

GASB Statement No. 103 seeks to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from government to government, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position. The requirement for presentation of major component unit information will improve comparability. The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB Statement No. 104 provides users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. This requirement is effective for fiscal years beginning after June 15, 2025.

The impact of these statements on the District's financial statements, has not been determined yet. The District will evaluate these new pronouncements and will implement them as applicable by their effective dates.

NOTE 2 – IMPLEMENTED ACCOUNTING STANDARDS

In 2025, the District implemented GASB Statement No. 101, *Compensated Absences* (GASB 101). 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 year 2025. Application of GASB 101 resulted in the District recognizing short and long-term liabilities related to their compensated absences as of June 30, 2025.

GASB Statement No. 102 requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

NOTE 3 – COMPLIANCE AND ACCOUNTABILITY

A. Finance-Related Legal and Contractual Provision

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

Violations Reported	Actions Taken
None	Not applicable

B. Expenditures Exceeding Appropriations

For the year ended June 30, 2025, the District had no expenditure functions where appropriated amounts were exceeded.

C. Deficit Fund Balances of Individual Funds or Deficit Net Position

The District has one fund with a deficit fund balance at year end. The District has a negative unrestricted net position in the Internal Service Funds of ($777,023). The result of this was due to the District incurring large claims at the end of the fiscal year. The District did receive stop loss reimbursements for these claims. The District additionally had a negative unrestricted net position in the Governmental Activities of ($21,260,503) at year end. The result of this negative balance is due to activities related to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other Than Pensions*. (Refer to Note 15).

NOTE 4 – DEPOSITS AND INVESTMENTS

A. Disclosures Related to Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is that risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in possession of another party.

The Public Funds Investment Act, the District's investment policy, and Government Code Chapter 2257 "Collateral for Public Funds" contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments.

To be eligible to receive funds from and invest funds on behalf of an entity under this chapter, a public funds investment pool created to function as a money market mutual fund must mark its portfolio to market daily, and, to the extent reasonable possible, stabilize at a $1 net asset value. If the ratio of the market value of the portfolio divided by the book value of the portfolio is less than 0.995 or greater than 1.005, portfolio holding shall be sold as necessary to maintain the ratio between 0.995 and 1.005.

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

A. Disclosures Related to Custodial Credit Risk (Continued)

The District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the District's agent bank approved pledged securities and letters of credit 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.

B. Cash Deposits

At June 30, 2025, the carrying amount of the District's cash and investments (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was $36,180,648 and the bank balance was $36,554,440. The District's cash deposits at June 30, 2025 and for the year ended June 30, 2025, were entirely covered by FDIC insurance or letters of credit and by pledged collateral held by the District's agent bank in the District's name.

A reconcilement of cash and investments as shown on the Statement of Net Position for the primary government are as follows:

Exhibit A-1		
Cash and cash equivalents	$	34,548,727
Investments		1,631,921
Cash and investments statement of net position	$	36,180,648

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

a. Depositories: Texas Regional Bank

b. The market value of securities and letters of credit as of the date of the highest combined balance on deposit was $62,197,433.

c. The highest combined balance of cash, saving and time deposits accounts amounted to $57,929,906 occurred during the month of January 2025.

d. Total amount of FDIC coverage at the time of the largest combined balances was $250,000.

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

C. Investments

Statutes authorize the District to invest in obligations of the U.S. Treasury or the State of Texas allowed by Chapter 2256 Public Funds Investment and Chapter 2257 Collateral for Public Funds of the Government Code.

The District's investment policies and types of investments are governed by the Public Funds Investment Act.

The District's management believes that it complied in all material respects with the requirements of the Public Funds Investment Act and the District's investment policies.

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

All of the investment pools that the District is invested in have met the criteria established under GASB statement No. 79 to report their value at amortized cost. All of the investment pools strive to maintain a $1 per share net asset value. Additionally, the pools do not have any limitations or restrictions on withdrawals such as notice periods or maximum transaction amounts. The pools do not impose any liquidity or redemption gates.

At June 30, 2025, the District's investments are summarized below:

	Amount Reported			
Current Investments	Governmental Activities	Fiduciary Funds	Total	Weighted Average Maturity (Days)
Reported at Amortized Cost				
Logic Investment Pool	$ 318,078	$ 189,806	$ 507,884	46
TexPool Investments	380,929	-	380,929	38
TexPool Prime Investments	637,738	125,706	763,444	43
Lone Star Investments	295,176	-	295,176	34
	$ 1,631,921	$ 315,512	$ 1,947,433	

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

D. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the District's investment policy and the Texas Public Funds Investment Act and actual rating as of period-end for each investment.

	Amount Reported				
Current Investments	Governmental Activities	Fiduciary Funds	Total	Credit Rating	Exposure
Reported at Amortized Cost					
Logic Investment Pool	$ 318,078	$ 189,806	$ 507,884	AAAm	26%
TexPool Investments	380,929	-	380,929	AAAm	20%
TexPool Prime Investments	637,738	125,706	763,444	AAAm	39%
Lone Star Investments	295,176	-	295,176	AAAm	15%
	$ 1,631,921	$ 315,512	$ 1,947,433		

E. Concentration of Credit Risk

Concentration of credit risk is the risk of loss to the magnitude of the District's investment in a single issuer. Portfolio diversification is employed 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, as a way to control risk. Investments issued are explicitly guaranteed by the U.S. government, mutual funds and investment pools are excluded from this requirement.

NOTE 5 – RECEIVABLES

Significant receivables for the government's individual major funds and other, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows.

A. Property Taxes

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

The 2024 assessed valuation was $4,511,227,605.

NOTE 5 – RECEIVABLES (Continued)

A. Property Taxes (Continued)

Delinquent taxes are prorated between the general fund and debt service fund based on the tax rate approved by the Board. For the year ended June 30, 2025, the rates were $0.7869 and $0.1706, respectively, per $100 of assessed value.

	General Fund	Other Funds	Total
Property taxes receivable	$ 3,182,040	$ 585,300	$ 3,767,340
Less: allowance for uncollectible	(1,917,700)	(415,758)	(2,333,458)
Property taxes receivable, net	$ 1,264,340	$ 169,542	$ 1,433,882

B. Due From Other Governments

Amounts due from other governments and agencies are as follows:

	General Fund	Other Funds	Total
Due from other governments			
Texas Education Agency	20,924,808	$ 1,384,695	$ 22,309,503
Medicaid program (SHARS)	1,767,841	-	1,767,841
Texas Workforce Commission	-	-	-
Other	110,516	72,205	182,721
Total due from other governments	$ 22,803,165	$ 1,456,900	$ 24,260,065

NOTE 5 – RECEIVABLES (Continued)

C. Unearned Revenues

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

At June 30, 2025, the various components of unearned revenues are:

	General Fund	Other Funds	Total
Unearned revenue			
Foundation revenue	$ 4,276	$ -	$ 4,276
State grants	-	141,561	141,561
Total unearned revenue	$ 4,276	$ 141,561	$ 145,837

NOTE 6 – DISAGGREGATION OF OTHER RECEIVABLES

At June 30, 2025, other receivables are as follows:

	General Fund	Other Funds	Internal Service Fund	Total
Other receivables				
Prescription drug program rebate	$ -	$ -	$ 262,178	$ 262,178
Insurance stop loss	-	-	378,783	378,783
Total other receivables	$ -	$ -	$ 640,961	$ 640,961

NOTE 7 – CAPITAL ASSETS

	Beginning Balance 7/1/2024	Increases	Decreases	Transfers In/out	Ending Balance 6/30/2025
Governmental activities:					
Capital Assets, Not Being Depreciated:					
Land	$ 11,783,647	$ -	$ -	$ -	$ 11,783,647
Construction in Progress	6,239,550	3,201,789	-	(7,879,531)	1,561,808
Total Capital Assets, Not Being Depreciated	18,023,197	3,201,789	-	(7,879,531)	13,345,455
Capital Assets, Being Depreciated:					
Buildings and Improvements	211,010,208	180,364	-	7,879,531	219,070,103
Furniture and Equipment	27,851,005	1,212,486	(58,973)		29,004,518
Infrastructure assets - roads	541,357	-	-	-	541,357
Infrastructure assets - networks and subsystems	688,797	-	-	-	688,797
Total Capital Assets, Being Depreciated	240,091,367	1,392,850	(58,973)	7,879,531	249,304,775
Less Accumulated Depreciation For:					
Buildings and Improvements	(82,115,452)	(5,957,743)	-	-	(88,073,195)
Furniture and Equipment	(20,149,575)	(1,270,572)	58,973	-	(21,361,174)
Infrastructure assets - roads	(268,459)	(27,068)	-	-	(295,527)
Infrastructure assets - networks and subsystems	(400,947)	(25,777)	-	-	(426,724)
Total Accumulated Depreciation	(102,934,433)	(7,281,160)	58,973	-	(110,156,620)
Total Capital Assets, Being Depreciated, Net	137,156,934	(5,888,310)	-	7,879,531	139,148,155
Right-to-use Lease assets Being Amortized:					
Furniture and Equipment	1,459,100	-	-	-	1,459,100
Less accumulated amortization	(530,287)	(199,297)	-	-	(729,584)
Total Right-to-use assets being amortized, net	928,813	(199,297)	-	-	729,516
Right-to-use SBITA Assets Being Amortized:					
Subscription-based Information Technology Arrangements	912,917	228,963	(373,098)	-	768,782
Less accumulated amortization	(355,467)	(298,912)	373,098	-	(281,281)
Total Right-to-use SBITA Assets Being Amortized, net	557,450	(69,949)	-	-	487,501
Governmental Activities Capital Assets, net	$ 156,666,394	$ (2,955,767)	$ -	$ -	$ 153,710,627
Business-type activities:					
Capital Assets, Being Depreciated:					
Buildings	$ 176,233	$ -	$ -	$ -	$ 176,233
Furniture and Equipment	131,378	-	-	-	131,378
Total Capital Assets, Being Depreciated	307,611	-	-	-	307,611
Less Accumulated Depreciation For:					
Buildings	(110,024)	(11,950)	(11,949)	-	(133,923)
Furniture and Equipment	(103,184)	(5,287)	(5,287)	-	(113,758)
Total Accumulated Depreciation	(213,208)	(17,237)	(17,236)	-	(247,681)
Total Capital Assets, Being Depreciated, Net	94,403	(17,237)	(17,236)	-	59,930
Business-type Activities Capital Assets, net	$ 94,403	$ (17,237)	$ (17,236)	$ -	$ 59,930

NOTE 7 – CAPITAL ASSETS (Continued)

Depreciation was charged to functions as follows:

		Depreciation	Amortization
Governmental activities:			
11	Instruction	$ 4,876,648	$ 303,899
12	Instructional Resources and Media	36,724	5,162
21	Instructional Development	19,632	7,229
23	School Leadership	20,835	28,372
31	Guidance and Counseling Services	-	6,456
32	Social Work Services	4,221	-
34	Student (Pupil) Transportation	435,582	53,024
35	Food Service	173,490	1,562
36	Cocurricular/Extracurricular Activities	890,894	63,902
41	General Administration	3,022	11,947
51	Plant Maintenance and Operations	621,714	-
52	Security and Monitoring Services	126,546	-
53	Data Processing Services	71,852	16,656
	Total depreciation and amortization expense - governmental activities	$ 7,281,160	$ 498,209

The following summarizes the District's leased assets:

	Beginning Balance 7/1/2024	Increases	Decreases	Transfers In/out	Ending Balance 6/30/2025
Right-to-use lease assets, being amortized:					
Copiers	$ 546,597	$ -	$ -	$ -	$ 546,597
Scoreboard	912,503	-	-	-	912,503
Total right-to-use leased assets	1,459,100	-	-	-	1,459,100
Less: Right-to-use lease assets, accumulated amortization:					
Copiers	(126,964)	(136,649)	-	-	(263,613)
Scoreboard	(403,323)	(62,648)	-	-	(465,971)
Total accumulated amortization	(530,287)	(199,297)	-	-	(729,584)
Total right-to-use lease assets, net	928,813	(199,297)	-	-	729,516
Right-to-use subscription assets being amortized:					
Subscription-based information technology arrangements	912,916	228,963	(373,098)	-	768,781
Less: Right-to-use subscription assets, accumulated amortization:					
Subscription-based information technology arrangements	(355,467)	(294,744)	373,098	-	(277,113)
Total accumulated amortization	(355,467)	(294,744)	373,098	-	(277,113)
Total right-to-use subscription assets, net	$ 557,449	$ (65,781)	$ -	$ -	$ 491,668

NOTE 8 – INTERFUND RECEIVABLE, PAYABLES, AND TRANSFERS

At June 30, 2025, balances due to and due from between funds were as follows:

Receivable Fund:	Total	Payable Fund:	Total
General Fund	$ 4,002,096	Nonmajor funds	$ 2,102,096
		Internal Service fund	1,900,000
Total Due From Other Funds	$ 4,002,096	Total Due To Other Funds	$ 4,002,096

The balances result from a routine lag between the dates that transactions such as year-end payroll accruals and other year-end accruals are recorded in the accounting system and payments between funds are made. All amounts are scheduled to be repaid within one year.

NOTE 9 – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. As of June 30, 2025, the governmental funds reported deferred inflows of resources for unavailable property taxes in the amount of $1,048,006 and unavailable School Health and Related Services (SHARS) revenues in the amount of $1,767,809.

Deferred outflows of resources reported at the government-wide financial statement level included deferred charges on refunding of bonds, deferred outflows related to pensions, and deferred outflows related to OPEB. As of June 30, 2025, the amount of deferred charges on refunding of bonds reported as deferred outflows of resources was $36,511. Deferred outflows of resources related to pension and OPEB are $6,617,128 and $8,893,239, respectively. Deferred inflows of resources related to pensions and OPEB are $2,957,685 and $21,614,677, respectively.

NOTE 10 – LONG-TERM OBLIGATIONS

A. General Obligations Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The bonds are guaranteed by the corpus of the Permanent School Fund of the State of Texas in accordance with Article 7, Section 5 of the Texas Constitution, and Subchapter C of Chapter 45 of the Texas Education Code. General obligation bonds are direct obligation and pledge the full faith and credit of the District. Current principal and interest requirements are payable solely from future revenues of the Debt Service Fund which consists principally of property taxes collected by the District and interest earnings.

Certain outstanding bonds may be redeemed at the par value prior to their normal maturity dates in accordance with the terms of the bond indentures. The District has never defaulted on any principal or interest payment. There are a number of limitations and restrictions contained in the general obligation bond indenture. The District's management has indicated that the District was in compliance with all significant limitations and restrictions at June 30, 2025.

NOTE 10 – LONG-TERM OBLIGATIONS (Continued)

A. General Obligations Bonds (Continued)

General obligation and capital appreciation bonds payable at June 30, 2025 are summarized as follows:

Date of Issue	Original Issue	Final Maturity	Interest Rate	Outstanding Balance
2017 Ref	8,040,000	2034	2.00% - 4.50%	$ 2,350,000
2019 Ref	7,465,000	2040	2.00% - 5.00%	6,750,000
2020 Ref	35,440,000	2041	3.00% - 5.00%	33,640,000
2021 Ref	4,295,000	2031	3.00% - 4.00%	2,845,000
2021A Ref*	22,245,000	2036	2.15% - 5.00%	21,105,000
				$ 66,690,000

*General obligation bond includes capital appreciation bond principal of $775,000 which will be due in FY2026 in combination with $1,165,000 of interest.

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

Year Ended June 30,	Principal	Interest	Total Requirements
2026	$ 3,120,000	$ 3,537,711	$ 6,657,711
2027	4,985,000	2,255,461	7,240,461
2028	5,240,000	2,006,211	7,246,211
2029	5,400,000	1,744,211	7,144,211
2030	5,450,000	1,500,411	6,950,411
2031-2035	21,000,000	4,977,097	25,977,097
2036-2040	18,490,000	2,006,544	20,496,544
2041-2045	3,005,000	90,150	3,095,150
	$ 66,690,000	$ 18,117,796	$ 84,807,796

B. Tax Notes

Tax notes outstanding at June 30, 2025 are as follows:

Series 2013 Maintenance Tax Note, authorized by Education Code Section 45.108, for the construction of a new aquatic center. The interest rate on the note is 2.720% with payments due from February 15, 2014 through February 15, 2028.	$ 825,000
Series 2018 Maintenance Tax Note, authorized by Education Code Section 45.108, for renovation and remodeling of existing facilities in the District. The interest rate on the note is 3.500% with payments due from February 15, 2018 through February 15, 2033.	1,155,000
	$ 1,980,000

NOTE 10 – LONG-TERM OBLIGATIONS (Continued)

B. Tax Notes (Continued)

The tax note debt service requirements to maturity, including interest are as follows:

Year Ended June 30,	Principal	Interest	Total Requirements
2026	$ 400,000	$ 58,245	$ 458,245
2027	410,000	46,871	456,871
2028	420,000	35,206	455,206
2029	140,000	23,250	163,250
2030	145,000	18,910	163,910
2031-2035	465,000	29,140	494,140
	$ 1,980,000	$ 211,622	$ 2,191,622

The Notes are direct obligations of the District payable as to both principal and interest from available funds of the District which include the maintenance tax. The District has pledged to levy a tax from the District's maintenance and operation taxing authority for the tax notes.

C. Prior and Current Year Defeasance

In June 2025, the District transferred $1,659,274 of existing resources to an irrevocable trust with an escrow agent that is restricted to owning only risk free monetary assets for the purpose of extinguishing a portion of the District's outstanding debt before scheduled maturity. The early extinguishment was authorized for $1,750,000 of outstanding principal of the Series 2017 Refunding bonds and were also used to cover costs of issuance in order to lower the overall debt service requirements for the District. The bonds are considered to be defeased and are no longer reported as a long term liability in accordance with the economic measurement resource focus.

The defeasance funded with existing resources resulted in an overall economic gain of $386,625 and gross savings (difference between the present value of the debt service payments of the old and new debt) of $2,098,400. At June 4, 2025, the defeased portion of the Series 2017 refunding bonds was $1,580,000.

NOTE 10 – LONG-TERM OBLIGATIONS (Continued)

D. Lease Liabilities

The District entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB No. 87 and, therefore, have been recorded at the present value of the future minimum payments as of the date of their inception. There are no variable payment components of the leases. The lease liability is measured at a discount rate of 8.5%.

Lease required payments are as follows:

Year Ended June 30,	Principal	Interest	Total Requirements
2026	$ 141,640	$ 19,975	$ 161,615
2027	167,969	7,477	175,446
	$ 309,609	$ 27,452	$ 337,061

As a result of these lease liabilities, the District has recorded leased assets with a net book value of $768,781. See Note 7-Capital Asset for more detail.

E. Subscription-Based Information Technology Arrangements

General

The District has eight existing arrangements subject to the requirements of GASB 96. These arrangements can be described in groups- those related to the provision of assisting students, those used for administrative purposes, those used for networking purposes, and those used for navigation purposes. The District makes annual payments and the agreements are for varying terms. The SBITA liability is the present value of these payments using the district's incremental borrowing rate. The liability is amortized providing the principal and interest components of the payments over the SBITA term. The SBITA asset is measured as the SBITA liability plus any capitalized expenditures/expenses incurred in the initial implementation stage. The SBITA asset is amortized using a straight-line amortization method over the term of the SBITA arrangement. Sharyland Independent School District set a materiality threshold on SBITA arrangements at $5,000. See Note 1 for capitalization thresholds.

NOTE 10 – LONG-TERM OBLIGATIONS (Continued)

E. Subscription-Based Information Technology Arrangements (Continued)

At June 30, 2025, subscription assets and accumulated amortization is as follows:

Governmental Activities	Term in Months	Total Right-to-use Lease Asset Amount	Total Accumulated Amortization	Total Right-to-use Lease Asset, net
Administrative Software	60	$ 142,988	$ (83,404)	$ 59,584
Educational Assistance for Students	36	181,379	(85,651)	95,728
Educational Assistance for Students	36	52,562	(29,931)	22,631
Educational Assistance for Students	48	11,200	(2,800)	8,400
Educational Assistance for Students	41	151,700	(62,839)	88,861
Educational Assistance for Students	12	49,968	(16,657)	33,311
Educational Assistance for Students	24	143,000	-	143,000
Educational Assistance for Students	24	35,995	-	35,995
Total Governmental Activities		$ 768,792	$ (281,282)	$ 487,510

At June 30, 2025, subscription liabilities and related principal and interest requirements are as follows:

Governmental Activities	Term in Months	Interest Rate	Initial Liability	Ending Balance
Administrative Software	60	8.5%	$ 142,978	$ 64,261
Educational Assistance for Students	36	8.5%	181,379	65,453
Educational Assistance for Students	36	8.5%	52,562	19,573
Educational Assistance for Students	41	8.5%	151,700	95,628
Educational Assistance for Students	24	8.5%	35,995	27,093
Total Governmental Activities			$ 564,614	$ 272,008

As of June 30, 2025, future SBITA principal and interest payments are as follows:

Year Ended June 30,	Principal	Interest	Total Requirements
2026	184,665	7,584	192,249
2027	87,343	-	87,343
	$ 272,008	$ 7,584	$ 279,592

NOTE 10 – LONG-TERM OBLIGATIONS (Continued)

F. Commitments and Impairments

There were no additional commitments made before the commencement of the SBITA term(s). There were also no impairments or modifications to be reported during this fiscal year.

Long-term debt liabilities activity for the governmental activities for the year ended June 30, 2025, are as follows:

	Beginning Balance	Additions	Reductions	Defeased	Ending Balance	Due Within On Year
General obligation bonds	$ 71,475,000	$ -	$ (3,980,000)	$ (1,580,000)	$ 65,915,000	$ 3,120,000
Unamortized premium	8,647,820	-	(781,283)	(173,064)	7,693,473	-
Accretion of CAB's	1,357,822	-	-	-	1,357,822	-
Lease liability	440,268	-	(130,659)	-	309,609	141,640
SBITAs liabilities	484,336	228,963	(441,291)	-	272,008	184,665
Maintenance tax notes	2,365,000	-	(385,000)	-	1,980,000	400,000
Compensated Absences	4,746,256	-	(439,116)	-	4,307,140	1,134,115
	$ 89,516,502	$ 228,963	$ (6,157,349)	$ (1,753,064)	$ 81,835,052	$ 4,980,420

NOTE 11 – SOURCES OF FEDERAL REVENUES IN GENERAL FUND

Federal revenues in the general fund for the fiscal year ended June 30, 2025 were from the following sources:

Programs or Source	ALN	Amount
School Health & Relation Services	Not applicable	$ 205,869
Junior Reserve Officers' Training Corps	12.U01	76,984.00
Indirect Costs:		
Title I Grants to Local Education Agencies	84.01	124,209
Migrant Education State Grant Program	84.011	2,383
Special Education - Grants to States	84.027	59,377
Career and Technical Education - Basic Grants to States	84.048	6,285
Special Education - Preschool Grants	84.173	260
English Language Acquisition State Grants	84.365	24,827
Education Stabilization Fund (ARP ESSER III)	84.425U	648
Education Stabilization Fund (ARP Homeless II)	84.425W	1,337
Total general fund federal sources revenue		$ 502,179

NOTE 12 – RISK MANAGEMENT

A. General

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters for which the District carries commercial insurance.

The District purchases insurance to cover these risks, the more significant of which are general liability insurance in the amount of approximately $1,000,000, and $200,000,000 for property insurance.

Such insurance is consistent with the prior year, and at June 30, 2025 the District did not have any insurance claims pending.

B. Worker's Compensation

Employees of the District were covered by a self-funded worker's compensation program sponsored by the district. All premiums were paid to licensed third party administrator with excess reinsurance. The Plan was documented by contractual agreement.

At June 30, 2025, the District reported $175,386 of claim liabilities for worker's compensation.

C. Health Care

The District sponsors a self-insurance plan to provide health care benefits to staff members and their dependents. This plan was authorized by section 21.922 of the Texas Education Code and article 3.51-2 of the Texas Insurance Code and was documented by contractual agreement. Transactions related to the plan are accounted for in the internal service fund of the District.

The District was protected against unanticipated, catastrophic individual or aggregate loss by stoploss coverage carried through Granular Insurance for the period of January 1, 2024 through December 31, 2024 and for the period of January 1, 2025 to December 31, 2025. Stoploss coverage will be in effect for annual individual claims exceeding $125,000, and annual aggregate losses exceeding approximately $9,297,926 and $9,297,926 respectively for the contract years.

The following is summary of the changes in the balance of claims liabilities for health care for the year ended June 30, 2025:

Liability, beginning of period	$ 1,228,504
Claims incurred during the period	9,496,367
Payments on claims	(9,665,493)
Liability, end of period	$ 1,059,378

NOTE 12 – RISK MANAGEMENT (Continued)

D. Medicare Part D – On Behalf Payments for Reporting Entities

Funding Policy The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries, also known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants.

The amount of subsidy reimbursement received by TRS on-behalf of the District for the periods ending June 30, 2025, 2024, and 2023, were $484,995, $406,220, and $394,783, respectively.

NOTE 13 – PENSION PLAN OBLIGATIONS

A. Plan Description

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

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

B. Pension Plan Fiduciary Net Position

Detail information about the Teacher Retirement System'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 attention Finance Division, PO BOX 149676, Austin, TX, 78714-0185, or by calling 1-800-223-8778.

C. Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered under a previous rule.

NOTE 13 – PENSION PLAN OBLIGATIONS (Continued)

C. Benefits Provided (Continued)

There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description in (A) above.

Accordingly, the 2023 Texas Legislature passed Senate Bill (SB) 10 and House Joint Resolution (HJR) 2 to provide eligible retirees with a one-time stipend and an ad hoc cost-of-living-adjustment (COLA).

One-Time Stipends

Stipends, regardless of annuity amount, were paid in September 2023 to annuitants who met the qualifying age requirement on or before August 31, 2023:
• A one-time $7,500 stipend to eligible annuitants who are 75 years of age and older.
• A one-time $2,400 stipend to eligible annuitants age 70 to 74.

Cost-of-Living Adjustment

A cost-of-living adjustment (COLA) was dependent on Texas voters approving a constitutional amendment (Proposition 9) to authorize the COLA. Voters approved the amendment in the November 2023 election and the following COLA was applied to eligible annuitants' payments beginning with their January 2024 payment:

• 2% COLA for eligible retirees who retired between September 1, 2013 through August 31, 2020.
• 4% COLA for eligible retirees who retired between September 1, 2001 through August 31, 2013.
• 6% COLA for eligible retirees who retired on or before August 31, 2001.

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.

D. Contributions

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 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. Contribution Rates can be found in the TRS 2024 ACFR, Note 11, on page 87.

NOTE 13 – PENSION PLAN OBLIGATIONS (Continued)

D. Contributions (Continued)

	Contribution Rates	
	2024	2025
Member (Employee)	8.25%	8.25%
Non-Employer Contributing Entity (State)	8.25%	8.25%
Employers (District)	8.25%	8.25%

Current fiscal year employer contributions	$ 2,838,509
Current fiscal year member contributions	$ 6,033,145
NECE on-behalf contributions	$ 4,089,961

Contributors to the plan include active members, employers, and the State of Texas as the only nonemployer 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 (GAA).

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public schools, junior colleges, 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 percent of the state contribution rate for certain instructional or administrative employees and 100 percent of the state contribution rate for all other employees.

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

- All public schools, charter schools, and regional education service centers must contribute 1.9 percent of the member’s salary beginning in fiscal year 2024, gradually increasing to 2 percent in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

NOTE 13 – PENSION PLAN OBLIGATIONS (Continued)

E. Actuarial Assumptions

The total pension liability in the August 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2023 rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term Expected Rate	7.00%
Municipal Bond Rate as of August 2023	3.87% - The source for the rate is the Fixed Income Market Data/Yield Curve/ Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."
Last year ending August 31 in Projection Period (100 years)	2123
Inflation	2.30%
Salary Increases	2.95% to 8.95% including inflation
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2023. For a full description of these assumptions please see the actuarial valuation report dated November 21, 2023.

Discount Rate

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

Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return on pension plan investments is 7.00 percent.

NOTE 13 – PENSION PLAN OBLIGATIONS (Continued)

Discount Rate (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2024 (see page 56 of the 2024 TRS ACFR) are summarized below:

Asset Class	Target Allocation** %	Long-Term Expected Arithmetic Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.	18.00%	4.40%	1.00%
Non-U.S. Developed	13.00%	4.20%	0.80%
Emerging Markets	9.00%	5.20%	0.70%
Private Equity*	14.00%	6.70%	1.20%
Stable Value			
Government Bonds	16.00%	2.50%	0.50%
Absolute Return*	0.00%	3.60%	0.00%
Stable Value Hedge	5.00%	4.10%	0.20%
Real Return:			
Real Estate	15.00%	4.90%	1.10%
Energy, natural resources & Infrastructure	6.00%	4.80%	0.40%
Commodities	0.00%	4.40%	0.00%
Risk Parity	8.00%	4.50%	0.40%
Leverage			
Cash	2.00%	3.70%	0.00%
Asset Allocation Leverage	-6.00%	4.40%	-0.10%
Inflation expectation			2.30%
Volatility Drag****			-0.90%
Total	100.0%		7.60%

**Absolute Return includes Credit Sensitive Investments.*
*** Target allocations are based on the FY2023 policy model.*
**** Capital Market Assumptions come from Aon Hewitt (as of 6/30/2024).*
*****The volatility drag results from the conversion between arithmetic and geometric mean returns*

NOTE 13 – PENSION PLAN OBLIGATIONS (Continued)

F. Discount Rate Sensitivity Analysis

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

	1% Decrease (6.00%)	Current Single Discount Rate (7.00%)	1% Increase (8.00%)
District's proportional share of the net pension liability	$47,853,297	$29,959,741	$15,133,657

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

On June 30, 2025, the District reported a liability of $29,959,741 for its proportionate share of the TRS net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	0.0490%
District's proportionate share of the net pension liability	$ 29,959,741
State's proportionate share of the net pension liability associated with the District	44,332,958
Total	$ 74,292,699

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

On August 31, 2024, the employer's proportion of the collective net pension liability was 0.0490466481% which was a decrease of 0.0038424856% from its proportion measured as of August 31, 2023.

H. Changes in Assumptions and Benefits Since the Prior Actuarial Valuation

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

NOTE 13 – PENSION PLAN OBLIGATIONS (Continued)

H. Changes in Assumptions and Benefits Since the Prior Actuarial Valuation (Continued)

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.

The amount of pension expense recognized by the District in the reporting period was $8,619,937.

For the year ended August 31, 2024, the District recognized pension expense of $8,619,937 and revenue of $5,298,529 for support provided by the State.

On August 31, 2024, the District reported its proportionate share of the TRS 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 actuarial experience	$ 1,651,340	$ 233,911
Changes in actuarial assumptions	1,546,886	207,384
Differences between projected and actual investment earnings	182,115	-
Changes in proportion and differences between District contributions and proportionate share of contributions	812,061	2,516,390
Contributions paid to TRS subsequent to the measurement date	2,424,726	
Total	$ 6,617,128	$ 2,957,685

The District recognized $2,424,726 as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the measurement year ended August 31, 2025. The other amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	Amount
2025	$ (328,129)
2026	2,881,703
2027	18,409
2028	(1,209,102)
2029	(128,166)
Thereafter	2
	$ 1,234,717

NOTE 14 – OTHER POST-EMPLOYMENT BENEFIT PLANS

A. Plan Description

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

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

B. OPEB Plan Fiduciary Net Position

Detail information about TRS-Care's fiduciary net position is available in the separately issued TRS Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information.

That report may be obtained on the Internet at https://www.trs.texas.gov/learningresources/publications; by writing to TRS at P.O. Box 149676, Austin, TX, 78714-0185; or by calling (800) 223-8778.

C. Benefits Provided

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

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

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

TRS-Care Monthly for Retirees

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

NOTE 14 – OTHER POST-EMPLOYMENT BENEFIT PLANS (Continued)

D. Contributions

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65 percent of salary. Section 1575.204 establishes a public school contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the employer. The actual public school contribution rate is prescribed by the Legislature in the General Appropriations Act, which is 0.75 percent of each active employee's pay for fiscal year 2024. The following table shows contributions to the TRS-Care plan by type of contributor.

	Contribution Rates	
	2024	2025
Member	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding remitted by Employers	1.25%	1.25%

Employer contributions (District)	$ 620,934
Member (Employee)	475,339
Non-employer contributing agency (State)	777,602

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

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

E. Actuarial Assumptions

The actuarial valuation 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 was determined using the following actuarial assumptions: Actuarial Assumptions can be found in the 2024 TRS ACFR, Note 9, page 78.

NOTE 14 – OTHER POST-EMPLOYMENT BENEFIT PLANS (Continued)

E. Actuarial Assumptions (Continued)

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2021. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2023 TRS pension actuarial valuation that was rolled forward to August 31, 2024:

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

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

Additional Actuarial Methods and Assumptions:

Valuation date	August 31, 2023 rolled forward to August 31, 2024
Actuarial Cost method	Individual Entry Age Normal
Inflation	2.30%
Single discount rate	3.87% as of August 31, 2024
Aging factors	Based on the Society of Actuaries' 2013 Study "Health Care
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims cost.
Salary increases	2.95% to 8.95%, including inflation
Ad hoc post-employment benefit changes	None

Discount Rate

A single discount rate of 3.87 percent was used to measure the total OPEB liability. This was a decrease of 0.26 percent in the discount rate since the previous year. The Discount Rate can be found in the 2024 TRS ACFR on page 79.

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

The source of the municipal bond rate is the Fidelity “20-year Municipal GO AA Index” as of August 31, 2024, using the Fixed Income Market Data/Yield Curve/ Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

NOTE 14 – OTHER POST-EMPLOYMENT BENEFIT PLANS (Continued)

F. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the net OPEB liability if the discount rate used was 1 percentage point lower than and 1 percentage point higher than the discount rate that was used (3.87%) in measuring the Net OPEB liability.

	1% Decrease in Discount Rate 2.87%	Current Single Discount Rate 3.87%	1% Increase in Discount Rate 4.87%
District's proportional share of the net OPEB liability	$24,636,164	$20,736,696	$17,585,867

G. Healthcare Trend Rate Sensitivity Analysis

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportional share of the net OPEB liability	$16,886,960	$20,736,696	$25,753,286

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

On August 31, 2024, the District reported a liability of $20,736,606 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	$	20,736,696
State's proportionate share of the net OPEB liability associated with the District		25,982,799
Total	$	46,719,495

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

On August 31, 2024, the employer's proportion of the collective net OPEB liability was 0.0683217440% which was a decrease of 0.0046389968% from its proportion measured as of August 31, 2023.

NOTE 14 – OTHER POST-EMPLOYMENT BENEFIT PLANS (Continued)

H. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Changes Since the Prior Actuarial Valuation

The following were changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability (TOL) since the prior measurement period: These can be found in the 2024 TRS ACFR on page 79.

- The single discount rate changed from 4.13 percent as of August 31, 2023 to 3.87 percent as of August 31, 2024, accompanied by revised demographic and economic assumptions based on the TRS experience study.
- The tables used to model the impact of aging on the underlying claims were revised.

Changes of Benefit Terms Since the Prior Measurement Date

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

For the year ended August 31, 2024, the District recognized OPEB expense of $(6,099,100) and revenue of $(3,377,284) for support provided by the State. (Refer to the 2024 Allocation (Schedule) of Non-Employer Contributing Entity On-Behalf Payments (Contributions) for this information posted on the TRS website under GASB Statements 74 & 75.)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 3,974,528	$ 10,348,736
Changes in actuarial assumptions	2,654,052	6,766,144
Differences between projected and actual investment earnings	-	58,070
Changes in proportion and differences between District contributions and the proportionate share of contributions	1,739,439	4,441,727
Contributions paid to TRS subsequent to the measurement date	525,220	-
Total	$ 8,893,239	$ 21,614,677

NOTE 14 – OTHER POST-EMPLOYMENT BENEFIT PLANS (Continued)

H. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The District recognized $525,220 as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the measurement year ended August 31, 2025. The other amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended August 31,	OPEB Expense Amount
2026	$ (3,165,628)
2027	(2,226,437)
2028	(2,817,737)
2029	(2,347,203)
2030	(1,479,625)
Thereafter	(1,210,028)
	$ (13,246,658)

NOTE 15 – CONSTRUCTION COMMITMENTS

At June 30, 2025, the District had the following construction commitments:

Project Name	Contract Amount	Architect/Civil Amount	Amount Expended	Remaining Commitment
Sharyland HS Tennis Court Lights	$ 500,000	$ -	$ 2,434	$ 497,566
Special Ed. 18 + BLGD.	638,361	44,096	572,595	109,862
District Wide Doors (Phase 2)	1,203,454	-	930,029	273,425
Garza Elem. Paving Improvement	331,123	23,000	13,800	340,323
Total	$ 2,672,938	$ 67,096	$ 1,518,858	$ 1,221,176

NOTE 16 – COMMITMENTS AND ENCUMBRANCES

As of June 30, 2025, the District had the following encumbrances outstanding:

Major Funds	Nonmajor Funds	Total
General Fund	Special Revenue Funds	Governmental Funds
$1,633,879	$538,750	$2,172,629

NOTE 17– CONTINGENT LIABILITIES

The District participates in a number of grant programs funded by State and Federal Agencies. These programs are subject to compliance audits by the grantor agencies or their representative.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. Audits of all of these programs for the year ended June 30, 2025 have not been conducted. Accordingly, the District's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures that may be disallowed by the grantor agency cannot be determined at this time, although the District expects such amount, if any, to be immaterial. The District is involved in a legal proceedings arising from its operations. Management in consultation with its attorneys believes the outcome will have no material effect on the District's financial position.

NOTE 18 – RESTATEMENTS

Beginning balances were restated as follows:

	Governmental Activities
Beginning fund balance/net position, as previously reported	$ 58,664,371
Adjustment to beginning net position to record compensated absences resulting from the District's implementation of GASB 101 in the current year	(4,746,247)
	$ 53,918,124

NOTE 19 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through December 29, 2025, which is the date these financial statements were available to be issued.

REQUIRED SUPPLEMENTARY

INFORMATION

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EXHIBIT G-1

SHARYLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (GAAP Basis)	Variance With Final Budget Positive or (Negative)
	REVENUES:				
5700	Total Local and Intermediate Sources	$ 36,047,057	$ 36,523,754	$ 36,705,480	$ 181,726
5800	State Program Revenues	69,111,413	70,855,490	73,215,936	2,360,446
5900	Federal Program Revenues	1,032,396	1,032,396	502,179	(530,217)
5020	Total Revenues	106,190,866	108,411,640	110,423,595	2,011,955
	EXPENDITURES:				
	Current:				
11	Instruction	59,000,565	59,173,757	57,961,257	1,212,500
12	Instructional Resources and Media Services	1,093,815	1,187,427	1,133,484	53,943
13	Curriculum and Instructional Staff Development	829,000	1,070,833	947,951	122,882
21	Instructional Leadership	3,051,547	3,354,991	2,616,836	738,155
23	School Leadership	6,250,862	6,441,792	6,364,811	76,981
31	Guidance, Counseling and Evaluation Services	4,254,495	4,537,169	4,431,234	105,935
32	Social Work Services	41,079	52,033	41,515	10,518
33	Health Services	898,523	910,943	863,967	46,976
34	Student (Pupil) Transportation	4,554,460	6,151,395	4,701,547	1,449,848
35	Food Service	50,000	100,000	70,081	29,919
36	Extracurricular Activities	7,258,361	7,596,720	7,272,425	324,295
41	General Administration	3,854,921	3,638,958	3,479,483	159,475
51	Facilities Maintenance and Operations	10,824,317	11,821,970	11,386,907	435,063
52	Security and Monitoring Services	1,554,850	1,928,930	1,736,162	192,768
53	Data Processing Services	1,183,621	1,367,069	1,258,190	108,879
61	Community Services	110,313	101,958	97,183	4,775
	Debt Service:				
71	Principal on Long-Term Debt	734,692	1,223,192	1,036,366	186,826
	Capital Outlay:				
81	Facilitates Acquisition and Construction	-	1,780,398	819,052	961,346
	Intergovernmental:				
95	Payment to Juvenile Justice AEP	15,000	25,000	15,875	9,125
99	Other Intergovernmental Charges	630,445	630,445	580,932	49,513
6030	Total Expenditures	106,190,866	113,094,980	106,815,258	6,279,722
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(4,683,340)	3,608,337	8,291,677
	OTHER FINANCING SOURCES (USES):				
7912	Sale of Real and Personal Property	-		12,525	12,525
7915	Transfers in	5,972,408	9,350,315	6,741,931	(2,608,384)
7949	Issuance of SBITAs	-	-	228,963	228,963
8911	Transfers Out	(5,972,408)	(10,599,315)	(8,035,500)	2,563,815
7080	Total Other Financing Sources (Uses)	-	(1,249,000)	(1,052,081)	196,919
1200	Net Change in Fund Balances	-	(5,932,340)	2,556,256	8,488,596
0100	Fund Balance - (Beginning)	38,393,397	38,393,397	38,393,397	-
3000	Fund Balance - (Ending)	$ 35,480,510	$ 32,461,057	$ 40,949,653	$ 8,488,596

SHARYLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2025

	FY 2025 Plan Year 2024	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021
District's proportion of the net pension liability	0.049047%	0.0528891%	0.0544697%	0.0505428%
District's proportionate share of the net pension liability	$ 29,959,741	$ 36,329,732	$ 32,337,274	$ 12,871,460
State's proportionate share of the net pension liability associated with the District	44,332,958	53,183,168	48,897,666	22,535,654
Total	$ 74,292,699	$ 89,512,900	$ 81,234,940	$ 35,407,114
District's Covered Payroll	$ 71,418,198	$ 72,222,089	$ 70,868,091	$ 67,289,299
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered Payroll	41.95%	50.30%	45.63%	19.13%
Plan Fiduciary Net Position as a percentage of the total Pension Liability	77.51%	73.15%	75.62%	88.79%

FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015
0.0515027%	0.0536486%	0.0557062%	0.0538332%	0.0532776%	0.0553427%
$ 27,583,776	$ 27,888,239	$ 30,662,045	$ 17,212,946	$ 20,132,798	$ 19,562,908
49,114,601	46,698,431	50,417,067	29,553,002	36,360,594	34,659,893
$ 76,698,377	$ 74,586,670	$ 81,079,112	$ 46,765,948	$ 56,493,392	$ 54,222,801
$ 67,936,378	$ 63,696,089	$ 62,609,369	$ 59,733,574	$ 58,753,125	$ 56,328,129
40.60%	43.78%	48.97%	28.82%	34.27%	34.73%
75.54%	75.24%	73.74%	82.17%	78.00%	78.43%

SHARYLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TO THE TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE FISCAL YEAR ENDED JUNE 30,

	2025	2024	2023	2022
Contractually required contributions	$ 2,838,509	$ 2,759,479	$ 2,714,709	$ 2,474,853
Contributions in relation to the contractual required contributions	(2,838,509)	(2,759,479)	(2,714,709)	(2,474,853)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 73,128,995	$ 71,426,989	$ 72,667,738	$ 70,029,990
Contributions as a percentage of covered payroll	3.88%	3.86%	3.74%	3.53%

2021	2020	2019	2018	2017	2016
$ 2,152,395	$ 2,077,313	$ 1,884,733	$ 1,580,557	$ 1,764,337	$ 1,692,763
(2,152,395)	(2,077,313)	(1,884,733)	(1,580,557)	(1,764,337)	(1,692,763)
$ -	$ -	$ -	$ -	$ -	$ -
$ 67,191,109	$ 67,348,004	$ 63,667,224	$ 52,342,178	$ 59,733,574	$ 58,753,125
3.20%	3.08%	2.96%	3.02%	2.95%	2.88%

SHARYLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE MEASUREMENT YEARS ENDED JUNE 30,

	FY 2025 Plan Year 2024	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022
District's proportion of the net liability for OPEB	0.0683217440%	0.0729607408%	0.0762303517%
District's proportionate share of the net OPEB liability	$ 20,736,696	$ 16,152,271	$ 18,252,599
State's proportionate share of the net OPEB liability associated with the District	25,982,799	19,490,198	22,265,304
Total	$ 46,719,495	$ 35,642,469	$ 40,517,903
District's Covered Payroll	$ 71,418,198	$ 72,222,089	$ 70,868,091
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	29.04%	22.36%	25.76%
Plan fiduciary net position as a percentage of the total OPEB liability	13.70%	14.94%	11.52%

Note: Only eight years of data is presented in accordance with GASB Statement No. 75, paragraph 245. "The information for all fiscal years for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
0.0734759444%	0.0750978328%	0.0757220571%	0.0766577635%	0.0720858232%
$ 28,342,955	$ 28,548,078	$ 35,809,886	$ 38,275,923	$ 31,347,420
37,973,243	38,361,773	47,583,332	52,506,786	45,889,160
$ 66,316,198	$ 66,909,851	$ 83,393,218	$ 90,782,709	$ 77,236,580
$ 67,289,299	$ 67,936,378	$ 63,696,089	$ 62,609,369	$ 59,733,574
42.12%	42.02%	56.22%	61.13%	52.48%
6.18%	4.99%	2.66%	1.57%	0.91%

SHARYLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE FISCAL YEAR ENDED JUNE 30,

	2025	2024	2023
Contractually required contributions	$ 620,934	$ 622,373	$ 639,332
Contributions in relation to the contractual required contributions	(620,934)	(622,373)	(639,332)
Contribution deficiency (excess)	$ -	$ -	$ -
District's covered payroll	$ 73,128,995	$ 71,426,989	$ 72,667,738
Contributions as a percentage of covered payroll	0.85%	0.87%	0.88%

Note: Only eight years of data is presented in accordance with GASB Statement No. 75, paragraph 245. "The information for all fiscal years for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

2022	2021	2020	2019	2018
$ 614,237	$ 573,336	$ 564,240	$ 535,369	$ 443,946
(614,237)	(573,336)	(564,240)	(535,369)	(443,946)
$ -	$ -	$ -	$ -	$ -
$ 70,029,990	$ 67,191,109	$ 67,348,004	$ 63,667,224	$ 52,342,178
0.88%	0.85%	0.84%	0.84%	0.85%

A. Budgets

The official school original budget was prepared for adoption for required Governmental Fund Types by June 26, 2024. The budget was formally adopted by the Board of School Trustees at a duly advertised public meeting prior to the expenditure of funds. The Board also approved amendments throughout the year and the final amended budget by June 30th. Expenditures may not legally exceed budgeted appropriations at the function level. Annual budgets were adopted for the General Fund and the Debt Service Fund on a basis consistent with generally accepted accounting principles. The Debt Service Fund budget comparison schedule is presented in the Other Information section of the financial statements.

B. Encumbrances

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at June 30th, and encumbrances outstanding at the time are to be either cancelled or appropriately provided for in the subsequent year's budget.

C. Pension

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

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

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

D. Other Post-Employment Benefits:

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

Changes in assumptions - The following are changes to the actuarial assumptions or other inputs that affected measurement of Total OBEB liability during the measurement period:

- The single discount rate changed from 4.13 percent as of August 31, 2023 to 3.87 percent as of August 31, 2024, accompanied by revised demographic and economic assumptions based on the TRS experience study.

OTHER INFORMATION

SHARYLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Last 10 Fiscal Years Ended	(1) Tax Rates Maintenance	(2) Tax Rates Debt Service	(3) Assessed/Appraised Value for School Tax Purposes
2016 and Prior Years	Various	Various	Various
2017	1.1700	0.2055	3,095,956,202
2018	1.1700	0.2055	3,160,662,252
2019	1.1700	0.2055	3,229,002,272
2020	1.0684	0.2303	3,397,479,887
2021	1.0492	0.2316	3,498,163,661
2022	1.0009	0.1584	3,768,385,675
2023	0.9429	0.1805	4,198,339,293
2024	0.7575	0.2000	4,310,224,787
2025 (School Year Under Audit)	0.7869	0.1706	4,511,227,605
1000	Total		
8000	Taxes Refunded		

(10) Beginning Balance 7/1/2024	(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) Texas Refunded Under Section 26.115c
$ 762,240	$ -	$ 16,164	$ 2,335	$ (25,019)	$ 718,722	
113,890	-	3,216	565	(716)	109,393	
91,242	-	3,214	564	(722)	86,742	
130,116	-	4,964	872	(510)	123,770	
146,861	-	4,932	1,063	(12,942)	127,924	
183,362	-	15,751	3,477	(1,570)	162,564	
272,252	-	53,561	8,477	(13,893)	196,321	
543,391	-	57,152	10,941	(132,347)	342,951	
1,353,145	-	365,114	96,400	(494,473)	397,158	
-	41,429,675	32,779,840	7,106,672	(41,367)	1,501,797	
$ 3,596,499	$ 41,429,675	$ 33,303,908	$ 7,231,366	$ (723,559)	$ 3,767,342	

$ -

EXHIBIT J-2

SHARYLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL – CHILD NUTRITION PROGRAM
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Data Control Codes		Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive or
		Original	Final	(GAAP Basis)	(Negative)
	REVENUES:				
5700	Total Local and Intermediate Sources	$ 735,000	$ 356,000	$ 336,487	$ (19,513)
5800	State Program Revenues	28,500	28,500	27,053	(1,447)
5900	Federal Program Revenues	5,634,000	6,580,500	6,704,976	124,476
5020	Total Revenues	6,397,500	6,965,000	7,068,516	103,516
	EXPENDITURES:				
	Current:				
35	Food Services	6,164,500	8,451,814	7,777,952	673,862
51	Facilities Maintenance and Operations	233,000	392,000	334,636	57,364
52	Security and Monitoring Services	-	10,000	432	9,568
6030	Total Expenditures	6,397,500	8,853,814	8,113,020	740,794
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(1,888,814)	(1,044,504)	844,310
1200	Net Change in Fund Balances	-	(1,888,814)	(1,044,504)	844,310
0100	Fund Balance - (Beginning)	3,149,950	3,149,950	3,149,950	-
3000	Fund Balance - (Ending)	$ 3,149,950	$ 1,261,136	$ 2,105,446	$ 844,310

EXHIBIT J-3

SHARYLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL – DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Data Control Codes		Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive or
		Original	Final	(GAAP Basis)	(Negative)
	REVENUES:				
5700	Total Local and Intermediate Sources	$ 7,479,661	$ 7,479,661	$ 7,603,245	$ 123,584
5800	State Program Revenues	942,727	942,727	1,110,926	168,199
5020	Total Revenues	8,422,388	8,422,388	8,714,171	291,783
	EXPENDITURES:				
	Debt Service:				
0071	Principal on Long Term Debt	8,422,388	8,422,388	5,560,000	2,862,388
0072	Interest on Long Term Debt	-	-	2,722,085	(2,722,085)
0073	Bond Issuance Cost and Fees	-	-	59,150	(59,150)
6030	Total Expenditures	8,422,388	8,422,388	8,341,235	81,153
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	372,936	372,936
1200	Net Change in Fund Balances			372,936	372,936
0100	Fund Balance - (Beginning)	3,642,482	3,642,482	3,642,482	-
3000	Fund Balance - (Ending)	$ 3,642,482	$ 3,642,482	$ 4,015,418	$ 372,936

EXHIBIT J-4

SHARYLAND INDEPENDENT SCHOOL DISTRICT
STATE COMPENSATORY EDUCATION AND BILINGUAL EDUCATION PROGRAM EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Data Control Codes			
	Section A: Compensatory Education Programs		
AP1	Did your LEA expend any state compensatory education program state allotment funds during the District's fiscal year?		Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?		Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	$	402,248
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	$	4,656,955
	Section B: Bilingual Education Programs		
AP5	Did your district expend any bilingual education program state allotment funds during the LEA's fiscal year?		Yes
AP6	Does the district have written policies and procedures for its bilingual education program?		Yes
AP7	List the total state allotment funds received for bilingual education programs during the District's fiscal year.	$	1,951,681
AP8	List the actual direct program expenditures for bilingual education programs during the District's fiscal year. (PICs 25, 35)	$	1,028,270

SINGLE AUDIT SECTION

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

To the Board of Trustees
Sharyland Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Sharyland Independent School District, as of and for the year 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 December 29, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

BML y Fragoso, S.C.
Matamoros, MX

205 Pecan Boulevard, McAllen, TX 78501
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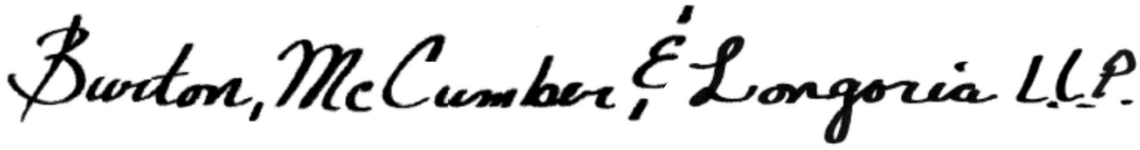
Purpose of This Report

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



McAllen, Texas
December 29, 2025

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

To the Board of Trustees
Sharyland independent School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Sharyland Independent School District's (the "District") compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended 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 types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of 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.

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Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Burton, McCumber & Longoria L.L.P.

McAllen, Texas
December 29, 2025

SHARYLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified		
Internal Control over financial reporting:			
• Material weakness(es) identified?	_____ yes	X no	
• Significant deficiencies identified that are not considered to be material weaknesses?	_____ yes	X none reported	
Noncompliance material to financial statements noted?	_____ yes	X no	

Federal Awards

Internal control over major programs:			
• Material weakness(es) identified?	_____ yes	X no	
• Significant deficiencies identified that are not considered to be material weaknesses?	_____ yes	X none reported	
Type of auditor's report issued on compliance for major programs:	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____ yes	X no	

Identification of major programs:

ALN Number(s)	*Name of Federal Program or Cluster*
84.010A	Title I Grants to Local Education Agencies
84.027A & 84.173A	Special Aid Cluster (IDEA B)
84.048A	Career and Technical Education – Basic Grants to States

Dollar threshold used to distinguish between Type A and Type B federal programs:	$750,000
Low Risk Auditee:	Yes

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

SHARYLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings

None reported.

SHARYLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

FEDERAL GRANTER/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(1) Federal Assistance Listing Number	(2a) Pass-Through Entity Identifying Number	(3) Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Texas Department of Agriculture			
Child Nutrition Cluster			
*School Breakfast Program	10.555	NT4XL1YGLGC5	$ 1,551,984
*School Breakfast Program - SSO	10.553	NT4XL1YGLGC5	31,037
Total ALN 10.553			1,583,021
*National School Lunch Program	10.555	NT4XL1YGLGC5	4,113,293
*National School Lunch Program - SSO	10.555	NT4XL1YGLGC5	83,046
*National School Lunch Program - SCA	10.555	NT4XL1YGLGC5	342,440
Total ALN 10.555			4,538,779
Total Child Nutrition Cluster			6,121,800
Child and Adult Care Food Program	10.558	NT4XL1YGLGC5	562,771
Total ALN 10.558			562,771
State Administrative Expenses (SAE)	10.560	NT4XL1YGLGC5	20,406
Total ALN 10.560			20,406
Total Passed Through State Department of Agriculture			6,704,977
TOTAL U.S. DEPARTMENT OF AGRICULTURE			$ 6,704,977
U.S. DEPARTMENT OF DEFENSE			
Direct Programs			
Junior Reserve Officer Training Corps	12.U01	108-911	$ 76,984
Total ALN 12.U01			76,984
Total Direct Programs			76,984
TOTAL U.S. DEPARTMENT OF DEFENSE			$ 76,984
U.S. DEPARTMENT OF EDUCATION			
Passed Through Texas Department of Education:			
Title I Grants to Local Educational Agencies	84.010A	24610101108911	$ 793,952
Title I Grants to Local Educational Agencies	84.010A	25610101108911	2,741,390
Title I Grants to Local Educational Agencies	84.010A	24680101108911	64,558
Title I Grants to Local Educational Agencies	84.010A	25680101108911	157,788
Total ALN 84.010A			3,757,688
Migrant Education State Grant Program	84.011A	24615001108911	13,494
Migrant Education State Grant Program	84.011A	25615001108911	73,414
Total ALN 84.011A			86,908
Special Education Cluster (IDEA)			
*Special Education Grants to States	84.027A	246600011089116000	124,066
*Special Education Grants to States	84.027A	256600011089116000	1,686,624
Total ALN 84.027A			1,810,690
*Special Education Preschool Grants	84.173A	246610011089116000	-
*Special Education Preschool Grants	84.173A	256610011089116000	13,561
Total ALN 84.173A			13,561
Total Special Education Cluster (IDEA)			1,824,251

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

EXHIBIT K-1

SHARYLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

FEDERAL GRANTER/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(1) Federal Assistance Listing Number	(2a) Pass-Through Entity Identifying Number	(3) Federal Expenditures
Career and Technical Ed - Basic Grants to States	84.048A	24420006108911	36,225
Career and Technical Ed - Basic Grants to States	84.048A	25420006108911	93,743
Career and Technical Ed - Basic Grants to States	84.048A	254200317110016	120,000
Total ALN 84.048A			249,968
English Language Acquisition State Grants	84.365A	24671001108911	4,959
English Language Acquisition State Grants	84.365A	25671001108911	328,181
English Language Acquisition State Grants	84.365A	24694501108911	286,732
English Language Acquisition State Grants	84.365A	25694501108911	403,864
Total ALN Number 84.365A			1,023,736
TCLASS - ESSER III - COVID-19	84.425U	21528042108911	1,249
TCLASS - ESSER III - COVID-19	84.425U	21528001108911	1,631,757
Total ALN 84.425U			1,633,006
ARP Homeless II - COVID-19	84.425W	21533002108911	6,519
Total ALN 84.425W			6,519
Total Passed Through Texas Department of Education			8,582,076
TOTAL U.S. DEPARTMENT OF EDUCATION			$ 8,582,076
EDUCATION SERVICE CENTER			
Passed Through Region One Education Service Center			
Gaining Early Awareness and Readiness for Undergraduate Program (GEAR-UP)	84.334A	P334A210014	$ 6,384
Gaining Early Awareness and Readiness for Undergraduate Program (GEAR-UP)	84.334A	P334A210014	90,019
Total ALN 84.334A			96,403
Total Passed Through Region One Education Service Center			96,403
TOTAL EDUCATION SERVICE CENTER			$ 96,403
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 15,460,440

SHARYLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Sharyland Independent School District. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reconciliation of Schedule of Expenditures of Federal Awards (Schedule K-1) to Statement of Revenues, Expenditures, and Changes in Fund Balance (Exhibit C-3):

Total expenditures of federal awards, per Exhibit K-1	$	15,460,440
School Health and Related Services (SHARS)		205,867
Total Federal Revenues, per Exhibit C-3	$	15,666,307

NOTE 3 – INDIRECT COST RATE

Sharyland Independent School District elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 – SUB-RECIPIENTS

During the year ended June 30, 2025, the District had no pass-through to sub-recipients.

NOTE 5 – FEDERAL LOANS AND LOAN GUARANTEES

During the year ended June 30, 2025, the District had no outstanding federal loans payable or loan guarantees.

NOTE 6 – FEDERALLY FUNDED INSURANCE

During the year ended June 30, 2025, the District had no federally funded insurance.

NOTE 7 – NONCASH AWARDS

During the year ended June 30, 2025, the District received $342,440 as non-cash assistance under the Commodity Supplemental Food Program.

NOTE 8 – CONTINGENCIES

Grant monies received and disbursed by the District are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon experience, the District does not believe that such disallowance, if any, would have a material effect on the financial position of the District.

NOTE 9 – FEDERAL PASS-THROUGH FUNDS

The District is also the sub-recipient of federal funds that have been subjected to testing and are reported as expenditures and listed as federal pass-through funds. Federal awards other than those indicated as pass-through are considered to be direct.

NOTE 10 – TRANSFERABILITY

As allowed by federal regulations, the District elected to transfer program funds as follows:

The District expended $222,345 from its Title IV, Part A, Subpart 1 Student Support and Academic Enrichment Program (84.424A) on allowable activities of the Title I Grants to Local Educational Agencies (84.010A). This amount is reflected in the expenditures of Title I Grants to Local Educational Agencies (84.010A).

The District expended $690,596 from its Title II, Part A - Supporting Effective Instruction State Grants (84.367A) on allowable activities of the Title III, Part A - English Language Acquisition State Grants (84.365A). This amount is reflected in the expenditures of Title III, Part A - English Language Acquisition State Grants (84.365A).

SUPERINTENDENT
Dr. Elaine Howard
BOARD OF TRUSTEES
Maritza Venecia – President
Hector Rivera – Vice President
David Keith - Secretary
Meagan Sullivan – Asst. Secretary
Julio Cerda – Member
Dr. Noe Oliveira – Member
Andrew Riddle - Member

SHARYLAND
INDEPENDENT SCHOOL DISTRICT
Excellence is our Tradition

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Sharyland Independent School District
Status of Prior Year Audit Findings
For the year ended June 30, 2025

Findings Related to the Financial Statements

2024-001 Revenue Recognition

Status – Corrected – District implemented additional internal controls for review of revenue recognition.

2024-002 Leases and SBITAs

Status – Corrected – District assigned process to multiple staff for review and completion of audit schedules.

2024-003 Transferability of Funds SEFA Reporting

Status – Corrected – District staff and Federal Director attended training and reviewed completion requirements for SEFA preparation.

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