

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED AUGUST 31, 2025**

**BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
LUBBOCK, TEXAS

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

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**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

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CERTIFICATE OF BOARD

Big Spring Independent School District  
Name of School District


Howard  
County

114-901  
Co. - Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one)  approved  disapproved for the year ended August 31, 2025, at a meeting of the Board of Trustees of such school district on the 13<sup>th</sup> day of January 2026.



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



\_\_\_\_\_  
Signature of Board President

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

**FINANCIAL SECTION**

**BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.**

CERTIFIED PUBLIC ACCOUNTANTS

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8215 NASHVILLE AVENUE

LUBBOCK, TEXAS 79423-1954

**Independent Auditor's Report**

**UNMODIFIED OPINIONS ON THE BASIC FINANCIAL STATEMENTS**

Board of School Trustees  
Big Spring Independent School District  
Big Spring, Texas

**Report on the Audit of Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Big Spring Independent School District (the District), as of and for the year ended August 31, 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, each major fund, and the aggregate remaining fund information of Big Spring Independent School District, as of August 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

***Basis for Opinions***

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

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

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

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

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

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

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

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

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

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

GAAP requires that the management's discussion and analysis on pages 4-11, budgetary comparison information on page 48, and pension and other post-employment benefit obligation (OPEB) related information on pages 49-53 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining non-major fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining non-major fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the required Texas Education Agency (TEA) schedules 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 1, 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, 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.

*Bolinger, Segars, Gilbert & Moss LLP*

Certified Public Accountants

Lubbock, Texas

December 1, 2025

# BIG SPRING INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

## INTRODUCTION

This section of Big Spring Independent School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended August 31, 2025. Please read it in conjunction with the District's financial statements, which follow this section.

## FINANCIAL HIGHLIGHTS

- The District ended the year, August 31, 2025, with total net position of \$43,342,181, including unrestricted net position of \$6,607,115. The balance of cash and investments at August 31, 2025, was \$37,478,594.
- Total government-wide expenses were \$52,797,130 for the year ended August 31, 2025. This compares with expenses of \$49,002,699 for the year ended August 31, 2024. The District's total revenues on the Statement of Activities decreased from \$52,515,067 in 2023-24 to \$50,655,115 in 2024-25.
- The District made principal payments on bonds of \$1,585,000 during the year ended August 31, 2025. Bonds payable at August 31, 2025 total \$34,710,000. This compares to a balance of \$36,295,000 in 2024.
- Total general fund expenditures were \$44,189,866 for the year ended August 31, 2025. This compares with general fund expenditures of \$41,919,231 for the year ended August 31, 2024. This net increase is mainly due to increased recapture payments paid to the state.
- The District's total revenues on the fund financial statements decreased from \$54,648,799 in 2023-24 to \$51,924,612 in 2024-25. This decrease is largely related decreased foundation revenue from the state.
- The general fund reported a fund balance this year of \$26,140,098. Of this amount, \$3,500,000 is committed for future construction.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*.

The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short-term* as well as what remains for future spending.
- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

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

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

<i>Type of Statements</i>	<b>Government-Wide</b>	<b>Fund Statements</b>	
		<b>Governmental Funds</b>	<b>Fiduciary Funds</b>
<i>Scope</i>	Entire Agency's government (except fiduciary funds) and the Agency's component units	The activities of the District that are not proprietary or fiduciary	Instances in which the District is the trustee or agent for someone else's resources
<i>Required financial statements</i>	- Statement of net position - Statement of activities	- Balance sheet - Statement of revenues, expenditures & changes in fund balances	- Statement of fiduciary net position - Statement of changes in fiduciary net position
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

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

### ***Government-Wide Financial Statements***

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position—the difference between the District's assets and liabilities—is one way to measure the District's financial health or *position*.

Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District's tax base.

The government-wide financial statements of the District include the *Governmental activities*. Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services and general administration. Property taxes and grants finance most of these activities.

## ***Fund Financial Statements***

The fund financial statements provide more detailed information about the District's most significant funds—not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law and by bond covenants. The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has the following kinds of funds:

- *Governmental funds*—Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- *Fiduciary funds*—The District is the trustee, or fiduciary, for certain funds. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. The District 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. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

## **FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

Our analysis focuses on the net position (Table A-1) and changes in net position (Table A-2) of the District's governmental activities.

**Net Position:** The District's restricted net position represents the balance of restricted proceeds from debt service taxes of \$6,019,116 and amounts restricted for food service of \$1,086,647. The debt service tax proceeds, when received, are restricted to payment on bonded debt. The \$6,607,115 of unrestricted net position represents resources available to fund the programs of the District next year; however, this figure is also reduced by the pension and OPEB liabilities that the District contributes to on a pay-as-you-go basis.

Without the recognition of the District's proportionate share of the State's pension and OPEB liabilities, the District would have reported total net position of \$65,490,949 and unrestricted net position of \$28,755,883.

**Table A-1**  
**Net Position**  
**August 31, 2025 and 2024**  
*(In thousands)*

	Governmental Activities		Total
	2025	2024	Percentage Change 2025-2024
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ 37,478.6	\$ 40,095.1	-6.5%
Other Current Assets	4,337.6	4,255.9	1.9%
<b>Total Current Assets</b>	<b>\$ 41,816.2</b>	<b>\$ 44,351.0</b>	<b>-5.7%</b>
<b>Noncurrent Assets:</b>			
Land	\$ 2,558.9	\$ 2,558.9	0.0%
Buildings and Improvements, Net	59,624.6	61,389.1	-2.9%
Equipment and Vehicles, Net	2,307.2	2,687.6	-14.2%
Right of Use Asset, Net	121.7	220.0	-44.7%
Construction Work in Progress	1,444.4	2,197.7	-34.3%
<b>Total Noncurrent Assets</b>	<b>\$ 66,056.8</b>	<b>\$ 69,053.3</b>	<b>-4.3%</b>
<b>Total Assets</b>	<b>\$ 107,873.0</b>	<b>\$ 113,404.3</b>	<b>-4.9%</b>
Deferred Outflows of Resources	\$ 6,457.6	\$ 7,815.9	-17.4%
<b>Current Liabilities:</b>			
Accrued Liabilities and Unearned Revenue	\$ 5,954.5	\$ 6,061.2	-1.8%
Due Within One Year	1,765.8	1,689.6	4.5%
<b>Total Current Liabilities</b>	<b>\$ 7,720.3</b>	<b>\$ 7,750.8</b>	<b>-0.4%</b>
<b>Long-Term Liabilities:</b>			
Due in More than One Year	\$ 33,070.8	\$ 34,834.1	-5.1%
Unamortized Bond Premium	2,793.3	3,142.7	-11.1%
Net Pension Liability	11,309.4	13,358.1	-15.3%
Net OPEB Liability	7,402.0	5,876.5	26.0%
<b>Total Long-Term Liabilities</b>	<b>\$ 54,575.5</b>	<b>\$ 57,211.4</b>	<b>-4.6%</b>
<b>Total Liabilities</b>	<b>\$ 62,295.8</b>	<b>\$ 64,962.2</b>	<b>-4.1%</b>
Deferred Inflows of Resources	\$ 8,692.6	\$ 10,415.3	-16.5%
<b>Net Position:</b>			
Net Investment in Capital Assets	\$ 29,629.3	\$ 30,739.6	-3.6%
Restricted	7,105.8	7,489.0	-5.1%
Unrestricted	6,607.1	7,614.1	-13.2%
<b>Total Net Position</b>	<b>\$ 43,342.2</b>	<b>\$ 45,842.7</b>	<b>-5.5%</b>

**Changes in Net Position:** The total decrease in net position for the year ended August 31, 2025 was (\$2,142,015) compared to an increase of \$3,512,368 in the prior year. In addition, the District recognized a prior period adjustment that decreased beginning net position by \$358,549.

**Table A-2**  
**Changes in Net Position**  
**For the Years Ended August 31, 2025 and 2024**  
*(In thousands)*

	Governmental Activities		Total
	2025	2024	Percentage Change 2025-2024
<b>Revenues:</b>			
<b>Program Revenues:</b>			
Charges for Services	\$ 388.0	\$ 573.9	-32.4%
Operating Grants and Contributions	6,539.3	9,132.3	-28.4%
<b>General Revenues:</b>			
Property Taxes	38,053.2	34,166.1	11.4%
State Aid - Formula	2,986.2	4,413.9	-32.3%
Investment Earnings	1,729.9	2,178.7	-20.6%
Other	958.4	2,050.2	-53.3%
<b>Total Revenues</b>	<b>\$ 50,655.0</b>	<b>\$ 52,515.1</b>	<b>-3.5%</b>
<b>Expenses:</b>			
Instruction	\$ 24,578.3	\$ 25,067.9	-2.0%
Instructional Resources and Media Services	382.7	376.1	1.8%
Curriculum Dev. And Instructional Staff Development	816.1	854.0	-4.4%
Instructional Leadership	877.8	853.9	2.8%
School Leadership	2,788.1	2,927.3	-4.8%
Guidance, Counseling and Evaluation Services	1,483.0	1,571.5	-5.6%
Social Work Services	67.2	70.7	-5.0%
Health Services	339.0	360.8	-6.0%
Student (Pupil) Transportation	1,273.5	1,260.3	1.0%
Food Services	2,412.6	2,390.2	0.9%
Curricular/ Extracurricular Activities	1,940.6	1,841.0	5.4%
General Administration	1,276.3	929.0	37.4%
Plant Maintenance and Operation	7,313.8	7,303.2	0.1%
Security and Monitoring Services	202.7	194.1	4.4%
Data Processing Services	1,306.0	1,246.9	4.7%
Debt Service	1,369.0	1,438.9	-4.9%
Contracted Instructional Services Between Schools	4,066.3	17.6	23004.0%
Other Intergovernmental Charges	304.2	299.3	1.6%
<b>Total Expenses</b>	<b>\$ 52,797.2</b>	<b>\$ 49,002.7</b>	<b>7.7%</b>
<b>Increase in Net Position</b>	<b>\$ (2,142.2)</b>	<b>\$ 3,512.4</b>	<b>-161.0%</b>

The District’s total revenue was \$50,655,115; a significant portion, about 75%, of the District’s revenue comes from property taxes. In addition, about 13% and 6% come from operating grants and state funding, respectively. (See Figure A-2)

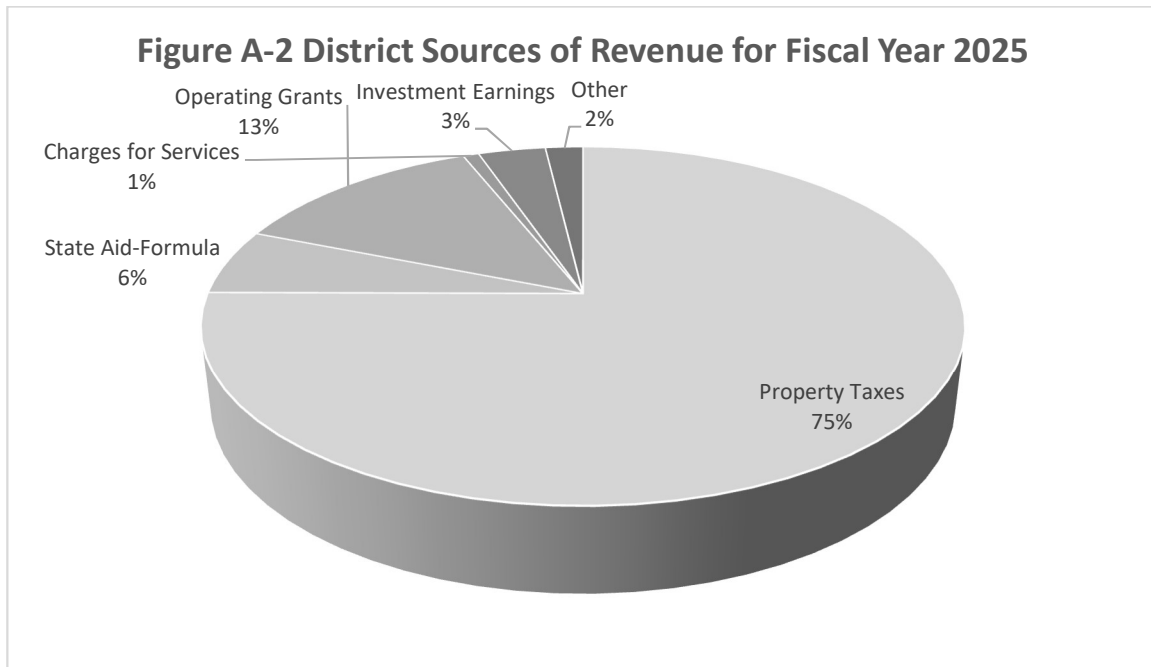


Table A-3 presents the cost of each of the District’s largest functions as well as each function’s net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.

- The cost of all *governmental* activities this year was \$52,797,130.
- 47% of these costs are for instructional services.
- 75% of these total costs were funded by property taxes.

**Table A-3**  
**Net Cost of Selected District Functions**  
**For the Years Ended August 31, 2025 and 2024**  
*(In thousands)*

	Total Cost of Services			Net Cost of Services		
	2025	2024	% Change	2025	2024	% Change
Instruction	\$ 24,578.3	\$ 25,067.9	-2.0%	\$ 22,686.3	\$ 22,066.3	2.8%
School Administration	1,276.3	929.0	37.4%	1,129.6	914.6	23.5%
Plant Maintenance & Operations	7,313.8	7,303.2	0.1%	7,117.8	6,165.4	15.4%
Food Service	2,412.6	2,390.2	0.9%	(163.5)	(478.9)	-65.9%

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled \$51,924,612, a decrease of 5% from the preceding year.

### General Fund Budgetary Highlights

Over the course of the year, the District revised its budget several times. After these adjustments, actual expenditures were \$1.4 million below final budget amounts.

Resources available were \$90,220 below the final budgeted amount.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2025, the District had invested \$66,056,798 in a broad range of capital assets, including land, equipment, buildings, and vehicles, net of accumulated depreciation. (See Table A-4.) This amount represents a net decrease of \$2.9 million from last year due to current year depreciation.

**Table A-4**  
**Capital Assets**  
**For the Years Ended August 31, 2025 and 2024**  
*(In thousands)*

	Governmental Activities		Total Percentage
	2025	2024	Change 2025-2024
Land	\$ 2,558.9	\$ 2,558.9	0.0%
Buildings and Improvements	137,759.1	135,091.7	2.0%
Equipment and Vehicles	10,587.6	10,455.7	1.3%
Right of Use Asset	358.6	358.6	0.0%
Construction Work in Progress	1,444.4	2,197.7	-34.3%
Totals at Historical Cost	\$ 152,708.6	\$ 150,662.6	1.4%
Total Accumulated Depreciation	86,651.8	81,609.3	6.2%
Net Capital Assets	\$ 66,056.8	\$ 69,053.3	-4.3%

More detailed information about the District's capital assets is presented in the notes to the financial statements.

## Long-Term Debt

At year-end the District had \$34,710,000 in bonds outstanding and \$126,606 in lease liabilities as shown in Table A-5. More detailed information about the District's debt is presented in the notes to the financial statements.

**Table A-5**  
**Long-Term Debt**  
**For the Years Ended August 31, 2025 and 2024**  
*(In thousands)*

	Governmental Activities		Percentage
	2025	2024	Change 2025-2024
Bonds Payable	\$ 34,710.0	\$ 36,295.0	-4.4%
Lease Liability	126.6	228.7	-44.6%
Total Long-Term Debt	<u>\$ 34,836.6</u>	<u>\$ 36,523.7</u>	<u>-4.6%</u>

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

Beginning in the 2024-2025 school year, Big Spring Independent School District restructured and consolidated from eight to six campuses. In order to make efficient use of the District's resources, changes were made to the Pre-Kindergarten and Intermediate levels. The Pre-Kindergarten classes were consolidated into the same facility as the Kindergarten classes, and their building was closed. The Intermediate building was also closed and the students moved to a newer, more energy-efficient building. The ultimate goal was to eliminate unnecessary overhead and make better use of our newer facilities.

The property tax valuation used for the 2026 budget preparation is significantly lower than the previous year by \$1.25 billion or 25%, which is closer to the District's level like those in the year 2022. Oil and gas drilling activity is declining in Howard County due to oil and gas pricing.

The District's 2026 refined average daily attendance has been trending downward to the current attendance rate of 2,874 as compared to 3,108 in 2025. General operating fund spending per student increased in the 2026 budget from \$12,898 to \$13,995 or 8.5%. Although the expenditure per student is higher, actual expenditures are down from 2025 to 2026. The loss of enrollment is the main factor in the increase per student. Expenditure dollars include the state mandated increases for the teacher retention allotment. However, Big Spring ISD eliminated most capital expenditures as compared to the previous year. Another major factor to consider is the Chapter 49 recapture payment. In 2025, the District paid approximately \$4 million in recapture. Due to the significant decline in property values, the District does not anticipate a payment due for the 2026 school year.

If these estimates are realized, the District's budgetary general fund balance will decrease at the close of 2026. However, the District has a healthy fund balance and expects future budgets to be economical, but appropriate to the changes in student enrollment.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Business Services Department.

**BASIC FINANCIAL STATEMENTS**

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**Exhibit A-1**

**STATEMENT OF NET POSITION  
AUGUST 31, 2025**

Data Control Codes		Primary Government <u>Governmental Activities</u>
	<b>ASSETS AND OTHER DEBITS:</b>	
1110	Cash and Temporary Investments	\$ 37,478,594
1220	Property Taxes - Delinquent	3,044,153
1230	Allowance for Uncollectible Taxes	(247,463)
1240	Due from Other Governments	1,460,149
1267	Due from Fiduciary Funds	61,720
1290	Other Receivables	313
1490	Other Current Assets	18,711
	Capital Assets:	
1510	Land	2,558,889
1520	Buildings, Net	59,624,611
1530	Vehicles and Equipment, Net	2,307,216
1550	Right of Use Asset, Net	121,722
1580	Construction Work in Progress	<u>1,444,360</u>
1000	Total Assets	<u>\$ 107,872,975</u>
	<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
1702	Unamortized Loss on Refunding of Debt	\$ 1,202,411
1705	Deferred Outflows of Resources Related to Pension Liability	2,615,244
1706	Deferred Outflows of Resources Related to OPEB Liability	<u>2,639,964</u>
	Total Deferred Outflows of Resources	<u>\$ 6,457,619</u>
	<b>LIABILITIES:</b>	
2110	Accounts Payable	\$ 447,421
2140	Accrued Interest Payable	30,419
2150	Payroll Deductions and Withholdings	50,945
2160	Accrued Wages Payable	2,074,343
2180	Due to Other Governments	2,933,456
2200	Accrued Expenditures/Expenses	42,265
2300	Unearned Revenue	375,682
	Noncurrent Liabilities:	
2501	Due Within One Year	1,765,776
2502	Due in More Than One Year	33,070,828
2516	Unamortized Bond Premium	2,793,302
2540	Net Pension Liability	11,309,435
2545	Net OPEB Liability	<u>7,401,970</u>
2000	Total Liabilities	<u>\$ 62,295,842</u>
	<b>DEFERRED INFLOWS OF RESOURCES:</b>	
2605	Deferred Inflows of Resources Related to Pension Liability	\$ 679,169
2606	Deferred Inflows of Resources Related to OPEB Liability	<u>8,013,402</u>
	Total Deferred Inflows of Resources	<u>\$ 8,692,571</u>
	<b>NET POSITION:</b>	
3200	Net Investment in Capital Assets	\$ 29,629,303
3850	Restricted for Debt Service	6,019,116
3890	Restricted for Other Purposes	1,086,647
3900	Unrestricted Net Position	<u>6,607,115</u>
3000	Total Net Position	<u><u>\$ 43,342,181</u></u>

The accompanying notes are an integral part of these financial statements.

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**Exhibit B-1**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2025**

Data Control Codes	1	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
		Expenses	3	4	6
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities	
11	Instruction	\$ 24,578,285	\$ 93,100	\$ 1,798,904	\$ (22,686,281)
12	Instructional Resources and Media Services	382,698		16,062	(366,636)
13	Curriculum and Staff Development	816,060		588,322	(227,738)
21	Instructional Leadership	877,813		445,891	(431,922)
23	School Leadership	2,788,054		47,865	(2,740,189)
31	Guidance, Counseling, and Evaluation Services	1,482,982		342,054	(1,140,928)
32	Social Work Services	67,161		9,895	(57,266)
33	Health Services	339,000		14,810	(324,190)
34	Student Transportation	1,273,528		45,370	(1,228,158)
35	Food Services	2,412,572	76,820	2,499,215	163,463
36	Extracurricular Activities	1,940,621	204,501	20,511	(1,715,609)
41	General Administration	1,276,334		146,714	(1,129,620)
51	Plant Maintenance and Operations	7,313,849	13,625	182,462	(7,117,762)
52	Security and Monitoring Services	202,671		49,723	(152,948)
53	Data Processing Services	1,306,004		114,438	(1,191,566)
72	Debt Service - Interest	1,366,235		217,102	(1,149,133)
73	Debt Service - Fees	2,800			(2,800)
91	Contracted Instructional Services Between Schools	4,066,289			(4,066,289)
99	Other Intergovernmental Charges	304,174			(304,174)
TP	Total Primary Government	<u>\$ 52,797,130</u>	<u>\$ 388,046</u>	<u>\$ 6,539,338</u>	<u>\$ (45,869,746)</u>

Data Control Codes

General Revenues:

MT	Property Taxes, Levied for General Purposes	\$ 34,826,806
DT	Property Taxes, Levied for Debt Service	3,226,425
SF	State Aid - Formula Grants	2,986,197
IE	Investment Earnings	1,729,888
MI	Miscellaneous Local and Intermediate Revenue	<u>958,415</u>
TR	Total General Revenues, Special Items, and Transfers	<u>\$ 43,727,731</u>
CN	Change in Net Position	\$ (2,142,015)
NB	Net Position - Beginning	45,842,745
PA	Prior Period Adjustment	<u>(358,549)</u>
NE	Net Position - Ending	<u>\$ 43,342,181</u>

The accompanying notes are an integral part of these financial statements.

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**Exhibit C-1**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2025**

Data Control Codes	Major Fund		Non-Major Governmental Funds	98 Total Governmental Funds	
	10 General Fund	50 Debt Service Fund			
<b>ASSETS AND OTHER DEBITS:</b>					
1110	Cash and Temporary Investments	\$ 30,509,877	\$ 5,711,531	\$ 1,257,186	\$ 37,478,594
1220	Property Taxes - Delinquent	2,681,305	362,848		3,044,153
1230	Allowance for Uncollectible Taxes	(192,200)	(55,263)		(247,463)
1240	Due from Other Governments	657,951		802,198	1,460,149
1260	Due from Other Funds	641,805			641,805
1290	Other Receivables	313			313
1490	Other Current Assets	18,711			18,711
1000	<b>Total Assets</b>	<b>\$ 34,317,762</b>	<b>\$ 6,019,116</b>	<b>\$ 2,059,384</b>	<b>\$ 42,396,262</b>
<b>LIABILITIES:</b>					
2110	Accounts Payable	\$ 249,126		\$ 198,295	\$ 447,421
2150	Payroll Deductions and Withholdings	50,945			50,945
2160	Accrued Wages Payable	2,040,597		33,746	2,074,343
2170	Due to Other Funds			580,085	580,085
2180	Due to Other Governments	2,933,456			2,933,456
2200	Accrued Expenditures/Expenses	38,753		3,512	42,265
2300	Unearned Revenues	375,682			375,682
2000	<b>Total Liabilities</b>	<b>\$ 5,688,559</b>	<b>\$ 0</b>	<b>\$ 815,638</b>	<b>\$ 6,504,197</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
2601	Unavailable Revenue - Property Taxes	\$ 2,489,105	\$ 307,585		\$ 2,796,690
2600	<b>Total Deferred Inflows</b>	<b>\$ 2,489,105</b>	<b>\$ 307,585</b>	<b>\$ 0</b>	<b>\$ 2,796,690</b>
<b>FUND BALANCES:</b>					
Restricted for:					
3480	Retirement of Long-Term Debt		\$ 5,711,531		\$ 5,711,531
3490	Other			1,086,647	1,086,647
Committed for:					
3510	Construction	3,500,000			3,500,000
Assigned for:					
3590	Campus Activity Funds			157,099	157,099
3600	Unassigned	22,640,098			22,640,098
3000	<b>Total Fund Balances</b>	<b>\$ 26,140,098</b>	<b>\$ 5,711,531</b>	<b>\$ 1,243,746</b>	<b>\$ 33,095,375</b>
4000	<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 34,317,762</b>	<b>\$ 6,019,116</b>	<b>\$ 2,059,384</b>	<b>\$ 42,396,262</b>

The accompanying notes are an integral part of these financial statements.

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**Exhibit C-2**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT  
OF NET POSITION  
AUGUST 31, 2025**

Data  
Control  
Codes

	Total Fund Balances - Governmental Funds (Exhibit C-1)	\$	33,095,375
1	General capital assets are not financial resources and are not reported in the fund financial statements. This amount is the cost, net of accumulated depreciation, of the District's general capital assets.		66,056,798
2	Long-term liabilities (e.g., bonds, capital leases, etc.), including premiums on related debt and gains and losses on debt refunding, do not require current financial resources and are not reported in the funds. This amount is the District's total long-term liabilities.		(36,427,495)
3	A liability for accrued interest on long-term debt is not recognized on the fund financial statement, but it is included on the government-wide financial statement. The net effect of including this liability is to decrease net position.		(30,419)
4	Included in the items related to debt is the recognition of the District's proportionate share of the net pension liabilities required by GASB 68, a deferred resource inflow, and a deferred resource outflow. This amounted to a decrease in net position.		(9,373,360)
5	Included in the items related to debt is the recognition of the District's proportionate share of the net post employment obligation liabilities required by GASB 75, a deferred resource inflow, and a deferred resource outflow. This amounted to a decrease in net position.		(12,775,408)
6	Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue and eliminating interfund transactions. The net effect of these reclassifications and recognitions is to increase net position.		<u>2,796,690</u>
29	Total Net Position of Governmental Activities (Exhibit A-1)	\$	<u><u>43,342,181</u></u>

The accompanying notes are an integral part of these financial statements.

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**Exhibit C-3**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2025**

Data Control Codes	Major Fund			98 Total Governmental Funds	
	10 General Fund	50 Debt Service Fund	Non-Major Governmental Funds		
<b>REVENUES</b>					
5700	Local and Intermediate Sources	\$ 37,366,027	\$ 3,525,139	\$ 223,934	\$ 41,115,100
5800	State Program Revenues	4,996,592	217,102	393,141	5,606,835
5900	Federal Program Revenues	138,241		5,064,436	5,202,677
5020	<b>Total Revenues</b>	<b>\$ 42,500,860</b>	<b>\$ 3,742,241</b>	<b>\$ 5,681,511</b>	<b>\$ 51,924,612</b>
<b>EXPENDITURES</b>					
0011	Instruction	\$ 21,863,241	\$	\$ 1,369,737	\$ 23,232,978
0012	Instructional Resources and Media Services	394,723		4,059	398,782
0013	Curriculum and Staff Development	168,903		620,904	789,807
0021	Instructional Leadership	510,277		476,486	986,763
0023	School Leadership	2,669,484		4,407	2,673,891
0031	Guidance, Counseling, and Evaluation Services	1,087,968		344,032	1,432,000
0032	Social Work Services	63,238		6,530	69,768
0033	Health Services	356,063			356,063
0034	Student Transportation	1,174,463			1,174,463
0035	Food Services			3,553,692	3,553,692
0036	Extracurricular Activities	1,739,597		165,109	1,904,706
0041	General Administration	1,214,204			1,214,204
0051	Plant Maintenance and Operations	6,707,605		1,824	6,709,429
0052	Security and Monitoring Services	170,735		41,975	212,710
0053	Data Processing Services	1,135,158		80,933	1,216,091
0071	Debt Service - Principal	98,890	1,585,000	3,243	1,687,133
0072	Debt Service - Interest	7,083	1,559,650	145	1,566,878
0073	Debt Service - Fees		2,800		2,800
0081	Facilities Acquisition and Construction	457,771			457,771
0091	Contracted Instructional Services Between Schools	4,066,289			4,066,289
0099	Other Intergovernmental Charges	304,174			304,174
6030	<b>Total Expenditures</b>	<b>\$ 44,189,866</b>	<b>\$ 3,147,450</b>	<b>\$ 6,673,076</b>	<b>\$ 54,010,392</b>
1200	Net Change in Fund Balance	\$ (1,689,006)	\$ 594,791	\$ (991,565)	\$ (2,085,780)
0100	September 1 - Fund Balance	28,187,653	5,116,740	2,235,311	35,539,704
1300	Prior Period Adjustment	(358,549)			(358,549)
3000	August 31 - Fund Balance	<u>\$ 26,140,098</u>	<u>\$ 5,711,531</u>	<u>\$ 1,243,746</u>	<u>\$ 33,095,375</u>

The accompanying notes are an integral part of these financial statements.

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**Exhibit C-4**

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE  
OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2025**

Net Change in Fund Balance - Total Governmental Funds (Exhibit C-3)	\$ (2,085,780)
Amounts reported for governmental activities in the statement of activities (Exhibit B-1) are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation and amortization exceeded capital outlays in the current period.	(2,996,454)
Property Tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	14,480
A liability for accrued interest on long-term debt is not recognized on the fund financial statement, but it is included on the government-wide financial statement. The net effect of including the change in this liability is to increase the change in net position.	1,631
Repayment of the bonds and other long-term debt principal of \$1,585,000 are expenditures in the governmental funds, but repayment reduces long-term liabilities in the statement of net position. This amount of repayments, plus amortization bond premiums net of amortization of loss on refunding of \$199,012 increases the change in net position.	1,784,012
Repayment of the leases are expenditures in the governmental funds, but repayment reduces long-term liabilities in the statement of net position. The amount of lease repayments increases the change in net position.	102,133
GASB 68 and 75 required that certain expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of August 31, 2024 are recognized as deferred outflows. The District's share of the unrecognized deferred inflows and outflows as of the measurement date had to be amortized. The impact of these transactions is to decrease the change in net position.	<u>1,037,963</u>
Change in Net Position of Governmental Activities (Exhibit B-1)	<u>\$ (2,142,015)</u>

The accompanying notes are an integral part of these financial statements.

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**Exhibit E-1**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
AUGUST 31, 2025**

	<u>Custodial Funds</u>
<b>ASSETS:</b>	
Cash and Temporary Investments	\$ <u>398,824</u>
Total Assets	\$ <u>398,824</u>
<b>LIABILITIES:</b>	
Due to Other Funds	\$ 61,720
Due to Other Governments	<u>29,313</u>
Total Liabilities	\$ <u>91,033</u>
<b>NET POSITION:</b>	
Unrestricted Net Position	\$ <u><u>307,791</u></u>

The accompanying notes are an integral part of these financial statements.

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**Exhibit E-2**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
AUGUST 31, 2025**

	<u>Custodial Funds</u>
ADDITIONS:	
Other Revenues	\$ <u>351,200</u>
Total Additions	\$ <u>351,200</u>
DEDUCTIONS	
Student Activities	\$ <u>285,015</u>
Total Deductions	\$ <u>285,015</u>
Change in Net Position	\$ 66,185
Net Position - September 1 (Beginning)	<u>241,606</u>
Net Position - August 31 (Ending)	<u><u>\$ 307,791</u></u>

The accompanying notes are an integral part of these financial statements.

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Big Spring Independent School District's (the District) is a public education agency operating under the applicable laws and regulations of the State of Texas. The District prepares its basic financial statements in conformity with accounting principles generally accepted in the United States of America promulgated by the Governmental Accounting Standards Board (GASB) applicable to governmental units. The District also complies with the appropriate version of the Texas Education Agency's (TEA) Financial Accountability System Resource Guide (FASRG) and the requirements of contracts and grants of agencies from which it receives funds. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

**A. REPORTING ENTITY**

The Board of School Trustees (the Board), a seven-member group, has fiscal accountability over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public. The Board has the exclusive power and duty to govern and oversee the management of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency (the Agency) or to the State Board of Education are reserved for the Board, and the Agency may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District is not included in any other governmental "reporting entity" as defined in governmental accounting and financial reporting standards. There are no component units included within the reporting entity.

The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding entities.

**B. BASIS OF ACCOUNTING AND PRESENTATION**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The Statement of Net Position and the Statement of Activities display information about the government-wide entity as a whole. These statements report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental Activities, which normally are supported by taxes, state foundation funds, grants, and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District currently has no business-type activities.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or statement of net position. Bond premiums are deferred and amortized over the life of the bonds. Bond issue costs are charged to expense.

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

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

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

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense to each function allocated. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Interfund activities between governmental funds and fiduciary funds remain as due to/due from on the government-wide statement of activities. All other interfund activity is eliminated.

**FUND FINANCIAL STATEMENTS**

Separate financial statements are provided for governmental funds and fiduciary funds. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. Major governmental funds are reported as separate columns in the fund financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Revenues from local sources consist primarily of property taxes. No amounts have been recorded for property tax revenues collected after August 31, 2025. State revenues are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

## BIG SPRING INDEPENDENT SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and claims and judgments are recorded only when payment is due.

In the fund financial statements, governmental fund types recognize bond issue costs in the current period. The face amount of the debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Premiums and discounts on bonds issued, as well as applicable gain or loss on refinancing of bonds, are recognized on the Statement of Net Position and amortized over the life of the applicable bonds.

The fiduciary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The District applies all GASB pronouncements, as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless the pronouncements conflict or contradict GASB pronouncements.

#### GOVERNMENTAL FUND TYPES

The District reports the following major governmental funds:

**General Fund** – This fund is established to account for resources used for general operations. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. This is a budgeted fund and unassigned fund balances are considered resources available for current operations.

**Debt Service Fund** – This fund is used to account for payment of principal and interest on long-term general obligation debt and other long-term debts for which tax has been dedicated. This is a budgeted fund and any unused sinking fund balances will be transferred to the general fund after all of the related debt obligations have been met.

Additionally, the government reports the following governmental fund types:

**Special Revenue Funds** – These funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal financial assistance generally is accounted for in a special revenue fund. Except for the food service fund, any unused balances are returned to the grantor at the close of specified project periods.

The food service fund is the only required budgeted special revenue fund and historically operates at a deficit that is funded by an operating transfer from the general fund. The District's food service is considered a special revenue fund since the general fund only subsidizes the food service program for all expenditures in excess of National School Lunch Program (NSLP) and user fees. For all other funds in this fund type, project accounting is employed to maintain integrity for the various sources of funds.

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**FIDUCIARY FUND TYPES**

**Custodial Funds** – These custodial funds are used to account for activities of student groups and other organizational activities. Student activity organizations exist with the explicit approval of, and are subject to revocation by the District’s Board of School Trustees.

**C. BASIS OF ACCOUNTING APPLICABLE TO ALL FINANCIAL STATEMENTS**

Capital assets, which include buildings and improvements, furniture and equipment, vehicles, and construction in progress are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets’ useful lives are not capitalized.

Revenues from state and federal grants are considered to be earned to the extent of expenditures made under the provisions of the grant. Funds received but unexpended are reflected as unearned revenues, and funds expended but not yet received are shown as receivables. If balances have not been expended by the end of the project period, grantors generally require the District to refund all or part of the unused amount.

Supplies and materials are debited as expenditures when purchased.

District employees earn personal days each year at the local and state level in accordance with Board policies. Upon separation from service, certain employees are eligible for compensation for accumulated leave balances. GASB Statement 101, Compensated Absences, became effective for the current year; however, its adoption did not have a material impact and no liability is reflected in the District’s financial statements related to compensated absences.

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

In accordance with the FASRG, the District has adopted and installed an accounting system which exceeds 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 presented in the Accounting Code Section of the FASRG. Mandatory codes are utilized in the form provided in that section.

The Data Control Codes on the financial statements are prescribed codes required by TEA. These are used by TEA to ensure accuracy in building a statewide database for policy development and funding plans.

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**D. BUDGETARY DATA**

The official budget was prepared on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America, for the general fund, debt service fund, and the food service special revenue fund. The remaining special revenue funds adopt project-length budgets which do not correspond to the District's fiscal year.

The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

- a. Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
- b. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least 10 days public notice of the meeting must be given.
- c. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board.

The budget is prepared and controlled at the function level within each fund and is amended at this level as needed. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, and they are reflected in the official minutes of the Board. During the year, several amendments were necessary.

**E. ENCUMBRANCE ACCOUNTING**

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either cancelled or appropriately provided for in the subsequent year's budget. There were no outstanding encumbrances at August 31, 2025.

**F. FUND EQUITY**

The District has adopted GASB Statement 54, which defines how fund balances of the governmental funds are presented in the financial statements. Fund balances are classified as follows:

Restricted – Amounts that can be spent only for specific purposes because of restrictions by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – Amounts that can be used only for specific purposes determined by formal action by the Board, the highest level of decision-making authority.

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

Assigned – Amounts that can be used only for specific purposes determined by an individual authorized to do so by the Board.

Unassigned – Amounts not included in other spendable classifications.

The Board of School Trustees has adopted a minimum fund balance policy for the general fund. The policy requires the unassigned fund balance at fiscal year-end to be at least 10% of the current fiscal expenditures less capital outlay and transfers out budgeted for the fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

**G. NET POSITION ON THE STATEMENT OF NET POSITION**

Net position on the Statement of Net Position include the following:

Net Investment in Capital Assets – this component of net position represents the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding any unspent bond proceeds that is directly attributable to the acquisition, construction, or improvement of those assets.

Restricted for Debt Service – this component of net position represents the difference between assets and liabilities of the Debt Service Fund that consists of assets with constraints placed on their use by creditors.

Restricted for Other – this component of net position represents the difference between assets and liabilities of other special revenue funds that consist of constraints placed on their use by granting agencies.

Unrestricted – the difference between assets and liabilities that is not reported in Net Position Net Investment in Capital Assets, Net Position Restricted for Capital Projects, and Net Position Restricted for Debt Service.

**H. PENSIONS**

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

## BIG SPRING INDEPENDENT SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS

#### I. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

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

#### J. MANAGEMENT'S USE OF ESTIMATES

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

## 2. DEPOSITS AND INVESTMENTS

### Legal and Contractual Provisions Governing Deposits and Investments

The **Public Funds Investment Act** (Government Code Chapter 2256) (the Act) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas and its agencies; (2) guaranteed or secured certificates of deposit issued by state and national banks domiciled in Texas, (3) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality not less than an "A", (4) no load money market funds with a weighted average maturity of 90 days or less, (5) fully collateralized repurchase agreements, (6) commercial paper having a stated maturity of 270 days or less from the date of issuance and is not rated less than A-1 or P-1 by two nationally recognized credit rating agencies or one nationally recognized credit agency and is fully secured by an irrevocable letter of credit, (7) secured corporate bonds rated not lower than "AA-" or the equivalent, (8) public investment pools, and (9) guaranteed investment contracts for bond proceeds investment only, with defined termination date and secured by U.S. Government direct or agency obligations approved by the Texas Public Funds Investment Act in an amount equal to the bond proceeds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

Policies Governing Deposits and Investments

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

- a. Custodial Credit Risk – Deposits and Investments: In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits and investments in certificates of deposits may not be returned to it. The District's policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits and investments, other than the following: The State of Texas requires that a financial institution secure deposits and investments made by state or local governments by pledging securities in excess of the highest cash balance of the government. The District is not exposed to custodial credit risk for its deposits and investments in certificates of deposit are all covered by depository insurance and pledged securities held by a third party in the District's name.
- b. Concentration of Credit Risk – The investment policy of the District contains no limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent five percent or more of the total entity investments represent a concentration risk. At August 31, 2025, all of the District's investments are in an investment pool and mutual funds.
- c. Credit Risk – The risk that an issuer of other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At August 31, 2025, the District was not significantly exposed to credit risk.
- d. Interest Rate Risk – Not applicable
- e. Foreign Currency Risk – Not applicable

The carrying amount of the District's cash and temporary investments at August 31, 2025, approximates fair value and consisted of the following shown below:

	<u>Amount</u>	<u>Percent</u>	<u>Maturity in Less than 1 Year</u>	<u>Credit Rating</u>
Cash on Hand	\$ 4,350	0.0%	\$ 4,350	N/A
Cash in Bank	788,822	2.1%	788,822	N/A
Lone Star Investment Pool	<u>37,084,246</u>	<u>97.9%</u>	<u>37,084,246</u>	AAAm
	<u>\$ 37,877,418</u>	<u>100.0%</u>	<u>\$ 37,877,418</u>	
Statement of Net Position	\$ 37,478,594			
Statement of Fiduciary Net Position	<u>398,824</u>			
	<u>\$ 37,877,418</u>			

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

Public Funds Investment Pools

Public funds investment pools in Texas (Pools) are established under the authority of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act 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.

The District's investment in Pools are reported at an amount determined by the fair value per share of the Pool's underlying portfolio, unless the Pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

**3. PROPERTY TAXES**

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

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. All property taxes remaining uncollected after ten years are provided for in the allowance for uncollectible 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.

**4. DUE FROM OTHER GOVERNMENTS**

The amount due from other governments consisted of the following:

	General Fund	Special Revenue Funds	Total
	<u>          </u>	<u>          </u>	<u>          </u>
State Foundation Revenue Receivable	\$ 657,951	\$	\$ 657,951
Grant Funds Receivable	<u>          </u>	802,198	<u>802,198</u>
Total Due from Other Governments	<u>\$ 657,951</u>	<u>\$ 802,198</u>	<u>\$ 1,460,149</u>

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**5. INTERFUND RECEIVABLES AND PAYABLES**

Interfund balances occur as a result of normal operations and are cleared periodically. Management intends to settle these balances within one year. Interfund balances at August 31, 2025, consisted of the following individual fund receivables and payables:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund		
Special Revenue Funds	\$ 580,085	\$
Custodial Funds	61,720	
Special Revenue Funds		
General Fund		580,085
Custodial Funds		
General Fund		61,720
	<u>\$ 641,805</u>	<u>\$ 641,805</u>

**6. CAPITAL ASSETS**

Capital asset activity for the year ended August 31, 2025, was as follows:

	<u>9/1/2024</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>8/31/2025</u>
Capital Assets:					
Land	\$ 2,558,889	\$	\$	\$	\$ 2,558,889
Building	135,091,655	67,252		2,600,200	137,759,107
Equipment/Vehicles	10,455,714	131,868			10,587,582
Right of Use Asset	358,610				358,610
Construction Work in Progress	<u>2,197,680</u>	<u>1,846,880</u>		<u>(2,600,200)</u>	<u>1,444,360</u>
	<u>\$ 150,662,548</u>	<u>\$ 2,046,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 152,708,548</u>
Accumulated Depreciation/Amortization:					
Buildings	\$ 73,702,553	\$ 4,431,943	\$	\$	\$ 78,134,496
Equipment/Vehicles	7,768,084	512,282			8,280,366
Right of Use Asset	<u>138,659</u>	<u>98,229</u>			<u>236,888</u>
	<u>\$ 81,609,296</u>	<u>\$ 5,042,454</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 86,651,750</u>
Total Net Value of Capital Assets	<u>\$ 69,053,252</u>	<u>\$ (2,996,454)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 66,056,798</u>

Capital assets are being depreciated using the straight-line method over the following useful lives:

Buildings and Improvements	15 - 50 years
Furniture and Equipment	3 - 15 years
Vehicles	5 - 15 years

The District presents right of use lease assets with fixed assets. See Note 9 for more information on these leases.

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

Depreciation and Amortization expense were allocated by function as follows:

	<u>Depreciation/ Amortization</u>
Instruction	\$ 2,741,149
Curriculum and Instruction	94,554
School Leadership	319,173
Guidance, Counseling	171,985
Student Transportation	131,837
Food Service	276,867
Extracurricular Activities	184,947
General Administration	134,230
Plant Maintenance and Operations	856,444
Data Processing Services	131,268
	<u>\$ 5,042,454</u>

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

The financial statements report separate sections for deferred outflows and inflows of resources. Deferred outflows represent an acquisition of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. Deferred inflows represent an acquisition of fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred Inflows and Outflows on the Statement on Net Position consist of the following:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Unamortized Loss (See Note 9)	\$ 1,202,411	\$
Pension Related (See Note 12)	2,615,244	679,169
OPEB Related (See Note 13)	2,639,964	8,013,402
Deferred Outflows/Inflows	<u>\$ 6,457,619</u>	<u>\$ 8,692,571</u>

Deferred Inflows on the Balance Sheet – Governmental Funds consist of the following:

	<u>General Fund</u>	<u>Debt Service Fund</u>
Property Taxes - Delinquent	\$ 2,681,305	\$ 362,848
Less: Allowance for Uncollectible Taxes	192,200	55,263
Total Unavailable Tax Revenues	<u>\$ 2,489,105</u>	<u>\$ 307,585</u>

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**8. UNEARNED REVENUE**

Unearned revenue consists of the following:

	General Fund
	<u>                    </u>
State Foundation Overpayment	\$ 10,346
SHARS Overpayment	<u>365,336</u>
Total Unearned Revenue (Exhibit A-1 and C-1)	<u>\$ 375,682</u>

The District has been overpaid for School Health and Related Services (SHARS) reimbursements over the past several years. Per communication with Texas Medicaid and Healthcare Partnership, this overpayment will be deducted from future reimbursements. Therefore, it is reported as unearned revenue. See also Note 18.

**9. LONG-TERM LIABILITIES**

A summary of long-term liabilities as of August 31, 2025, is as follows:

Description	Interest Rates	Amounts Originally Issued	Current Year Interest Expense	Due Within 1 Year
2017 Refunding Bonds	3.15%	\$ 46,715,000	\$ 1,559,650	\$ 1,665,000
Lease Liability	various		<u>7,228</u>	<u>100,776</u>
			<u>\$ 1,566,878</u>	<u>\$ 1,765,776</u>

A summary of changes in long-term liabilities for the year ended August 31, 2025, is as follows:

Description	Amount Outstanding 9/1/2024	Increases Current Year	Retired Current Year	Amount Outstanding 8/31/2025
2017 Refunding Bonds	\$ 36,295,000	\$	\$ (1,585,000)	\$ 34,710,000
Lease Liability	<u>228,738</u>		<u>(102,132)</u>	<u>126,606</u>
Total Current Interest Bonds	<u>\$ 36,523,738</u>	<u>\$ 0</u>	<u>\$ (1,687,132)</u>	<u>\$ 34,836,606</u>

In September 2017, the District issued \$46,715,000 in unlimited tax refunding bonds with an average interest rate of 3.15% to refund \$47,545,000 of 2010 unlimited tax building bonds with an average interest rate of 4.685%. The net proceeds of \$52,126,900 were in deposited escrow to be used to advance refund the majority of the outstanding 2010 bonds. The result caused a loss on refunding to be recognized on the statement of net position and amortized over the life of the new debt. The balance of this unamortized loss at August 31, 2025 is \$1,202,411.

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

As of August 31, 2025, the District has \$2,793,302 in unamortized bond premiums. Amortization for the year ended August 31, 2025 amounted to \$199,012.

Scheduled debt service requirements for bonds payable are as follows:

Bonds Payable			
Fiscal Year Ending August 31,	Principal	Interest	Total
2026	\$ 1,665,000	\$ 1,480,400	\$ 3,145,400
2027	1,750,000	1,397,150	3,147,150
2028	1,835,000	1,309,650	3,144,650
2029	1,925,000	1,217,900	3,142,900
2030	2,025,000	1,121,650	3,146,650
2031-2035	11,510,000	4,217,200	15,727,200
2036-2040	14,000,000	1,723,800	15,723,800
	<u>\$ 34,710,000</u>	<u>\$ 12,467,750</u>	<u>\$ 47,177,750</u>

Per GASB 87 for Leases, the District presents lease liabilities for operating leases. These lease liabilities are attributable to copiers and a postage machine. None of the lease agreements have interest rates listed in the lease agreements. A discount rate of 2% was used for the calculation of net present value of lease liabilities. These leases had terms of 39 months, 48 months, and 20 quarters. The remaining leases have maturities within the next three years.

Scheduled debt service requirements for lease liabilities are as follows:

Lease Liability			
Fiscal Year Ending August 31,	Principal	Interest	Total
2026	\$ 100,776	\$ 3,230	\$ 104,006
2027	25,830	172	26,002
	<u>\$ 126,606</u>	<u>\$ 3,402</u>	<u>\$ 130,008</u>

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**10. REVENUES FROM LOCAL AND INTERMEDIATE SOURCES**

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

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>
Property Taxes, Penalties, Interest, and Other Tax-Related Income	\$ 34,787,981	\$ 3,250,770	\$	\$ 38,038,751
Food Sales			59,851	59,851
Interest Income	1,435,685	274,369	19,834	1,729,888
Co-Curricular Student Activities	77,221		127,280	204,501
Tuition and Fees	93,100			93,100
Proceeds from 313 Agreement	108,274			108,274
Mineral Interest	614,147			614,147
Other	249,619		16,969	266,588
	<u>\$ 37,366,027</u>	<u>\$ 3,525,139</u>	<u>\$ 223,934</u>	<u>\$ 41,115,100</u>

**11. GENERAL FUND FEDERAL SOURCE REVENUES**

Federal revenues recognized in the General Fund consist of the following:

SHARS Reimbursements		\$	1,911
Indirect Cost:			
Title I, Part A - Improving Basic Programs	84.010A		52,064
IDEA, Part B - Formula	84.027A		21,957
IDEA, Part B - Preschool	84.173A		1,374
Perkins V	84.048A		2,529
Title II, Part A - Teacher Training	84.367A		7,243
Title III, Part A - ELA	84.365A		948
Title V, Part B	84.358B		3,726
ESSER III, TCLAS	84.425U		1,308
Title IV, Part A	84.424A		5,337
LEP - Summer School	84.369A		2,727
Child Nutrition Fund	10.553/10.555		37,117
		<u>\$</u>	<u>138,241</u>

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**12. DEFINED BENEFIT PENSION PLAN**

**Plan Description**

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

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

**Pension Plan Fiduciary Net Position**

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained at <https://www.trs.texas.gov>; by writing to TRS at attention Finance Division, PO Box 149676, Austin, TX, 78714-0185; or by calling (800) 223-8778.

The information provided in the Notes to the Financial Statements in the 2024 and 2023 Annual Comprehensive Financial Report for TRS provides the following information regarding the Pension Plan fiduciary net position as of August 31, 2024 and 2023:

<u>Net Pension Liability</u>	<u>2024</u>	<u>2023</u>
Total Pension Liability	\$ 271,627,434,294	\$ 255,860,886,500
Less: Plan Fiduciary Net Position	<u>(210,543,258,495)</u>	<u>(187,170,535,558)</u>
Net Pension Liability	<u>\$ 61,084,175,799</u>	<u>\$ 68,690,350,942</u>
Net Position as Percentage of Total Pension Liability	77.51%	73.15%

**Benefits Provided**

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3% (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with five 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 five years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic cost of living adjustments (COLA).

## BIG SPRING INDEPENDENT SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS

Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description 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 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 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 as applied to eligible annuitants' payments beginning with their January 2024 payment:

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

Texas Government Code, Title 8, Section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS's unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in the manner are determined by the System's actuary.

#### **Contributions**

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

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

The following table shows contribution rates by type of contributor for the fiscal years 2024 and 2025, the contributions by type reported by TRS which were received by TRS during the measurement year (TRS FY 2024 and 2025), and the actual contributions made by the District to TRS during their fiscal year (District FY 2024 and 2025). The reported contributions from the member and the employers are included in the calculation of the District's proportionate share of the Net Pension Liability.

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

	<u>Contribution Rates</u>	
	<u>2024</u>	<u>2025</u>
Member	8.25%	8.25%
Non-Employer Contributing Entity (State)	8.25%	8.25%
Employers	8.25%	8.25%

	<u>TRS Plan Year</u>	
	<u>2024</u>	<u>2025</u>
Employer Contributions	\$ 1,043,348	\$ 1,100,870
Member Contributions	2,126,457	2,144,290
NECE On-Behalf Contributions	1,481,470	

	<u>District Fiscal Year</u>	
	<u>2024</u>	<u>2025</u>
Employer Contributions	\$ 1,043,348	\$ 1,100,870
Member Contributions	2,126,457	2,144,290

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

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers, (public school, junior college, other entities, or the State of Texas as the employer for senior 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 part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.

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

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

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**Actuarial Assumptions**

The actuarial valuation was performed as of August 31, 2023. Update procedures were used to roll forward the total pension liability to August 31, 2024.

The total pension liability is determined by an annual actuarial valuation. The actuarial methods and assumptions were selected by the Board of Trustees based upon analysis and recommendations by the System's actuary. The Board of Trustees has sole authority to determine the actuarial assumptions used for the Plan. The actuarial methods and assumptions were primarily based on a study of actual experience for the four-year period ending August 31, 2021 and adopted in July 2022.

The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioner Mortality Tables with full generational projection using the ultimate improvement rates from the most recently published projection scale (U-MP). The active mortality rates were based on the published PUB(2010) Mortality Tables for Teachers, below median, also with full generational mortality.

The following table discloses the assumptions that were applied to the measurement period:

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 2024	3.87% - The source for the rate is the Bond Buyer's "20-Bond GO Index" which represents the estimated yield of a portfolio of 20 general obligation bonds maturing in 20 years based on a survey of municipal bond traders
Last year ending August 31 in Projection Period (100 years)	2123
Inflation	2.30%
Salary Increases	2.95% to 8.95% including inflation
Ad Hoc Post-Employment Benefit Changes	None

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

**Discount Rate**

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

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

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

The long-term rate of return on pension plan investments is 7.00%. 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 are summarized below:

Asset Class	Target Allocation % (b)	Long-Term Expected Geometric Real Rate of Return (c)	Expected Contribution to Long-Term Portfolio Returns
<b>Global Equity</b>			
USA	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%
<b>Stable Value</b>			
Government Bonds	16.00%	1.90%	0.40%
Stable Value Hedge Funds	5.00%	3.00%	0.20%
Absolute Return (a)	0.00%	4.00%	0.00%
<b>Real Return</b>			
Real Estate	15.00%	6.60%	1.20%
Energy, Natural Resources, and Infrastructure	6.00%	5.60%	0.40%
Commodities	0.00%	2.50%	0.00%
<b>Risk Parity</b>	8.00%	4.00%	0.40%
<b>Asset Allocation Leverage Cash</b>			
Cash	2.00%	1.00%	0.00%
Asset Allocation Leverage	-6.00%	1.30%	-0.10%
Inflation Expectation			2.40%
Volatility Drag (d)			-0.70%
<b>Expected Return</b>	100.00%		7.90%

(a) - Absolute Return includes Credit Sensitive Investments

(b) - Target allocations are based on the FY 2024 policy model

(c) - Capital Market Assumptions (CMA) come from 2024 SAA Study CMA Survey (as of 12/31/2023)

(d) - The volatility drag results from the conversion between arithmetic and geometric mean returns

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**Discount Rate Sensitivity Analysis**

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

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ 18,064,033	\$ 11,309,435	\$ 5,712,770

**Pension Liabilities and Pension Expense**

At August 31, 2025, the District reported a liability of \$11,309,435 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amounts recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's Proportionate Share of the Collective Net Pension Liability	\$ 11,309,435
State's Proportionate Share that is Associated with the District	<u>16,058,335</u>
Total	<u>\$ 27,367,770</u>

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 through August 31, 2024.

At August 31, 2024 the employer's proportion of the collective net pension liability was 0.018515% which was a decrease of 0.000932% from its proportion measured as of August 31, 2023.

For the year ended August 31, 2025, the District recognized pension expense of \$1,919,239 and revenue of \$1,481,470 for support provided by the State in the government-wide statement of activities.

**Changes Since the Prior Actuarial Valuation**

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

Benefit Terms – The Texas 2023 Legislature passed SB 10, which provided a stipend payment to certain retirees and variable ad hoc COLAs 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, and adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, August 31, 2024. SB 10 and HJR 2 of the 88<sup>th</sup> Regular Legislative Session appropriated payments of \$1.645 billion for one-time stipends and \$3.355 billion for COLAs.

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

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.

**Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At August 31, 2025, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ 623,361	\$ 88,299
Changes in Actuarial Assumptions	583,930	78,285
Difference Between Projected and Actual Investment Earnings	68,746	
Changes in Proportion and Difference Between the Employer's Contributions and the Proportionate Share of Contributions	238,337	512,585
Contributions Paid to TRS Subsequent to the Measurement Date	<u>1,100,870</u>	
Total	<u>\$ 2,615,244</u>	<u>\$ 679,169</u>

The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions (not including the deferred contribution paid subsequent to the measurement date) will be recognized in pension expense as follows:

	<u>Pension Expense (Benefit) Amount</u>
2026	\$ (26,803)
2027	1,167,840
2028	73,792
2029	(362,137)
2030	(17,487)
Thereafter	

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

**Plan Description**

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing, defined Other Post-Employment Benefit (OPEB) plan that has 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.

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**OPEB Plan Fiduciary Net Position**

Detail information about the TRS-Care's fiduciary net position is available in the separately issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained at <https://www.trs.texas.gov>; by writing to TRS at PO Box 149676, Austin, TX, 78714-0185; or by calling (800) 223-8778.

Components of the net OPEB liability of the TRS-Care plan as of August 31, 2024 and 2023 are as follows:

<u>Net OPEB Liability</u>	<u>2024</u>	<u>2023</u>
Total OPEB Liability	\$ 35,168,178,563	\$ 26,028,070,267
Less: Plan Fiduciary Net Position	<u>(4,816,646,311)</u>	<u>(3,889,765,203)</u>
Net OPEB Liability	<u>\$ 30,351,532,252</u>	<u>\$ 22,138,305,064</u>
 Net Position as Percentage of Total OPEB Liability	 13.70%	 14.94%

**Benefits Provided**

TRS-Care provides health insurance coverage to all retirees from public schools 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 GAA passed by the 88<sup>th</sup> Legislature included funding to maintain TRS-Care premiums at their current level through 2025. Also, the 86<sup>th</sup> Legislature passed Senate Bill 1682 which requires TRS to establish a contingency reserve in the TRS-Care fund equal to 60 days of expenditures. This amount is estimated at \$353,400,000 as of August 31, 2024.

The premium rates for retirees are presented below:

<u>TRS-Care Plan Premium Rates</u>		
	<u>Medicare</u>	<u>Non-Medicare</u>
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

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**Contributions**

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of salary. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the employer. The actual public school contribution rate is prescribed by the Legislature in the General Appropriations Act, which is 0.75% of each active employee's pay for fiscal year 2024.

The following table shows contribution rates by type of contributor for the fiscal years 2024 and 2025, the contributions by type reported by TRS which were received by TRS during the measurement year (TRS FY 2024 and 2025), and the actual contributions made by the District to TRS during their fiscal year (District FY 2024 and 2025). The District and member contributions reported are included in the calculation of the District's proportionate share of the Net TRS-Care liability for the measurement period.

	<u>Contribution Rates</u>	
	<u>2024</u>	<u>2025</u>
Active Employee	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%

	<u>TRS Plan Year</u>	
	<u>2024</u>	<u>2025</u>
Employer Contributions	\$ 232,974	\$ 230,661
Member Contributions	166,927	168,350
NECE On-Behalf Contributions	277,565	

	<u>District Fiscal Year</u>	
	<u>2024</u>	<u>2025</u>
Employer Contributions	\$ 232,974	\$ 230,661
Member Contributions	166,927	168,350

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

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**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 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 Incidence
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 were as follows:

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 Costs - From Birth to Death".
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs
Salary Increases	2.95% to 8.95%, including inflation
Ad Hoc Post-Employment Benefit Changes	None

The election rates for normal retirement were 62% participation rate prior to age 65 and 25% participation rate after age 65. For pre-65 retirees, it is assumed that 30% will discontinue coverage at age 65.

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

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**Discount Rate**

A single discount rate of 3.87% was used to measure the total OPEB liability. This was a decrease of 0.26% in the discount rate since the previous year. Because the investments are held in cash and there is no intentional objective to advance fund the benefits, the single discount rate is equal to the prevailing municipal bond rate. The source of the municipal bond rate is the Bond Buyer's "20-Bond GO index" as of August 31, 2024 using the Fixed Income Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

**Discount Rate Sensitivity Analysis**

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

	1% Decrease in Discount Rate (2.87%)	Discount Rate (3.87%)	1% Increase in Discount Rate (4.87%)
District's Proportionate Share of the Net OPEB Liability	\$ 8,793,886	\$ 7,401,970	\$ 6,277,281

**Healthcare Cost Trend Rates Sensitivity Analysis**

The following presents the net OPEB liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% point lower or 1% point higher than the assumed healthcare cost trend rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's Proportionate Share of the Net OPEB Liability	\$ 6,027,806	\$ 7,401,970	\$ 9,192,643

**OPEB Liabilities and OPEB Expense**

At August 31, 2025, the District reported a liability of \$7,401,970 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's Proportionate Share of the Collective Net OPEB Liability	\$ 7,401,970
State's Proportionate Share that is Associated with the District	<u>9,274,568</u>
Total	<u>\$ 16,676,538</u>

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 the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2023 thru August 31, 2024.

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

At August 31, 2024, the employer's proportion of the collective net OPEB liability was 0.024387% which was a decrease of 0.000216% proportion measured as of August 31, 2023.

For the year ended August 31, 2025, the District recognized OPEB a credit to expense of (\$1,205,523) and revenue of \$277,565 for support provided by the State.

**Changes Since the Prior Actuarial Valuation**

Actuarial Assumptions – The following were changes to the actuarial assumptions or other inputs that affected the measurement of the total OPEB Liability since the prior measurement period:

- The discount rate changed from 4.13% as of August 31, 2023 to 3.87% as of August 31, 2024, 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.

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

**Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs**

At August 31, 2025, 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
	<u>                    </u>	<u>                    </u>
Differences Between Expected and Actual Actuarial Experience	\$ 1,418,709	\$ 3,693,984
Changes in Actuarial Assumptions	947,365	2,415,177
Difference Between Projected and Actual Investment Earnings		20,728
Changes in Proportion and Difference Between the Employer's Contributions and the Proportionate Share of Contributions	43,229	1,883,513
Contributions Paid to TRS Subsequent to the Measurement Date	<u>230,661</u>	
Total	<u>\$ 2,639,964</u>	<u>\$ 8,013,402</u>

The net amounts of the employer's balances of deferred outflows and inflows of resources (not including the deferred contribution paid subsequent to the measurement date) related to OPEBs will be recognized in OPEB expense as follows:

	OPEB Expense (Benefit) Amount
	<u>                    </u>
2026	\$ (1,384,125)
2027	(1,048,879)
2028	(1,049,791)
2029	(898,840)
2030	(610,993)
Thereafter	(611,471)

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**14. WORKMEN'S COMPENSATION**

The District participated in a public entity risk pool for its Workmen's Compensation Insurance needs. The Pool was protected against unanticipated catastrophic loss by stop-loss coverage provided through Safety National Casualty Corporation. The stop-loss policy covered individual claims in excess of \$100,000 per incident. The District accounted for its costs associated with the Pool in the general fund. This agreement was not renewed as of September 1, 2022. However, the District continues to have claim liabilities for plan years between September 1, 2017 and August 31, 2025. Deposits held by the claims administrator on behalf of the District total \$18,711. The District has not recorded any claims payable as of August 31, 2025.

Since September 1, 2022, the District has participated in the Texas Association of School Boards (TASB) Workers' Compensation Self-Insurance Fund (the Fund). The associated costs are accounted for in the General Fund and allocated to all funds. The Fund is protected against unanticipated catastrophic loss by stop loss insurance coverage. The Claims Administrator for the Pool has estimated the District's share of unpaid claims as of August 31, 2025 to be immaterial. The District has not recorded any claims payable at August 31, 2025 related to this liability.

**15. HEALTH INSURANCE**

During the year ended August 31, 2025, employees of the District were covered by a health insurance plan through TRS – Active Care Program administered by the Teacher Retirement System. The District contributed \$375 of the employee-only premium per month and employees, at their option, authorized payroll withholdings to pay contributions for dependents. Under this plan, the District is not liable for costs incurred beyond the premiums paid.

Payments made on behalf of the District by the state for Medicare, Part D fringe benefits and salaries amounted to \$167,689 and \$140,376 for the years ended August 31, 2025 and 2024, respectively.

**16. LITIGATION**

Management represents there is no litigation pending against the District which would have a material effect on the financial statements.

**17. CHAPTER 313 AGREEMENT**

The District entered into an agreement with Gunsight Mountain Wind Energy, LLC on December 11, 2014. The agreement was for Gunsight Mountain Wind Energy, LLC to invest capital on a long-term basis for a valuation limitation of \$30,000,000. For fiscal year 2025, which is year ten of the agreement, with the M&O tax rate \$0.6669 per \$100, with property valued at \$49,656,828 without considering the limitation and \$30,000,000 with the limitation. When calculated, the District forgoes collecting \$131,091 in M&O tax revenue; however, that will be offset by the increase in state funding through the FSP funding formula and a possible Revenue Protection Payment. In addition to the tax abatement, Gunsight Mountain Wind Energy, LLC has committed to pay supplemental payments to the District in the amount of \$100 per ADA or \$50,000 whichever is greater.

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**18. PRIOR PERIOD ADJUSTMENT**

As mentioned in Note 8, after an audit by Texas Medicaid and Healthcare Partnership, it was determined that the District has been overpaid for SHARS reimbursements related to Medicaid over the past several years. A prior period adjustment has been reported to reflect the decrease in beginning net position and fund balance as a result of this overpayment. The effects of this adjustment are shown in the table below.

	<u>Exhibit B-1</u>	<u>Exhibit C-3</u>	
	Governmental Activities Net Position	General Fund Balance	Total Governmental Fund Balance
Beginning Fund Balance/Net Position (September 1, 2024)	\$ 45,842,745	\$ 28,187,653	\$ 35,539,704
Prior Period Adjustment	<u>(358,549)</u>	<u>(358,549)</u>	<u>(358,549)</u>
Beginning Fund Balance/Net Position (September 1, 2024), as Restated	<u>\$ 45,484,196</u>	<u>\$ 27,829,104</u>	<u>\$ 35,181,155</u>

**19. COMMITMENTS AND CONTINGENCIES**

Federal and State Funding

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

**REQUIRED SUPPLEMENTARY INFORMATION**  
**EXHIBITS G-1 THROUGH G-5**

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**Exhibit G-1**

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED AUGUST 31, 2025**

Data Control Codes	1 Budgeted Amounts		3	Variance With Final Budget Favorable (Unfavorable)	
	Original	Amended	Actual		
<b>Revenues:</b>					
5700	Local and Intermediate Sources	\$ 35,738,741	\$ 37,538,741	\$ 37,366,027	\$ (172,714)
5800	State Program Revenues	4,619,339	4,619,339	4,996,592	377,253
5900	Federal Program Revenues	433,000	433,000	138,241	(294,759)
5020	Total Revenues	\$ 40,791,080	\$ 42,591,080	\$ 42,500,860	\$ (90,220)
<b>Expenditures:</b>					
0011	Instruction	\$ 22,890,449	\$ 21,990,449	\$ 21,863,241	\$ 127,208
0012	Instructional Resources and Media Services	420,563	420,563	394,723	25,840
0013	Curriculum and Staff Development	242,729	243,829	168,903	74,926
0021	Instructional Leadership	513,694	513,694	510,277	3,417
0023	School Leadership	2,838,737	2,837,637	2,669,484	168,153
0031	Guidance, Counseling, and Evaluation Services	1,171,914	1,171,914	1,087,968	83,946
0032	Social Work Services	67,929	67,929	63,238	4,691
0033	Health Services	394,854	394,854	356,063	38,791
0034	Student Transportation	1,307,691	1,307,691	1,174,463	133,228
0036	Extracurricular Activities	1,862,542	1,862,542	1,739,597	122,945
0041	General Administration	1,366,013	1,360,013	1,214,204	145,809
0051	Plant Maintenance and Operations	7,218,390	6,818,390	6,707,605	110,785
0052	Security and Monitoring Services	191,693	191,693	170,735	20,958
0053	Data Processing Services	1,259,258	1,159,258	1,135,158	24,100
0071	Debt Service - Principal	169,870	169,870	98,890	70,980
0072	Debt Service - Interest	10,000	10,000	7,083	2,917
0081	Facilities Acquisition and Construction	370,536	551,536	457,771	93,765
0091	Contracted Instructional Services Between Schools	1,048,651	4,248,651	4,066,289	182,362
0099	Other Intergovernmental Charges	300,000	306,000	304,174	1,826
6030	Total Expenditures	\$ 43,645,513	\$ 45,626,513	\$ 44,189,866	\$ 1,436,647
1200	Net Change in Fund Balance	\$ (2,854,433)	\$ (3,035,433)	\$ (1,689,006)	\$ 1,346,427
0100	September 1 - Fund Balance	28,187,653	28,187,653	28,187,653	0
1300	Prior Period Adjustment	(358,549)	(358,549)	(358,549)	0
3000	August 31 - Fund Balance	\$ 24,974,671	\$ 24,793,671	\$ 26,140,098	\$ 1,346,427

BIG SPRING INDEPENDENT SCHOOL DISTRICT

Exhibit G-2

SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TEACHERS RETIREMENT SYSTEM FOR THE YEARS ENDED AUGUST 31

	<u>2025</u> <u>Plan Yr 2024</u>	<u>2024</u> <u>Plan Yr 2023</u>	<u>2023</u> <u>Plan Yr 2022</u>	<u>2022</u> <u>Plan Yr 2021</u>	<u>2021</u> <u>Plan Yr 2020</u>	<u>2020</u> <u>Plan Yr 2019</u>	<u>2019</u> <u>Plan Yr 2018</u>	<u>2018</u> <u>Plan Yr 2017</u>	<u>2017</u> <u>Plan Yr 2016</u>	<u>2016</u> <u>Plan Yr 2015</u>
District's Proportion of the Net Pension Liability	0.018515%	0.019447%	0.019184%	0.019076%	0.018400%	0.019653%	0.018642%	0.020887%	0.022688%	0.025642%
District's Proportionate Share of the Net Pension Liability	\$ 11,309,435	\$ 13,358,061	\$ 11,388,832	\$ 4,858,090	\$ 9,854,872	\$ 10,216,278	\$ 10,261,029	\$ 6,678,518	\$ 8,573,289	\$ 9,063,929
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>16,058,335</u>	<u>19,299,313</u>	<u>18,415,539</u>	<u>8,468,434</u>	<u>17,920,110</u>	<u>16,472,993</u>	<u>17,963,359</u>	<u>11,205,231</u>	<u>15,007,525</u>	<u>14,945,887</u>
Total	<u>\$ 27,367,770</u>	<u>\$ 32,657,374</u>	<u>\$ 29,804,371</u>	<u>\$ 13,326,524</u>	<u>\$ 27,774,982</u>	<u>\$ 26,689,271</u>	<u>\$ 28,224,388</u>	<u>\$ 17,883,749</u>	<u>\$ 23,580,814</u>	<u>\$ 24,009,816</u>
District's Covered Payroll	\$ 25,775,239	\$ 25,665,167	\$ 25,264,313	\$ 24,799,462	\$ 23,992,099	\$ 22,715,333	\$ 21,476,671	\$ 22,362,010	\$ 23,958,906	\$ 24,704,377
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll Liability as a Percentage of its Covered Payroll	43.88%	52.05%	45.08%	19.59%	41.08%	44.98%	47.78%	29.87%	35.78%	36.69%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.51%	73.15%	75.62%	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%

Note: GASB 68, Paragraph 81 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates ending August 31 for each plan year.

BIG SPRING INDEPENDENT SCHOOL DISTRICT

Exhibit G-3

SCHEDULES OF DISTRICT CONTRIBUTIONS  
FOR PENSIONS  
TEACHERS RETIREMENT SYSTEM  
FOR THE YEARS ENDED AUGUST 31

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 1,100,870	\$ 1,043,348	\$ 1,010,098	\$ 915,981	\$ 755,095	\$ 687,881	\$ 628,003	\$ 684,552	\$ 720,841	\$ 759,255
Contribution in Relation to the Contractually Required Contribution	<u>(1,100,870)</u>	<u>(1,043,348)</u>	<u>(1,010,098)</u>	<u>(915,981)</u>	<u>(755,095)</u>	<u>(687,881)</u>	<u>(628,003)</u>	<u>(684,552)</u>	<u>(720,841)</u>	<u>(759,255)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
District's Covered Payroll	\$ 25,991,389	\$ 25,775,239	\$ 25,665,167	\$ 25,264,313	\$ 24,799,462	\$ 23,992,099	\$ 22,715,333	\$ 21,476,671	\$ 22,362,010	\$ 23,958,906
Contributions as a Percentage of Covered Payroll	4.24%	4.05%	3.94%	3.63%	3.04%	2.87%	2.76%	3.19%	3.22%	3.17%

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

BIG SPRING INDEPENDENT SCHOOL DISTRICT

Exhibit G-4

SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY TEACHERS RETIREMENT SYSTEM FOR THE YEARS ENDED AUGUST 31

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
	<u>Plan Yr 2024</u>	<u>Plan Yr 2023</u>	<u>Plan Yr 2022</u>	<u>Plan Yr 2021</u>	<u>Plan Yr 2020</u>	<u>Plan Yr 2019</u>	<u>Plan Yr 2018</u>	<u>Plan Yr 2017</u>
District's Proportion of the Net OPEB Liability	0.024387%	0.026544%	0.027730%	0.027869%	0.028226%	0.028109%	0.028061%	0.029633%
District's Proportionate Share of the Net OPEB Liability	\$ 7,401,970	\$ 5,876,481	\$ 6,639,620	\$ 10,750,161	\$ 10,730,161	\$ 13,293,216	\$ 14,010,912	\$ 12,886,088
State's Proportionate Share of the Net OPEB Liability Associated with the District	<u>9,274,568</u>	<u>7,090,878</u>	<u>8,099,293</u>	<u>14,402,821</u>	<u>14,418,765</u>	<u>17,663,713</u>	<u>18,042,105</u>	<u>17,129,714</u>
Total	<u>\$ 16,676,538</u>	<u>\$ 12,967,359</u>	<u>\$ 14,738,913</u>	<u>\$ 25,152,982</u>	<u>\$ 25,148,926</u>	<u>\$ 30,956,929</u>	<u>\$ 32,053,017</u>	<u>\$ 30,015,802</u>
District's Covered Payroll	\$ 25,775,239	\$ 25,665,167	\$ 25,264,313	\$ 24,799,462	\$ 23,992,099	\$ 22,715,333	\$ 21,476,671	\$ 22,362,010
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	28.72%	22.90%	26.28%	43.35%	44.72%	58.52%	65.24%	57.62%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	13.70%	14.94%	11.52%	6.18%	4.99%	2.73%	1.57%	0.91%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule be determined as of the measurement dates ending August 31 for each plan year.

Note: This schedule shows only eight years for which this information is available. Additional information will be added until ten years of data are available and reported.

BIG SPRING INDEPENDENT SCHOOL DISTRICT

Exhibit G-5

SCHEDULES OF DISTRICT CONTRIBUTIONS  
FOR OTHER POST-EMPLOYMENT BENEFITS  
TEACHERS RETIREMENT SYSTEM  
FOR THE YEARS ENDED AUGUST 31

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 230,661	\$ 232,974	\$ 242,059	\$ 228,160	\$ 205,700	\$ 179,431	\$ 169,957	\$ 161,074
Contribution in Relation to the Contractually Required Contribution	<u>(230,661)</u>	<u>(232,974)</u>	<u>(242,059)</u>	<u>(228,160)</u>	<u>(205,700)</u>	<u>(179,431)</u>	<u>(169,957)</u>	<u>(161,074)</u>
Contribution Deficiency (Excess)	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
District's Covered Payroll	\$ 25,991,389	\$ 25,775,239	\$ 25,665,167	\$ 25,264,313	\$ 24,799,462	\$ 23,992,099	\$ 22,715,333	\$ 21,476,671
Contributions as a Percentage of Covered Payroll	0.89%	0.90%	0.94%	0.90%	0.83%	0.75%	0.75%	0.75%

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

Note: This schedule shows only eight years for which this information is available. Additional information will be added until ten years of data are available and reported.

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**A. NOTES TO SCHEDULES FOR THE TRS PENSION**

*Changes of Assumptions*

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

*Changes of Benefit Terms*

The Texas 2023 Legislature passed SB 10, which provided a stipend payment to certain retirees and variable ad hoc COLAs 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, and adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, August 31, 2024. SB 10 and HJR 2 of the 88th Regular Legislative Session appropriated payments of \$1.645 billion for one-time stipends and \$3.355 billion for COLAs. This appropriation is treated as a supplemental contribution and included in other additions. Since the Legislature appropriated funds for this one-time stipend and COLA, there was no impact on the Net Pension Liability of TRS.

**B. NOTES TO SCHEDULES FOR THE TRS OPEB PLAN**

*Changes of Assumptions*

The following were changes to the actuarial assumptions or other inputs that affected the measurement of the total OPEB Liability since the prior measurement period:

- The discount rate changed from 4.13% as of August 31, 2023 to 3.87% as of August 31, 2024, 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*

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

**SUPPLEMENTARY INFORMATION**

**EXHIBITS H-1 THROUGH H-2**

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**Exhibit H-1 (Continued)**

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
AUGUST 31, 2025**

	Special Revenue Funds						
	211	224	225	240	244	255	263
	ESEA Title I Part A Improving Basic Programs	IDEA - Part B Formula	IDEA - Part B Preschool	National Breakfast and Lunch Program	Vocational Education Technical Preparation	ESEA II, A Training and Recruiting	Title III, A English Language Acquisition
<b>ASSETS:</b>							
Cash and Temporary Investments	\$	\$	\$	\$ 1,100,087	\$	\$	\$
Due from Other Governments	<u>274,140</u>	<u>210,882</u>	<u>7,005</u>	<u>140,139</u>	<u>27,262</u>	<u>21,606</u>	<u>1,534</u>
Total Assets	<u>\$ 274,140</u>	<u>\$ 210,882</u>	<u>\$ 7,005</u>	<u>\$ 1,240,226</u>	<u>\$ 27,262</u>	<u>\$ 21,606</u>	<u>\$ 1,534</u>
<b>LIABILITIES AND FUND BALANCES:</b>							
Liabilities:							
Accounts Payable	\$ 6,816	\$ 31,934	\$	\$ 152,236	\$ 655	\$	\$
Accrued Wages Payable	4,953	23,197	2,114	1,343		374	
Due to Other Funds	262,063	153,043	4,645		26,607	21,188	1,534
Accrued Expenditures	<u>308</u>	<u>2,708</u>	<u>246</u>			<u>44</u>	
Total Liabilities	<u>\$ 274,140</u>	<u>\$ 210,882</u>	<u>\$ 7,005</u>	<u>\$ 153,579</u>	<u>\$ 27,262</u>	<u>\$ 21,606</u>	<u>\$ 1,534</u>
Fund Balances:							
Restricted for:							
Other	\$	\$	\$	\$ 1,086,647	\$	\$	\$
Assigned for:							
Campus Activity Funds							
Total Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,086,647</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Liabilities and Fund Balance	<u>\$ 274,140</u>	<u>\$ 210,882</u>	<u>\$ 7,005</u>	<u>\$ 1,240,226</u>	<u>\$ 27,262</u>	<u>\$ 21,606</u>	<u>\$ 1,534</u>

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**Exhibit H-1 (Concluded)**

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
AUGUST 31, 2025**

	Special Revenue Funds						
	270	282	289	410	429	461	Total
	ESEA VI Part B Rural & Low Income	ESSER III ARP	Title V Part A Subpart 1	State Textbook Fund	Other State Special Revenue Funds	Campus Activity Funds	Non-Major Special Revenue Funds
<b>ASSETS:</b>							
Cash and Temporary Investments	\$	\$	\$	\$	\$	\$ 157,099	\$ 1,257,186
Due from Other Governments	<u>33,638</u>		<u>9,140</u>	<u>55,917</u>	<u>20,935</u>		<u>802,198</u>
Total Assets	<u>\$ 33,638</u>	<u>\$ 0</u>	<u>\$ 9,140</u>	<u>\$ 55,917</u>	<u>\$ 20,935</u>	<u>\$ 157,099</u>	<u>\$ 2,059,384</u>
<b>LIABILITIES AND FUND BALANCES:</b>							
Liabilities:							
Accounts Payable	\$	\$	\$	\$ 6,654	\$	\$	\$ 198,295
Accrued Wages Payable					1,765		33,746
Due to Other Funds	<u>33,638</u>		<u>9,140</u>	<u>49,263</u>	<u>18,964</u>		<u>580,085</u>
Accrued Expenditures					<u>206</u>		<u>3,512</u>
Total Liabilities	<u>\$ 33,638</u>	<u>\$ 0</u>	<u>\$ 9,140</u>	<u>\$ 55,917</u>	<u>\$ 20,935</u>	<u>\$ 0</u>	<u>\$ 815,638</u>
Fund Balances:							
Restricted for:							
Other	\$	\$	\$	\$	\$	\$	1,086,647
Assigned for:							
Campus Activity Funds						<u>157,099</u>	<u>157,099</u>
Total Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 157,099</u>	<u>\$ 1,243,746</u>
Total Liabilities and Fund Balance	<u>\$ 33,638</u>	<u>\$ 0</u>	<u>\$ 9,140</u>	<u>\$ 55,917</u>	<u>\$ 20,935</u>	<u>\$ 157,099</u>	<u>\$ 2,059,384</u>

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**Exhibit H-2 (Continued)**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2025**

	Special Revenue Funds						
	211 ESEA Title I Part A Improving Basic Programs	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program	244 Vocational Ed Technical Preparation	255 ESEA II,A Training and Recruiting	263 Title III, A English Language Acquisition
<b>REVENUES:</b>							
Local and Intermediate Sources	\$	\$	\$	\$ 96,654	\$	\$	\$
State Program Revenues				10,590			
Federal Program Revenues	<u>1,166,994</u>	<u>744,711</u>	<u>31,007</u>	<u>2,496,100</u>	<u>64,374</u>	<u>150,113</u>	<u>18,311</u>
Total Revenues	\$ <u>1,166,994</u>	\$ <u>744,711</u>	\$ <u>31,007</u>	\$ <u>2,603,344</u>	\$ <u>64,374</u>	\$ <u>150,113</u>	\$ <u>18,311</u>
<b>EXPENDITURES:</b>							
Instruction	\$ 362,340	\$ 301,328	\$ 31,007	\$	\$ 54,314	\$ 14,426	\$ 704
Instructional Resources and Media Services							
Curriculum & Instructional Staff Development	328,986	18,222			10,060	126,662	17,468
Instructional Leadership	469,277	2,196				4,618	
School Leadership						4,407	
Guidance, Counseling, & Evaluation Services		342,032					
Social Work Services	6,391						139
Food Services				3,553,692			
Extracurricular Activities							
Facilities Maintenance and Operations							
Security and Monitoring Services							
Data Processing Services		80,933					
Debt Service - Principal				3,243			
Debt Service - Interest				145			
Total Expenditures	\$ <u>1,166,994</u>	\$ <u>744,711</u>	\$ <u>31,007</u>	\$ <u>3,557,080</u>	\$ <u>64,374</u>	\$ <u>150,113</u>	\$ <u>18,311</u>
Net Change in Fund Balance	\$ 0	\$ 0	\$ 0	\$ (953,736)	\$ 0	\$ 0	\$ 0
Fund Balance - September 1 (Beginning)				<u>2,040,383</u>			
Fund Balance - August 31 (Ending)	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>1,086,647</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**Exhibit H-2 (Concluded)**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2025**

	Special Revenue Funds						Total Non-Major Special Revenue Funds
	270 ESEA VI Part B Rural & Low Income	282 ESSER III ARP	289 Title V Part A Subpart 1	410 State Textbook Fund	429 Other State Special Revenue Funds	461 Campus Activity Fund	
<b>REVENUES:</b>							
Local and Intermediate Sources	\$	\$	\$	\$	\$	\$ 127,280	\$ 223,934
State Program Revenues				303,328	79,223		393,141
Federal Program Revenues	100,143	245,382	47,301				5,064,436
<b>Total Revenues</b>	<b>\$ 100,143</b>	<b>\$ 245,382</b>	<b>\$ 47,301</b>	<b>\$ 303,328</b>	<b>\$ 79,223</b>	<b>\$ 127,280</b>	<b>\$ 5,681,511</b>
<b>EXPENDITURES:</b>							
Instruction	\$ 66,309	\$ 174,962	\$ 1,000	\$ 302,933	\$ 60,414	\$	\$ 1,369,737
Instructional Resources and Media Services			4,059				4,059
Curriculum & Instructional Staff Development	31,834	70,420	3,409		13,843		620,904
Instructional Leadership				395			476,486
School Leadership							4,407
Guidance, Counseling, & Evaluation Services	2,000						344,032
Social Work Services							6,530
Food Services							3,553,692
Extracurricular Activities						165,109	165,109
Facilities Maintenance and Operations					1,824		1,824
Security and Monitoring Services			38,833		3,142		41,975
Data Processing Services							80,933
Debt Service - Principal							3,243
Debt Service - Interest							145
<b>Total Expenditures</b>	<b>\$ 100,143</b>	<b>\$ 245,382</b>	<b>\$ 47,301</b>	<b>\$ 303,328</b>	<b>\$ 79,223</b>	<b>\$ 165,109</b>	<b>\$ 6,673,076</b>
<b>Net Change in Fund Balance</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (37,829)</b>	<b>\$ (991,565)</b>
<b>Fund Balance - September 1 (Beginning)</b>						<b>194,928</b>	<b>2,235,311</b>
<b>Fund Balance - August 31 (Ending)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 157,099</b>	<b>\$ 1,243,746</b>

**OTHER INFORMATION**  
**EXHIBITS J-1 THROUGH J-4**

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**Exhibit J-1**

**SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FOR THE YEAR ENDED AUGUST 31, 2025**

Last Ten Years Ended August 31	1		2	3	10	20	31	32	40	50	99
	Tax Rates			Assessed/ Appraised Value for School Tax Purposes	Beginning Balance 9/1/2024	Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance 8/31/2025	Taxes Refunded Under Sec 26.1115(c)
	Maintenance	Debt Service									
2016 and Prior Years	Various	Various	\$	Various	\$ 290,232	\$	\$ 6,014	\$ 1,708	\$ (35,047)	\$ 247,463	
2017	1.11950	0.28000		1,651,050,371	76,050		2,440	610	(8,659)	64,341	
2018	1.11950	0.28000		1,604,174,408	135,786		4,422	1,106	(9,232)	121,026	
2019	1.04000	0.20000		2,339,259,893	147,754		12,968	2,494	(5,998)	126,294	
2020	0.97000	0.15000		2,964,433,807	309,905		20,381	3,152	(6,704)	279,668	
2021	0.96640	0.15000		2,764,097,259	343,537		24,493	3,802	(42,067)	273,175	
2022	0.89230	0.12370		2,779,484,249	346,027		40,618	5,631	(43,385)	256,393	
2023	0.85460	0.07630		4,030,856,620	687,339		65,757	5,871	(27,626)	588,085	
2024	0.69000	0.07320		4,399,320,743	657,724		161,937	17,179	(60,673)	417,935	
2025 (School Year Under Audit)	0.66690	0.06140		5,072,893,100 *		36,933,812	34,277,986	3,155,898	1,169,845	669,773	
1000 TOTALS					<u>\$ 2,994,354</u>	<u>\$ 36,933,812</u>	<u>\$ 34,617,016</u>	<u>\$ 3,197,451</u>	<u>\$ 930,454</u>	<u>\$ 3,044,153</u>	
8000 Total Taxes Refunded Under Section 26.1115(c), Tax Code											<u>\$ 13,942</u>

Tax Collection Summary:	Gen. Fund (M&O)	Debt Serv. Fund	Total
Base Tax Collections	\$ 34,617,016	\$ 3,197,451	\$ 37,814,467
Penalty and Interest	229,160	7,249	236,409
Total	<u>\$ 34,846,176</u>	<u>\$ 3,204,700</u>	<u>\$ 38,050,876</u>

\*Assessed values for prior years reflect the M&O assessment after any limitations. The District has entered into a value limitation agreement and the applicable M&O taxable value has been reduced to \$30,000,000. The unlimited taxable value related to this agreement for 2025 was \$49,656,828 making the total valuation for the 2025 I&S levy \$5,092,549,928.

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**Exhibit J-2**

**BUDGETARY COMPARISON SCHEDULE  
CHILD NUTRITION FUND  
FOR THE YEAR ENDED AUGUST 31, 2025**

Data Control Codes	1 Budgeted Amounts		3	Variance With Final Budget Favorable (Unfavorable)	
	Original	Amended	Actual		
Revenues:					
5700	Local and Intermediate	\$ 132,100	\$ 132,100	\$ 96,654	\$ (35,446)
5800	State Program Revenues	14,000	14,000	10,590	(3,410)
5900	Federal Program Revenues	<u>2,705,474</u>	<u>2,705,474</u>	<u>2,496,100</u>	<u>(209,374)</u>
5020	Total Revenues	\$ <u>2,851,574</u>	\$ <u>2,851,574</u>	\$ <u>2,603,344</u>	\$ <u>(248,230)</u>
Expenditures:					
0035	Food Services	\$ 3,869,357	\$ 3,869,357	\$ 3,553,692	\$ 315,665
0071	Debt Service - Principal	3,500	3,350	3,243	107
0072	Debt Service - Interest		<u>150</u>	<u>145</u>	<u>5</u>
6030	Total Expenditures	\$ <u>3,872,857</u>	\$ <u>3,872,857</u>	\$ <u>3,557,080</u>	\$ <u>315,777</u>
1200	Net Change in Fund Balance	\$ (1,021,283)	\$ (1,021,283)	\$ (953,736)	\$ 67,547
0100	September 1 - Fund Balance	<u>2,040,383</u>	<u>2,040,383</u>	<u>2,040,383</u>	<u>0</u>
3000	August 31 - Fund Balance	\$ <u><u>1,019,100</u></u>	\$ <u><u>1,019,100</u></u>	\$ <u><u>1,086,647</u></u>	\$ <u><u>67,547</u></u>

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**Exhibit J-3**

**BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE YEAR ENDED AUGUST 31, 2025**

Data Control Codes		1 Budgeted Amounts		3	Variance With Final Budget Favorable (Unfavorable)
		Original	Amended	Actual	
Revenues:					
5700	Local and Intermediate Sources	\$ 3,306,446	\$ 3,306,446	\$ 3,525,139	\$ 218,693
5800	State Program Revenues			<u>217,102</u>	<u>217,102</u>
5020	Total Revenues	\$ <u>3,306,446</u>	\$ <u>3,306,446</u>	\$ <u>3,742,241</u>	\$ <u>435,795</u>
Expenditures:					
0071	Debt Service - Principal	\$ 1,585,000	\$ 1,585,000	\$ 1,585,000	\$ 0
0072	Debt Service - Interest	1,559,650	1,559,650	1,559,650	0
0073	Debt Service - Fees	<u>10,000</u>	<u>10,000</u>	<u>2,800</u>	<u>7,200</u>
6030	Total Expenditures	\$ <u>3,154,650</u>	\$ <u>3,154,650</u>	\$ <u>3,147,450</u>	\$ <u>7,200</u>
1200	Net Change in Fund Balance	\$ 151,796	\$ 151,796	\$ 594,791	\$ 442,995
0100	September 1 - Fund Balance	<u>5,116,740</u>	<u>5,116,740</u>	<u>5,116,740</u>	<u>0</u>
3000	August 31 - Fund Balance	\$ <u><u>5,268,536</u></u>	\$ <u><u>5,268,536</u></u>	\$ <u><u>5,711,531</u></u>	\$ <u><u>442,995</u></u>

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**Exhibit J-4**

**STATE COMPENSATORY EDUCATION AND BILINGUAL  
EDUCATION PROGRAM EXPENDITURES  
FOR THE YEAR ENDED AUGUST 31, 2025**

**Section A: Compensatory Education Programs**

AP1	Did the District expend any state compensatory education program state allotment funds during the District's fiscal year?	Yes
AP2	Does the District have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the District's fiscal year.	\$ 3,618,361
AP 4	List the actual direct program expenditures for state compensatory education programs during the District's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$ 2,700,736

**Section B: Bilingual Education Programs**

AP5	Did the District expend any bilingual education program state allotment funds during the District's fiscal year?	Yes
AP6	Does the District have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the District's fiscal year.	\$ 165,114
AP 8	List the actual direct program expenditures for bilingual education programs during the District's fiscal year. (PICs 25, 35)	\$ 192,611

**OVERALL COMPLIANCE AND INTERNAL CONTROL SECTION**

**BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.**

CERTIFIED PUBLIC ACCOUNTANTS

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8215 NASHVILLE AVENUE

LUBBOCK, TEXAS 79423-1954

**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**

Board of School Trustees  
Big Spring Independent School District  
Big Spring, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Big Spring Independent School District (the District) as of and for the year ended August 31, 2025, and related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 1, 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 our opinions on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

## Report on Compliance and Other Matters

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

## Purpose of this Report

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

*Bolinger, Segars, Gilbert & Moss LLP*

Certified Public Accountants

Lubbock, Texas

December 1, 2025

**BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.**

CERTIFIED PUBLIC ACCOUNTANTS

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FAX: (806) 747-3815

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LUBBOCK, TEXAS 79423-1954

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

Board of School Trustees  
Big Spring Independent School District  
Big Spring, Texas

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

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

We have audited Big Spring Independent School District's (the District's) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2025. Big Spring Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Big Spring Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2025.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of compliance section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above

***Responsibilities of Management for Compliance***

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

### ***Auditor's 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

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

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

### **Report on Internal Control Over Compliance**

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

*Bolinger, Segars, Gilbert & Moss LLP*

Certified Public Accountants

Lubbock, Texas

December 1, 2025

**FEDERAL FINANCIAL ASSISTANCE SECTION**

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED AUGUST 31, 2025**

**A. Section I - Summary of Auditor's Results**

**1. 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

**2. 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:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<b>84.010</b>	<b><i>Title I Grants to Local Education Agencies</i></b>
<b>84.027</b>	<b><i>Special Education Cluster, IDEA, Part B Formula</i></b>
<b>84.173</b>	<b><i>Special Education Cluster, IDEA, Part B Preschool</i></b>

Dollar threshold used to distinguish between type A and type B programs: \$   750,000  

Auditee qualified as low-risk auditee?   X   yes        no

**B. Section II - Findings Related to the Financial Statements**

The audit disclosed no findings required to be reported.

**C. Section III - Findings and Questioned Costs Related to the Federal Awards**

The audit disclosed no findings required to be reported.

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

Prior Year's Finding/Noncompliance

N/A

Status of Prior Year's Finding/Noncompliance

N/A

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**Exhibit K-1**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2025**

Federal Grantor/ Pass-through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF EDUCATION:</b>			
<u>Passed Through Texas Education Agency</u>			
ESEA Title I, Part A - Improving Basic Programs (211)	84.010A	24610101114901	\$ 68,767
ESEA Title I, Part A - Improving Basic Programs (211)	84.010A	25610101114901	1,150,291
Total ALN 84.010A			<u>\$ 1,219,058</u>
Strengthening CTE for 21st Century - 21-22 Perkins V (244)	84.048A	25420006114901	\$ 66,903
ESEA Title II, Part A - Supporting Effective Instruction (255)	84.367A	24694501114901	\$ 9,474
ESEA Title II, Part A - Supporting Effective Instruction (255)	84.367A	25694501114901	147,882
Total ALN 84.367A			<u>\$ 157,356</u>
<i>Special Education Cluster (IDEA)</i>			
IDEA - Part B, Formula (224)	84.027A	246600011149016600	\$ 33,243
IDEA - Part B, Formula (224)	84.027A	256600011149016600	733,425
IDEA - Part B, Preschool (225)	84.173A	246610011149016610	3,478
IDEA - Part B, Preschool (225)	84.173A	256610011149016610	28,903
Total Special Education Cluster (IDEA)			<u>\$ 799,049</u>
Title III, Part A - English Language Acquisition (263)	84.365A	24671001114901	\$ 1,756
Title III, Part A - English Language Acquisition (263)	84.365A	25671001114901	17,389
Title III, Part A - English Language Acquisition - Immigrant (263)	84.365A	25671003114901	114
Total ALN 84.365A			<u>\$ 19,259</u>
COVID-19, (ESF, Section 1) Texas COVID Learning (TCLAS) - ESSER III (279)	84.425U	21528042114901	\$ 1,308
COVID-19, (ESF, Section 1) American Rescue Plan ESSER III (282)	84.425U	21528001114901	245,382
Total ALN 84.425D/84.425U			<u>\$ 246,690</u>
Title V, Part B, Subpart 2 - Rural and Low Income (270)	84.358B	24696001114901	\$ 11,555
Title V, Part B, Subpart 2 - Rural and Low Income (270)	84.358B	25696001114901	92,314
Total ALN 84.358B			<u>\$ 103,869</u>
Title IV, Part A, Subpart 1 - Student Support (289)	84.424A	24680101114901	\$ 6,888
Title IV, Part A, Subpart 1 - Student Support (289)	84.424A	25680101114901	45,750
Total ALN 84.424A			<u>\$ 52,638</u>
LEP Summer School (199)	84.369A	69552402	\$ 2,727
Total Passed Through Texas Education Agency			<u>\$ 2,667,549</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<u>\$ 2,667,549</u>
<u>U.S. DEPARTMENT OF AGRICULTURE:</u>			
<u>Passed Through Texas Department of Agriculture</u>			
<i>Child Nutrition Cluster</i>			
National School Lunch Program - Cash Assistance (240)	10.555	CE 612	\$ 1,687,984
Commodities - Non-Cash Assistance (240)	10.555	CE 612	190,309
School Breakfast Program (240)	10.553	CE 612	650,255
Total Child Nutrition Cluster			<u>\$ 2,528,548</u>
National School Lunch Program - Private Storage and Delivery Fees (240)	10.560	236TX312N2533	\$ 4,669
Total Passed Through Texas Department of Agriculture			<u>\$ 2,533,217</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u>\$ 2,533,217</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 5,200,766</u>

**BIG SPRING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2025**

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Big Spring Independent School District under programs of the federal government for the year ended August 31, 2025. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Summary of Significant Accounting Policies

(A) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

(B) Big Spring Independent School District has not elected to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

Federal Awards Reconciliation

Federal Awards Reconciliation:

Total Expenditures of Federal Awards per Exhibit K-1	\$	5,200,766
Federal Medicaid Revenue (SHARS) Reported in the General Fund		<u>1,911</u>
Total Federal Revenue Reported on Exhibit C-3	\$	<u><u>5,202,677</u></u>