CLINT INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL AND COMPLIANCE REPORT

FOR THE YEAR ENDED AUGUST 31, 2025

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CERTIFICATE OF BOARD

Clint Independent School District	El Paso County	071-901
Name of School District	County	Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (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 24th day of February 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)

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FINANCIAL SECTION

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certified public accountants

Independent Auditor's Report

To the Board of Trustees
Clint Independent School District

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Clint Independent School District (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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of August 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *(Government Auditing Standards)*. 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

Change in Accounting Principles

As described in Note I.F. to the financial statements, in 2025, Clint Independent School District adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, and the pension and other post employment benefits information on pages 7 through 15 and 77 through 88 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 and individual nonmajor 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 and individual nonmajor 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 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 February 23, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Gibson Ruddock Patterson LLC

Gibson Ruddock Patterson LLC
El Paso, Texas
February 23, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

In this section of the Annual Financial and Compliance Report, we, the management of the Clint Independent School District, discuss and analyze the district's financial performance for the fiscal year ended August 31, 2025. Please read this discussion in conjunction with the independent auditor's report and the district's financial statements, which follow this section.

Financial Highlights

- The General Fund ended the year with a fund balance of $72.8 million, or 53 percent of the total general fund expenditures, decreasing by $1.5 million.

- During the year, the district had general fund expenses totaling $137.7 million, which was more than the $136.1 million generated in tax and other revenues for the general fund.

- The district's total long-term liabilities decreased by $1.6 million or 0.69 percent.

The district continues to receive the highest rating attainable on the Financial Integrity Rating System of Texas (FIRST). The primary goal of FIRST is to achieve quality performance in the management of school district resources. The district continues to maintain online financial information to provide transparency and to provide taxpayers with a transparent look at local expenditures and other financial information.

Overview of the Financial Statements

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

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Clint Independent School District's finances in a manner similar to that of a private sector business. The government-wide fund financial statements can be found on pages 18-19 of this report.

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

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

Both the *statement of net position* and the *statement of activities* distinguish functions of the Clint Independent School District that are primarily supported by property taxes and federal and state revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through fees and charges. The *governmental activities* of the Clint Independent School District included education, bus transportation, food service, and other services. The district does not have any business-type activities.

Fund Financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Clint Independent School District, like other school districts, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Clint Independent School District funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds

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

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

The Clint Independent School District maintains five individual governmental fund types. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, and other funds. The other funds are comprised of the special revenue funds, debt service fund, capital projects fund, and permanent fund.

The Clint Independent School District adopts an annual appropriated budget for its general, child nutrition program, and debt service funds individually. The governmental fund financial statements can be found on pages 21-25 of the report.

Proprietary funds

The Clint Independent School District maintains only one type of proprietary fund, an Internal Service Fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the district's co-sponsored self-funded workers' compensation fund. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the district's workers' compensation fund. The proprietary fund financial statements can be found on pages 27-30 of this report.

Fiduciary funds

Fiduciary funds are used for resources held in trust for the benefit of parties outside the district. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those are not available to support the Clint Independent School District's own programs. The fiduciary fund financial statements can be found on pages 31-33 of this report.

The chart below 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.

Major Features of the District's Government-wide and Fund Financial Statements				
Type of Statements	**Government-Wide**	**Governmental Funds**	**Fund Statements Proprietary Funds**	**Fiduciary Funds**
Scope	Entire district's government (except fiduciary fund) and the district's component units (no components units exist for district)	The activities of the district that are not proprietary or fiduciary	Activities the district operates similar to private businesses; self-insurance	Instances in which the district is the trustee or agent for someone else's resources
Required Financial Statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances	• Statement of Net position • Statement of Revenues, Expenses, and changes in Fund Net position • Statement of Cash Flows	• Statement of Fiduciary Net position • Statement of Changes in Fiduciary Fund Net Position
Accounting Basis & Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital; short-term and long-term	Only assets expected to be used and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the district's funds do not currently contain capital assets
Type of Inflow/Outflow Information	All revenues and expenses during the 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 the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Government-Wide Financial Analysis

Net position for the district's governmental activities increased by $6.4 million before restatement for the implementation of GASB 101, *Compensated Absences*, or 7.7 percent. After restatement, net position decreased by $4.4M million or 5.3%. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements were ($30.7) million and ($19.6) million on August 31, 2025, and August 31, 2024, respectively. A deficit unrestricted net position at August 31, 2025 is attributed to the accreted interest that is due in future years that will be funded with future debt service property tax levies and available state funding, the valuation changes for TRS Pension and OPEB, and the liability recognized due to the implementation of GASB 101.

Food Service operations or the Child Nutrition Program continues to run well and be self-sufficient. The district contracts with a management company to increase student participation through the type and quality of food served.

Fund balance for CNP decreased by $0.1 million as the District intentionally purchased equipment to spend down excess fund balance and experiences a decline in enrollment impacting the number of meals served. The

district has a detailed fund balance reduction plan, required by the Texas Department of Agriculture, and will continue to spend down the excess fund balance by reinvesting in the Child Nutrition Program.

Our analysis of comparative balances and changes therein focus on the net position (Table I and Table II) and changes in net position of the district's governmental activities.

Table I
Clint Independent School District
SUMMARIZED NET POSITION

Governmental Activities	August 31, 2025	August 31, 2024	Variance	% Change
Current and Other Assets	$ 90,299,295	$ 89,630,234	$ 669,061	0.7%
Capital Assets	222,092,319	222,790,940	(698,621)	-0.3%
Total Assets	**$ 312,391,614**	**$ 312,421,174**	**$ (29,560)**	**0.0%**
Deferred Charge for Refunding	10,370,479	11,943,345	(1,572,866)	-13.2%
Deferred Outflow Related to TRS Pension	16,501,755	28,670,920	(12,169,165)	-42.4%
Deferred Outflow Related to TRS OPEB	24,930,470	22,625,595	2,304,875	10.2%
Total Deferred Outflows of Resources	**$ 51,802,704**	**$ 63,239,860**	**$ (11,437,156)**	**-18.1%**
Current Liabilities	8,969,666	7,591,850	1,377,816	18.1%
Non-Current Liabilities	229,249,862	227,678,252	1,571,610	0.7%
Total Liabilities	**$ 238,219,528**	**$ 235,270,102**	**$ 2,949,426**	**1.3%**
Deferred Gain on Refunding	1,176,288	217,198	959,090	441.6%
Deferred Inflow Related to TRS Pension	8,449,222	11,504,627	(3,055,405)	-26.6%
Deferred Inflow Related to TRS OPEB	36,686,107	44,708,902	(8,022,795)	-17.9%
Total Deferred Inflows of Resources	**$ 46,311,617**	**$ 56,430,727**	**$ (10,119,110)**	**-17.9%**
Net Investment in Capital Assets	102,170,651	95,490,840	6,679,811	7.0%
Restricted	8,119,896	8,110,818	9,078	0.1%
Unrestricted	(30,767,374)	(19,641,453)	(11,125,921)	56.6%
Total Net Position	**$ 79,523,173**	**$ 83,960,205**	**$ (4,437,032)**	**-5.3%**

Table II
Clint Independent School District
SUMMARIZED STATEMENT OF ACTIVITIES

Governmental Activities	August 31, 2025	August 31, 2024	Variance	% Change
Revenues				
Program Revenues				
Charges for Services	$ 657,795	$ 647,056	$ 10,739	1.7%
Operating Grants and Contributions	32,101,264	44,148,825	(12,047,561)	-27.3%
General Revenues				
Property Taxes Levied for General Purposes	15,106,323	13,286,242	1,820,081	13.7%
Property Taxes Levied for Debt Services	7,601,169	6,665,046	936,123	14.0%
State Aid-Formula Grants	97,474,477	96,099,813	1,374,664	1.4%
Grants and Contributions not Restricted	-	259,576	(259,576)	-100.0%
Investment Earnings	3,540,516	4,547,875	(1,007,359)	-22.2%
Miscellaneous Revenue	965,262	1,244,215	(278,953)	-22.4%
Special Item-Loss on Early Extinguishment of Debt	(15,545)	-	(15,545)	
Total Revenues	**$ 157,431,261**	**$ 166,898,648**	**$ (9,467,387)**	**-5.7%**
Expenses				
Instruction	74,914,548	81,113,304	(6,198,756)	-7.6%
Instructional Resources and Media Services	1,178,858	1,413,003	(234,145)	-16.6%
Curriculum and Staff Development	4,906,165	5,878,439	(972,274)	-16.5%
Instructional Leadership	2,976,418	3,855,363	(878,945)	-22.8%
School Leadership	7,399,874	8,250,992	(851,118)	-10.3%
Guidance, Counseling and Evaluation Services	5,542,337	5,790,800	(248,463)	-4.3%
Social Work Services	120,993	117,509	3,484	3.0%
Health Services	1,390,829	1,558,339	(167,510)	-10.7%
Student (Pupil) Transportation	5,357,060	5,900,876	(543,816)	-9.2%
Food Services	11,170,595	11,441,741	(271,146)	-2.4%
Extracurricular Activities	3,840,013	3,951,975	(111,962)	-2.8%
General Administration	3,934,649	4,249,992	(315,343)	-7.4%
Plant Maintenance and Operations	16,296,481	17,264,522	(968,041)	-5.6%
Security and Monitoring Services	3,328,667	3,260,273	68,394	2.1%
Data Processing Services	2,996,403	2,946,822	49,581	1.7%
Community Services	384,228	671,003	(286,775)	-42.7%
Debt Service-Interest on Long Term Debt	4,542,011	4,656,525	(114,514)	-2.5%
Debt Service-Bond Issuance Cost and Fees	251,754	6,498	245,256	3774.3%
Capital Outlay	-	92,467	(92,467)	-100.0%
Other Intergovernmental Charges	450,545	376,176	74,369	19.8%
Total Expenses	**$ 150,982,428**	**$ 162,796,619**	**$ (11,814,191)**	**-7.3%**
Increase in Net Position	**6,448,833**	**4,102,029**	**2,346,804**	**57.2%**
Beginning Net Position as Previously Reported	83,960,205	79,858,176	4,102,029	5.1%
Restatement - Change in Accounting Principle	(10,885,865)	-	-	
Ending Net Position	**$ 79,523,173**	**$ 83,960,205**	**$ (4,437,032)**	**-5.3%**

The cost of all governmental activities this year was $151 million compared to $162.8 million last year. Lastly, the $11.8 million decrease is attributed to a decline in non-capital fund balance reduction projects, overall decrease in payroll expenditures and changes in the TRS valuation for OPEB. Depreciation and amortization decreased overall by $2.4 million. No raises were given for school year 2024-2025 and the District decreased staffing through attrition as enrollment continues to decline.

Revenue decreased compared to the prior year. The decrease is mainly attributed to the $12 million decrease in operating grants and contributions with all ESSER funds exhausted in the prior year, a decline in investment earnings of $1 million due to smaller cash balances, a decline in grants and contributions not restricted because of zero e-Rate receipts; and a decline in miscellaneous revenue due to less in insurance recovery receipts. The $13.6 million decrease is partially offset by an increase of $2.7 million in property taxes due to higher assessed values and an increase of $1.4 million in State Aid. State Aid is driven by several factors. For FY 2025, the overall increase is attributed to the per capita increase in the Available School Fund (ASF). The Foundation School Program (FSP) reported increases in the Teacher Incentive Allotment and Special Education Allotment; however, those increases were mostly offset by declining enrollment and adjustments to the allotment due to the inverse relationship between the ASF and FSP and FSP and property taxes.

The district is budgeting based on declining enrollment and future state funding reductions. Available federal funding and other grants are being maximized to increase the district's fund balance to assist with future staffing and budgeting.

As shown in the *Statement of Activities* within Table II, the amount that taxpayers ultimately financed for these activities through district taxes was only $22.7 million because the majority of the costs continue to be funded by the state.

General Fund Budgetary Highlights

The Board of Trustees approved several budget amendments during the year at the functional level to meet the needs of campuses and departments. These amendments did not increase the budget.

There were several variances in final budgeted and actual amounts for revenue and expenditures. There was a $5.3 million positive variance in state program revenue, mainly attributed to State Aid and on-behalf revenue. The District budgets State Aid conservatively based on declining enrollment and lower refined average daily attendance of 94%.

Federal revenue was also higher than the final budget because of the Child Nutrition program and School Health and Related Services (SHARS) revenue. The final budget to actual variances for several functions, including Instruction, Instructional Leadership, Facilities Maintenance and Operations, Data Processing Services, and Facilities Acquisition and Construction, are unspent fund balance projects as part of a multi-year spend down plan. Unspent funds remained in Facilities Maintenance and Operations and Data Processing Services related to contingencies for district emergencies and savings in contracted services. Variances can be seen in Exhibit G-1.

Capital Asset and Debt Administration

Capital Assets

At the end of 2025, the district had $222.1 million invested in a broad range of capital assets, including land, facilities, vehicles, and other equipment for instruction, transportation, athletics, administration, and maintenance. The depreciation and amortization expense was $8.7 million, with a net decrease in capital assets of $0.7 million. Additional information about the district's capital assets can be found in Note IV-D.

Debt

At year-end, the district had $146 million in bonds and accretion payable, inclusive of the unamortized premium on bonds, a decrease of $10.3 million over last year. The decrease is attributed to the district's debt payments, including an early extinguishment of debt during fiscal year 2025.

The district issued $14.6 million in new bond refunding debt during the fiscal year ended August 31, 2025. Additional information about the issuance can be found in Note IV-J.

The District implemented GASB Statement No. 101, *Compensated Absences* in FY 2025. Debt now includes the compensated absences liability. In accordance with the standard, beginning net position was restated and the liability at fiscal year end totaled $11.5 million. Additional information about the methodology and calculation can be found in Note IV-Q.

The district aggressively manages its debt and has refinanced or refunded portions of it to reduce the burden to taxpayers and the state. The district utilizes the Existing Debt Allotment and Instructional Facilities Allotment funding, which provides savings to the district and taxpayers.

The district credit ratings have remained favorable and have not decreased. The current Moody's credit rating is Aaa/A1, and the Fitch Rating is AA. Both parties note the district has a stable financial outlook, which is significant. It allows the district to sell and refund bonds in a more competitive market and realize potential interest rate savings, which are considered during budget and tax rate preparations.

Detailed information about the district's long-term liabilities is presented in Notes IV-I, J, and K.

The District's Funds

As the district completed the year, its general fund (as presented in the balance sheet on page 22) reported a fund balance of $89.9 million, a decrease of $1.5 million over last year's general fund balance. The decrease is attributed to the continued spending for fund balance reduction projects as planned for construction, continuing ESSER initiatives, and other non-capital related projects. The District has also been cautious with payroll costs by limiting pay raises during the 2024-2025 school year and practicing attrition.

The district continues to use an allocation-based budgeting process. Allocation based budgeting has provided the district with consistent expenditures per pupil populations, attendance zones, and provides the district with an equitable and efficient budgeting process. The district has chosen this process to ensure budgeting practices to enhance the evaluation of the budget and educational performance. Budgets are monitored and reviewed on a monthly basis. Guidelines and procedures are in place to ensure federal, state, and local budget requirements are reviewed, monitored, and met.

Economic Factors and Next Year's Budget and Rates

Many economic factors were considered in developing the budget and setting the tax rate for the 2025-2026 school year. Considerations include state and federal funding, property values, student enrollment/refined average daily attendance (RADA), investment income, teacher shortages, staff retainage, and the economy are all factored into the decision-making process.

Fiscal year 2025 continued with 100% in-person instruction; however, the district continues to be impacted with attendance challenges. The safety of our students, staff and community remains the district's priority, along with the academic and social-emotional needs in an evolving educational environment. To support high-quality education, the district set aside general fund balance and continues to receive other state and federal grants to help address learning gaps and support student well-being. The District has experienced increased

operating expenditures attributable to inflationary pressures and rising costs of goods and services. These increases, coupled with limited growth in the state basic allotment that has not kept pace with cost escalation, have resulted in continued budgetary pressure. Nevertheless, the District's overall financial position remains stable, reflecting conservative budgeting practices, careful expenditure management, and a continued commitment to sound fiscal stewardship.

Student enrollment decreased over the last several years and is largely attributed to the economic condition of the area and the state. New housing construction is evident in several areas of the district, but remains slow. The district is projecting decreased enrollment for the next few years, and continues to monitor it but remains passive when estimating growth and revenue for budget purposes. Fiscal year 2022 student enrollment decreased by 153 students, fiscal year 2023 had a smaller enrollment decrease of 138 students, fiscal year 2024 had a similar decrease of 112 students, and fiscal year 2025 had a decrease of 183 students. Providing facilities to accommodate growth and improvement of other facilities is imperative and continues to be a priority of the district but is not needed at this time. As one of the most property-poor districts in the state, the district has met bond obligations through maximizing funding and receiving state assistance through the Instructional Facilities Allotment and the Existing Debt Allotment programs. The Board of Trustees of the Clint Independent School District is committed to maximizing funding and maintaining a tax rate that meets debt obligations and budget requirements while not overburdening the taxpayers.

To maintain the district in a strong financial position, the goal of the Board shall be to maintain the fund balances of the general and debt service funds at an adequate level. Per Board Policy CE (Local), the level of fund balance shall protect the district against potential revenue shortfalls and shall provide operating funds until tax revenues are received. The level of adequacy in the general fund shall strive to not be less than two months of operating expenditures per Board Policy CE (Local); however, the district meets the 90-day expectation of the School Financial Integrity Rating System of Texas (FIRST).

The District's financial position will continue to be a priority, including careful consideration of employee compensation and benefits. During the school year 2025-2026, the district implemented a 3.5% compensation increase, reflecting its financial stability and commitment to investing in its workforce. The district maintains a competitive salary structure that supports the recruitment and retention of qualified personnel necessary to meet its students' instructional needs.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the district's finances and to show the district's accountability for the money it receives. If you have questions about this report or need additional financial information, please view the Transparency portion of our website at www.clintweb.net or contact the district's Business Service Department (915) 926-4000 located at 14521 Horizon Blvd., El Paso, Texas 79928.

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BASIC FINANCIAL STATEMENTS

CLINT ISD
STATEMENT OF NET POSITION
AUGUST 31, 2025

Data Control Codes		Primary Government Governmental Activities
ASSETS		
1110	Cash and Cash Equivalents	$ 63,962,183
1220	Property Taxes - Delinquent	4,887,962
1230	Allowance for Uncollectible Taxes	(2,883,178)
1240	Due from Other Governments	23,785,682
1290	Other Receivables, Net	219,131
1300	Inventories	321,328
	Capital Assets:	
1510	Land	6,921,325
1520	Buildings and Improvements, Net	201,183,684
1530	Furniture and Equipment, Net	13,544,906
1550	Right-to-Use Lease Assets, Net	60,662
1580	Construction in Progress	381,742
1800	Restricted Assets	6,187
1000	Total Assets	312,391,614
DEFERRED OUTFLOWS OF RESOURCES		
1701	Deferred Charge for Refunding	10,370,479
1705	Deferred Outflow Related to TRS Pension	16,501,755
1706	Deferred Outflow Related to TRS OPEB	24,930,470
1700	Total Deferred Outflows of Resources	51,802,704
LIABILITIES		
2110	Accounts Payable	1,301,010
2140	Interest Payable	159,150
2150	Payroll Deductions and Withholdings	1,092,453
2160	Accrued Wages Payable	5,846,705
2177	Due to Fiduciary Funds	45,136
2180	Due to Other Governments	616,580
2300	Unearned Revenue	48,632
	Noncurrent Liabilities:	
2501	Due Within One Year: Bonds, Leases, etc.	11,457,393
	Due in More than One Year:	
2502	Bonds, Leases, etc.	146,447,154
2540	Net Pension Liability (District's Share)	43,910,648
2545	Net OPEB Liability (District's Share)	27,434,667
2000	Total Liabilities	238,359,528
DEFERRED INFLOWS OF RESOURCES		
2602	Deferred Gain on Refunding	1,176,288
2605	Deferred Inflow Related to TRS Pension	8,449,222
2606	Deferred Inflow Related to TRS OPEB	36,686,107
2600	Total Deferred Inflows of Resources	46,311,617
NET POSITION		
3200	Net Investment in Capital Assets	102,170,651
	Restricted:	
3820	Restricted for Federal and State Programs	8,055,137
3880	Restricted for Scholarships	57,998
3890	Restricted for Other Purposes	6,761
3900	Unrestricted	(30,767,374)
3000	Total Net Position	$ 79,523,173

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

CLINT ISD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes		1	Program Revenues 3	4	Net (Expense) Revenue and Changes in Net Position 6
		Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities
Primary Government:					
	GOVERNMENTAL ACTIVITIES:				
11	Instruction	$ 74,914,548	$ 237,845	$ 8,477,628	$ (66,199,075)
12	Instructional Resources and Media Services	1,178,858	-	29,827	(1,149,031)
13	Curriculum and Instructional Staff Development	4,906,165	-	1,886,768	(3,019,397)
21	Instructional Leadership	2,976,418	-	905,080	(2,071,338)
23	School Leadership	7,399,874	-	175,207	(7,224,667)
31	Guidance, Counseling, and Evaluation Services	5,542,337	-	1,484,145	(4,058,192)
32	Social Work Services	120,993	-	3,790	(117,203)
33	Health Services	1,390,829	-	1,213,000	(177,829)
34	Student (Pupil) Transportation	5,357,060	-	156,306	(5,200,754)
35	Food Services	11,170,595	360,651	11,026,164	216,220
36	Extracurricular Activities	3,840,013	49,238	46,292	(3,744,483)
41	General Administration	3,934,649	-	688,811	(3,245,838)
51	Facilities Maintenance and Operations	16,296,481	10,061	455,976	(15,830,444)
52	Security and Monitoring Services	3,328,667	-	463,812	(2,864,855)
53	Data Processing Services	2,996,403	-	42,363	(2,954,040)
61	Community Services	384,228	-	266,710	(117,518)
72	Debt Service - Interest on Long-Term Debt	4,542,011	-	4,779,385	237,374
73	Debt Service - Bond Issuance Cost and Fees	251,754	-	-	(251,754)
99	Other Intergovernmental Charges	450,545	-	-	(450,545)
[TP]	TOTAL PRIMARY GOVERNMENT:	$ 150,982,428	$ 657,795	$ 32,101,264	(118,223,369)

Data Control Codes		
	General Revenues:	
	Taxes:	
MT	Property Taxes, Levied for General Purposes	15,106,323
DT	Property Taxes, Levied for Debt Service	7,601,169
SF	State Aid - Formula Grants	97,474,477
IE	Investment Earnings	3,540,516
MI	Miscellaneous Local and Intermediate Revenue	965,262
S2	Special Item-Loss on Early Extinguishment of Debt	(15,545)
TR	Total General Revenues & Special Items	124,672,202
CN	Change in Net Position	6,448,833
NB	Net Position - Beginning as Previously Reported	83,960,205
PA	Restatement - Change in Accounting Principle	(10,885,865)
	Net Position - Beginning as Restated	73,074,340
NE	Net Position - Ending	$ 79,523,173

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

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

CLINT ISD
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2025

Data Control Codes		10 General Fund	Other Funds	Total Governmental Funds
	ASSETS			
1110	Cash and Cash Equivalents	$ 57,417,965	$ 6,544,218	$ 63,962,183
1220	Property Taxes - Delinquent	3,585,493	1,302,469	4,887,962
1230	Allowance for Uncollectible Taxes	(2,200,738)	(682,440)	(2,883,178)
1240	Due from Other Governments	22,790,310	995,372	23,785,682
1260	Due from Other Funds	7,944,670	417,914	8,362,584
1290	Other Receivables	40,656	112,151	152,807
1300	Inventories	321,328	-	321,328
1800	Restricted Assets	-	6,187	6,187
1000	Total Assets	$ 89,899,684	$ 8,695,871	$ 98,595,555
	LIABILITIES			
2110	Accounts Payable	$ 1,301,003	$ 7	$ 1,301,010
2150	Payroll Deductions and Withholdings Payable	1,092,453	-	1,092,453
2160	Accrued Wages Payable	5,846,705	-	5,846,705
2170	Due to Other Funds	7,647,594	973,787	8,621,381
2180	Due to Other Governments	-	616,580	616,580
2300	Unearned Revenue	27,255	21,377	48,632
2000	Total Liabilities	15,915,010	1,611,751	17,526,761
	DEFERRED INFLOWS OF RESOURCES			
2601	Unavailable Revenue - Property Taxes	1,158,730	506,298	1,665,028
2600	Total Deferred Inflows of Resources	1,158,730	506,298	1,665,028
	FUND BALANCES			
	Nonspendable Fund Balance:			
3410	Inventories	87,294	-	87,294
3445	Other Non-Spendable Fund Balance	-	5,000	5,000
	Restricted Fund Balance:			
3450	Federal or State Funds Grant Restriction	7,594,540	460,597	8,055,137
3480	Retirement of Long-Term Debt	-	5,698,608	5,698,608
3490	Other Restricted Fund Balance	-	59,759	59,759
	Committed Fund Balance:			
3545	Other Committed Fund Balance	-	353,858	353,858
	Assigned Fund Balance:			
3550	Construction	6,236,794	-	6,236,794
3590	Other Assigned Fund Balance	6,189,439	-	6,189,439
3600	Unassigned Fund Balance	52,717,877	-	52,717,877
3000	Total Fund Balances	72,825,944	6,577,822	79,403,766
4000	Total Liabilities, Deferred Inflows & Fund Balances	$ 89,899,684	$ 8,695,871	$ 98,595,555

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

	Total Fund Balances - Governmental Funds	$	79,403,766
1	The District uses an internal service fund to charge the costs of self-insurance for workers' compensation to appropriate functions in other funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.		279,985
2	Capital assets and right-to-use lease assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was $358,543,414 and the accumulated depreciation and amortization was ($135,752,474). In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation and amortization) and long-term debt in the governmental activities is to increase net position.		77,462,153
3	Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2025 capital outlays and debt principal payments is to increase net position.		4,702,346
4	Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of $16,501,755, a deferred resource inflow in the amount of $8,449,222 and a net pension liability in the amount of $43,910,648. This resulted in a decrease in net position.		(35,858,115)
5	Included in the items related to debt is the recognition of the District's proportionate share of the net OPEB liability required by GASB 75. The net position related to TRS-Care included a deferred resource outflow in the amount of $24,930,470, a deferred resource inflow in the amount of $36,686,107 and a net OPEB liability in the amount of $27,434,667. This resulted in a decrease in net position.		(39,190,304)
6	The 2025 depreciation and amortization expense increases accumulated depreciation and accumulated amortization. The net effect of the current year's depreciation and amortization is to decrease net position.		(8,707,092)
7	Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, reclassifying and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.		1,430,434
29	**Net Position of Governmental Activities**	$	79,523,173

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

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

Data Control Codes		10 General Fund	Other Funds	Total Governmental Funds
	REVENUES:			
5700	Total Local and Intermediate Sources	$ 19,134,662	$ 8,784,500	$ 27,919,162
5800	State Program Revenues	104,070,411	6,548,873	110,619,284
5900	Federal Program Revenues	12,962,264	9,773,923	22,736,187
5020	Total Revenues	136,167,337	25,107,296	161,274,633
	EXPENDITURES:			
	Current:			
0011	Instruction	66,422,988	7,113,943	73,536,931
0012	Instructional Resources and Media Services	1,157,358	3,000	1,160,358
0013	Curriculum and Instructional Staff Development	3,011,271	1,825,187	4,836,458
0021	Instructional Leadership	2,057,184	865,445	2,922,629
0023	School Leadership	7,312,557	3,288	7,315,845
0031	Guidance, Counseling, and Evaluation Services	4,065,214	1,392,487	5,457,701
0032	Social Work Services	121,592	-	121,592
0033	Health Services	1,382,215	-	1,382,215
0034	Student (Pupil) Transportation	4,420,788	38,767	4,459,555
0035	Food Services	11,753,155	91,157	11,844,312
0036	Extracurricular Activities	3,733,080	-	3,733,080
0041	General Administration	3,900,133	-	3,900,133
0051	Facilities Maintenance and Operations	15,216,378	37,534	15,253,912
0052	Security and Monitoring Services	2,888,118	406,142	3,294,260
0053	Data Processing Services	2,972,857	-	2,972,857
0061	Community Services	89,666	264,427	354,093
	Debt Service:			
0071	Principal on Long-Term Liabilities	149,667	7,801,570	7,951,237
0072	Interest on Long-Term Liabilities	3,139	4,775,689	4,778,828
0073	Bond Issuance Cost and Fees	-	251,754	251,754
	Capital Outlay:			
0081	Facilities Acquisition and Construction	6,604,928	30	6,604,958
	Intergovernmental:			
0099	Other Intergovernmental Charges	450,545	-	450,545
6030	Total Expenditures	137,712,833	24,870,420	162,583,253
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,545,496)	236,876	(1,308,620)
	OTHER FINANCING SOURCES (USES):			
7901	Refunding Bonds Issued	-	14,640,000	14,640,000
7915	Transfers In	10,270	-	10,270
7916	Premium or Discount on Issuance of Bonds	-	1,094,648	1,094,648
8911	Transfers Out (Use)	-	(10,270)	(10,270)
8940	Payment to Bond Refunding Escrow Agent (Use)	-	(15,500,054)	(15,500,054)
7080	Total Other Financing Sources (Uses)	10,270	224,324	234,594
1200	Net Change in Fund Balances	(1,535,226)	461,200	(1,074,026)
0100	Fund Balance - September 1 (Beginning)	74,361,170	6,116,622	80,477,792
3000	Fund Balance - August 31 (Ending)	$ 72,825,944	$ 6,577,822	$ 79,403,766

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

Total Net Change in Fund Balances - Governmental Funds	$	(1,074,026)
The District uses an internal service fund to charge the costs of self-insurance for workers' compensation to appropriate functions in other funds. The net income of internal service funds is reported with governmental activities. The net effect of this consolidation is to decrease net position.		(171,283)
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2025 capital outlays and debt principal payments is to increase net position.		15,588,211
Depreciation and amortization is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation and amortization is to decrease net position.		(8,707,092)
GASB 68 requires that certain plan expenditures be de-expended and recorded as deferred resource outflows. The contributions made after the measurement date of the plan caused the change in ending net position to increase by $3,799,324. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in the change in net position totaling $4,046,972. Finally, the propotrtionate share of the TRS pension exense on the plan as a whole had to be recorded. The net pension expense decreased the change in net position by $2,592,713. The net result is a decrease in the change in net position.		(2,840,361)
GASB 75 requires that certain plan expenditures be de-expended and recorded as deferred resource outflows. The contributions made after the measurement date of the plan caused the change in ending net position to increase by $746,022. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net OPEB liability. This caused a decrease in the change in net position totaling $820,659. Finally, the proportionate share of the TRS OPEB expense decreased the change in net position by $3,579,627. The net result is an increase in the change in net position.		3,504,990
Various other reclassifications and eliminations are neccesary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.		148,394
Change in Net Position of Governmental Activities	$	6,448,833

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

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PROPRIETARY FUND FINANCIAL STATEMENTS

CLINT ISD
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2025

	Governmental Activities - Internal Service Fund
ASSETS	
Current Assets:	
Due from Other Funds	$ 213,661
Other Receivables	66,324
Total Assets	279,985
NET POSITION	
Unrestricted Net Position	279,985
Total Net Position	$ 279,985

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

CLINT ISD
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2025

	Governmental Activities - Internal Service Fund
OPERATING REVENUES:	
Local and Intermediate Sources	$ 584,835
Total Operating Revenues	584,835
OPERATING EXPENSES:	
Other Operating Costs	756,118
Total Operating Expenses	756,118
Operating Income (Loss)	(171,283)
Total Net Position - September 1 (Beginning)	451,268
Total Net Position - August 31 (Ending)	$ 279,985

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

EXHIBIT D-3

CLINT ISD
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2025

	Governmental Activities - Internal Service Fund
Cash Flows from Operating Activities:	
Cash Received from Assessments - Other Funds	$ 584,835
Cash Payments for Insurance Claims	(584,835)
Net Cash Provided by Operating Activities	-
Net Increase in Cash and Cash Equivalents	-
Cash and Cash Equivalents at Beginning of Year	-
Cash and Cash Equivalents at End of Year	$ -
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Operating Income (Loss):	$ (171,283)
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease in Due From Other Funds	171,283
Net Cash Provided by Operating Activities	$ -

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

FIDUCIARY FUND FINANCIAL STATEMENTS

CLINT ISD
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2025

	Total Custodial Funds
ASSETS	
Cash and Cash Equivalents	$ 567,982
Due from Other Funds	45,136
Total Assets	613,118
NET POSITION	
Restricted for Individuals and Organizations	613,118
Total Net Position	$ 613,118

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

CLINT ISD
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2025

	Total Custodial Funds
ADDITIONS:	
Contributions to Student Groups	$ 94,065
Enterprising Services Revenue	691,141
Earnings from Temporary Deposits	9,052
Contributions, Gifts and Donations	84,626
Total Additions	878,884
DEDUCTIONS:	
Materials, Supplies and Misc.	779,219
Payment of Sales Tax Collected	1,366
Total Deductions	780,585
Change in Fiduciary Net Position	98,299
Total Net Position - September 1 (Beginning)	514,819
Total Net Position - August 31 (Ending)	$ 613,118

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Clint Independent School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and it complies with the requirements of the appropriate version of Texas Education Agency's ***Financial Accountability System Resource Guide*** (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds.

A. Reporting Entity

Because the Board of Trustees (the "Board") is elected by the public; has the authority to make decisions, appoint administrators and managers, and significantly influence operations; and has the primary accountability for fiscal matters; the District is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board ("GASB"). There are no component units included within the reporting entity.

B. Government-wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the District's nonfiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes, charges to school districts for services, state funds, grants and other intergovernmental revenues.

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement category represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. For pensions and OPEB, these outflows result from pension plan and OPEB contributions made after the measurement date of the net pension and OPEB liabilities, net differences between projected and actual investment earnings, changes in actuarial assumptions, differences between expected and actual experiences, and changes in the District's proportionate share of net pension and OPEB liabilities. The deferred outflows of resources related to pensions and OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension and OPEB liabilities in the next fiscal year. The other pension and OPEB related deferred outflows will be amortized over a systematic and rational method over a closed period.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement category represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For pensions and OPEB, these inflows result from changes in actuarial assumptions, differences between expected and actual experiences, and changes in the District's proportionate share of net pension and OPEB liabilities. These deferred inflows will be amortized over a systematic and rational method over a closed period.

(Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. The Plan's fiduciary net position has been determined on the same basis as that used by the Plan. 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.

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

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 transcripts, staff development, use of facilities, etc. The "grants and contributions" columns include 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.

Interfund activities between governmental funds and between governmental and proprietary funds appear as due to or due from on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other resources and other uses on the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position. All interfund transactions between governmental funds and between governmental and internal service funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to or due from on the government-wide Statement of Net Position.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories - governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The District considers some governmental funds as major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are nonoperating.

(Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, deferred inflows of resources, and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt and leases, which are recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues available if they are collectible within 60 days after year end, except as noted below.

Revenues from local sources consist primarily of property taxes, fees for services provided to other districts, and investment income. Revenues received from the State are recognized under the susceptible -to- accrual concept. The District considers property tax revenue available if they expect the revenue to be collected within 60 days of the end of the fiscal year. State revenues received under the District's existing debt allotment and instructional facilities allotment are considered available if received within 120 days of the end of the fiscal year because adjustments to these allotments typically occur between the 90-120 day mark. 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.

Unavailable revenue from property taxes arises only under the modified accrual basis of accounting. The governmental funds report this unavailable revenue as a deferred inflow of resources and recognize revenue in the period that the amounts become available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly when such funds are received, they are recorded as unearned revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

(Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Proprietary Fund Types and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. With this measurement focus, all assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into net investment in capital assets, restricted, and unrestricted.

D. Fund Accounting

The District reports the following major governmental funds:

1. General Fund – The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

Additionally, the District reports the following fund types:

GOVERNMENTAL FUNDS:

2. Special Revenue Funds – The District accounts for resources restricted to, or designated for, specific purposes by a grantor in a special revenue fund. Most Federal and State financial assistance is accounted for in a Special Revenue Fund, and sometimes unused balances must be returned to the grantor at the close of specified project periods.

3. Debt Service Fund – The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund. This is a budgeted fund and separate bank accounts are maintained.

4. Capital Projects Fund - The proceeds from long-term debt financing and revenues and expenditures related to authorized acquisition, construction, or renovations as well as furnishing and equipping capital facilities are accounted for in a capital projects fund.

5. Permanent Funds – The District accounts for donations for which the donor has stipulated that the principal may not be expended and where the income may only be used for purposes that support the District's programs. The District’s permanent fund is the David Cramer Memorial Scholarship Fund.

(Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPRIETARY FUNDS:

6. Enterprise Funds - The District has no Enterprise Funds.

7. Internal Service Funds – Revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis are accounted for in an internal service fund. The District's internal service fund is the Workers' Compensation fund for its partially self-funded workers' compensation program.

FIDUCIARY FUNDS:

8. Private Purpose Trust Funds - The District has no private purpose trust funds.

9. Pension (and Other Employee Benefit) Trust Funds - The District has no pension trust funds.

10. Investment Trust Fund - The District has no investment trust funds.

11. Custodial Funds – The District accounts for resources held for others in a custodial capacity in custodial funds. The District's Custodial Funds are the Student Activity Account and the Sunshine Account.

E. Other Accounting Policies

1. For purposes of the statement of cash flows for proprietary and similar fund-types, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.

2. Investments with an original maturity greater than one year from date of purchase are stated at fair value based on quoted market prices as of year end. Investments with an original maturity of less than one year are reported at amortized cost.

3. The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the **Depository Contract Law**. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

(Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. The **Public Funds Investment Act** (Government Code Chapter 2256) 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, (9) and 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; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers' acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. Management asserts that the District is in substantial compliance with the requirements of the Act and with local policies.

5. Additional policies and contractual provisions governing deposits and investments for the District are specified below:

   ***Credit Risk**:*

   Deposits - This is not applicable to the District.

   Temporary Investments - To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations, the District limits investments in commercial paper, corporate bonds, mutual bond funds, public funds investment pools to those that have received top ratings issued by nationally recognized statistical rating organizations (NRSROs).

   Custodial Credit Risk :

   Deposits - State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. Since the District complies with this law, it has minimal custodial credit risk for deposits.

   Temporary Investments - To limit the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in possession of an outside party, the District requires counterparties to register the securities in the name of the District and hand them over to the District or its designated agent. This includes securities in securities lending transactions. Investment pools are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book-entry form.

(Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentration of Credit Risk :

Deposits - This is not applicable to the District.

Temporary Investments - To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District's policy states that the portfolio must be diversified. Concentration of credit risk is not applicable to investment pools since the purpose of these pools is to diversify the District's investment portfolio.

Interest Rate Risk*:*

Deposits - This is not applicable to the District.

Temporary Investments - To limit the risk that changes in interest rates will adversely affect the fair value of the investments, the District requires its investment portfolio to have maturities of less than one year on a weighted average maturity (WAM) basis.

Foreign Currency Risk*:*

Deposits - The District attempts to limit the risk that changes in exchange rates will adversely affect a deposit by avoiding deposits denominated in a foreign currency.

Temporary and Long-term Investments - The District attempts to limit the risk that changes in exchange rates will adversely affect the fair value of an investment by avoiding investment pools or securities which are denominated in a foreign currency.

6. 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 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year.

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

(Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Inventories of supplies on the balance sheet are stated at weighted average cost and they include consumable maintenance, instructional, office, athletic, child nutrition and transportation items. Supplies are recorded as expenditures when they are consumed. Inventories of food commodities are recorded at market values supplied by the Texas Department of Agriculture (TDA). Although commodities are received at no cost, their fair market value is supplied by the TDA and is recorded as inventory and unearned revenue when received. When requisitioned, inventory and unearned revenue are relieved, expenditures are charged and revenue is recognized for an equal amount.

9. In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt, right-to-use lease and SBITA liabilities, and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type Statement of Net Position. Premiums and discounts are presented as a component of liabilities while deferred charges on refundings are presented as deferred outflows of resources. Both items are deferred and amortized over the life of the related debt using the straight line method. Long-term debt is reported net of the applicable premium or discount. The right-to-use lease and SBITA liabilities are calculated as the present value of the reasonably certain expected payments to be made over the term of the lease or the SBITA and the interest included in the lease or SBITA payment is recorded as an expense.

   In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs and new right-to-use lease arrangements and SBITAs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. For new right-to-use leases and SBITAs, the initial measurement is reported in government fund types as an other financing source during the current period. Monthly payments are reported as principal and interest payments during the reporting period in the fund financial statements.

   Key estimates and judgments related to leases and SBITAs include how the District determines (1) the discount rate it uses to discount the expected lease or SBITA payments to present value, (2) lease or SBITA term, and (3) lease or SBITA payments. The District uses the interest rate charged by the lessor or SBITA vendor as the discount rate. When the interest rate charged by the lessor or SBITA vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases and SBITAs. The lease or SBITA term includes the noncancellable period of the lease or SBITA. Lease payments included in the measurement liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

   The District monitors changes in circumstances that would require a remeasurement of its leases or SBITAs and will remeasure the lease or SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the lease or SBITA liability. Lease and SBITA assets, if any, are reported with other capital assets.

(Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Capital assets, which include land, buildings, furniture and equipment, and right-to-use lease assets for noncancellable leases are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life extending beyond a single reporting period. Group of assets are defined by the District as assets with an initial, group cost of more than $100,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. For SBITA assets, the District capitalizes assets with an individual cost of $50,000 or greater.

    The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

    Buildings, furniture, and equipment of the District are depreciated using the straight line method over the following estimated useful lives. Right-to-use assets are amortized in a systematic and rational manner over the shorter of the lease or subscription term or the useful life of the underlying asset. When a lease contains a purchase option the District chooses to exercise, the lease asset is amortized over the useful life of the underlying asset. The amortization expense is combined with depreciation expense for financial reporting purposes.

Assets	Years
Buildings	30-50
Building Improvements	15-20
Vehicles	8-10
Office Equipment	5-15
Furniture and Fixtures	5

11. The restricted assets presented on the balance sheet represent the restricted cash held for scholarships in the permanent fund.

12. The District does not pay for accrued sick leave or vacation leave upon retirement or termination.

13. The District provides employees with five days per year of state personal leave and up to seven paid local leave days per school year. Each employee shall earn state personal and local leave, in equivalent workdays, at the rate of half a work day for every 18 workdays of employment, up to the statutory maximum of five state personal leave days per contractual year. State and local personal leave is cumulative without limit.

    Employees may be compensated for overtime (i.e., hours beyond 40 in a workweek) at a time-and-a-half rate with compensatory time off or direct pay. Employees may accrue up to 240 hours of compensatory time. An employee may be required to use compensatory time before using available paid leave (e.g., state and local personal leave).

(Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-duty days are non-paid days that are in excess of the staff member's required number of work days, as per the District calendar. The number of non-duty days can vary each year as they are determined by the annually adopted District calendar.

A liability for certain types of leave, such as parental leave, military leave, and jury duty leave is not accrued in the financial statements until the leave commences as they depend on the occurrence of a sporadic event. Management has determined that any resulting obligation at the end of the fiscal year for these types of leave would be insignificant and immaterial to the financial statements. As such, a liability has not been accrued related to these types of leave in the financial statements.

The District implemented GASB Statement No. 101 during fiscal year 2025 and opted to use the First-in, First-out (FIFO) flow assumption. The above leave that meets the qualifications for GASB Statement No. 101 are included in the compensated absences calculation and liability. See Note IV. Q. for additional information.

14. Net Position on the Statement of Net Position includes the following:

Net Investment in Capital Assets - this component of net position consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt will be included in this component of net position.

Restricted for Federal and State Programs - this component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets, which are restricted by federal and state granting agencies.

Restricted for Capital Projects - this component of net position consists of restricted assets reduced by liabilities and unamortized premiums related to those assets. The assets arise from bond issuances, more specifically Series 2015 Building Bonds, which have constraints placed on them by the bond covenants for the purpose of acquiring capital assets as detailed in the bond official statements.

Restricted for Scholarships - this component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets, which are restricted by external parties.

Restricted for Other Purposes - this component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets, which are restricted by external parties other than federal or state agencies.

Unrestricted Net Position - this component of net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

(Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. The District reports the following fund balance categories which describe the relative strength of the spending constraints:

- **Nonspendable fund balance** - Represents amounts that are not in spendable form, such as inventory, or are required to be maintained intact.

- **Restricted fund balance** - Represents amounts constrained to specific purposes by their providers, such as grantors, bondholders, and higher levels of government, through constitutional provisions, or by enabling legislation, including immaterial amounts related to nonspendable inventory for the child nutrition program.

- **Committed fund balance** - Represents amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority, i.e., Board of Trustees. To be reported as committed, amounts cannot be used for any other purpose unless the District's Board of Trustees approves the changes by Board Resolution.

- **Assigned fund balance** - Represents amounts the District intends to use for a specific purpose. Intent can be expressed by the Superintendent or his designee as named in the Board Resolution dated July 27, 2011.

- **Unassigned fund balance** - Represents amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as commitments of the fund (such as for special incentives). Assigned fund balance is established by the Superintendent or his designee.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position/fund balance is available, the District considers restricted funds to have been spent first unless unrestricted assets will have to be returned because they were not used. When an expenditure is incurred 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 of Trustees have provided otherwise in their commitment or assignment actions.

In fiscal year 2014, the Board of Trustees adopted a minimum fund balance policy for the General Fund which indicates that the District shall strive to maintain a fund balance of at least two months of operating expenditures.

(Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

16. In the fund financial statements, certain governmental funds report restrictions of the entire fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Since the entire fund balance is restricted for these funds, all assets are in essence restricted for their specified purpose.

17. Since Internal Service Funds support the operations of governmental funds, they are consolidated with the governmental funds in the government - wide financial statements. The expenditures of governmental funds that create the revenues of internal service funds are eliminated to avoid "grossing up" the revenues and expenses of the District as a whole.

18. The District co-sponsors a self-insured plan to provide workers' compensation benefits to employees. Revenues of this Internal Service Fund are received from both the General and Special Revenue Funds. Expenses are comprised of professional services paid to the Plan Supervisor. These costs provide for the administration of claims, loss control, record keeping and the Cost of Excess Insurance. The Plan Supervisor charges a fixed cost based upon estimated payroll figures which are subsequently adjusted when actual payroll figures are available. The General Fund is contingently liable for liabilities of these funds.

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

20. In accordance with the Resource Guide, the District has adopted and installed an accounting system which meets at least the minimum requirements prescribed by the Texas 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 Resource Guide. Mandatory codes are recorded in the order provided in the Resource Guide.

21. The District receives substantial amounts of funding from special revenue sources. The majority of this money is cost reimbursement to the District by the federal government or Texas Education Agency. The portion of revenue allowable for indirect cost is credited as revenue to the General Fund and as a reduction to revenue in the Special Revenue Fund or Food Service, as appropriate. These indirect costs are then fully allocated to function 41, General Administration, on the Government-Wide Statement of Activities.

22. Preparation of these financial statements in conformity with generally accepted accounting principles requires the use of management's estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities and deferred inflows at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. The District implemented GASB Statement No. 101, *Compensated Absences*, as of September 1, 2024. The primary objective of this Statement is to improve the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. See Note IV. Q. and IV. Z for more details.

The District implemented GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of governmental financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analysis for making decisions or assessing accountability. The implementation of this Statement did not have an impact on the disclosures for the District.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net position for governmental activities as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in governmental funds. In addition, long-term liabilities, including bonds payable, right-to-use lease liabilities, and the District's proportionate share of the net pension and OPEB liabilities are not due and payable in the current period and are not reported as liabilities in the funds.

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

Exhibit C-4 provides a reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures, and changes in fund balances and the changes in Net Position of governmental activities as reported on the government-wide statement of activities. One element of that reconciliation explains that current year capital outlays and debt principal payments are expenditures in the fund financial statements, but should be shown as increases in capital assets and decreases in long-term debt in the government-wide statements. This adjustment affects both net position and the change in net position.

Another element of the reconciliation on Exhibit C-4 is described as various other reclassifications and eliminations necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. This adjustment is the result of several items. In addition, certain pension and OPEB expenditures were de-expended, and the District recorded their proportionate share of the pension and OPEB expense.

(Continued)

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Data

The Board of Trustees adopts an "appropriated budget" for the General Fund, Debt Service Fund and the Child Nutrition Program (which is included in the General Fund). The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears in Exhibit G-1 and the Child Nutrition Program and the Debt Service Fund reports appear in Exhibit J-2 and J-3, respectively.

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

1. Prior to August 20 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.

2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must be given.

3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Because the District has a policy of careful budgetary control, a few amendments were necessary during the year.

4. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.

5. 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 canceled or appropriately provided for in the subsequent year's budget.

(Continued)

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Deposits and Investments

At August 31, 2025, the carrying amount of the District's deposits in the general fund, major, and nonmajor governmental funds (including restricted cash of $6,187), internal service funds, and custodial funds were $5,433,888 and the total bank balance was $8,153,000. The District's cash deposits at August 31, 2025 and during the year ended August 31, 2025 were fully insured by federal depository insurance or pledged collateral held by the District's agent bank in the District's name. In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

a. Depository: **WestStar Bank**.

b. The market value of securities pledged as of the date of the highest combined balance on deposit was $14,359,400.

c. The highest combined balances of cash, savings, and time deposit accounts amounted to $11,189,101 and occurred during the month of March 2025.

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

Due to the immediate availability of the funds, the District's temporary investments at August 31, 2025 are included in cash and cash equivalents and are shown below at fair value, which approximates the value of the pool shares:

	Governmental Activities			
Temporary Investments	General Fund	Nonmajor Governmental Funds	Total Governmental Activities	S&P Rating/ WAM
Lone Star Investment Pool Corporate Overnight Plus Fund at fair value:	$ 53,009,362	$ 6,093,102	$ 59,102,464	AAAf 52 Days
Total at fair value	$ 53,009,362	$ 6,093,102	$ 59,102,464	

The Lone Star Investment Pool is a member owned, member-governed public funds investment pool. It is managed by an eleven-member Board of Trustees and the Board is authorized to adopt and maintain bylaws. There is also an Advisory Board composed of participants that gathers and exchanges information from participants relating to the operation of the Pool. Lone Star issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by calling Lone Star at 1-800-558-8875. For the pool measured at amortized cost, management is not aware of the presence of any limitations or restrictions on withdrawals such as redemption notice periods, maximum transaction amounts, or the investment pool's authority to impose liquidity fees or redemption gates.

(Continued)

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

B. Due From Other Governments

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. A majority of the federal grants are passed through the Texas Education Agency (TEA). In addition, the District receives entitlements from the State through the Foundation School and Per Capita Programs. TEA funds the District based on estimated average daily attendance (ADA) and begins payment each September through July for the District. Amounts due at August 31, 2025 from TEA through the Foundation and Per Capita Programs are based on projected ADA and the number of school days in July 2025 and August 2025 for the 2025-2026 school year. Amounts due from federal and state and local governments as of August 31, 2025, are summarized below.

	General Fund	Nonmajor Governmental Funds	Total
State and Local Entitlements	$ 21,146,087	$ 264,664	$ 21,410,751
Federal Grants	1,644,223	730,708	2,374,931
Total	$ 22,790,310	$ 995,372	$ 23,785,682

C. Interfund Balances and Transfers

Interfund balances at August 31, 2025 consisted of the following individual fund balances:

	Due from Other Funds	Due to Other Funds
General Fund:		
General Fund	$ 7,058,421	$ 7,058,421
Nonmajor Governmental Funds	886,249	375,512
Internal Service Fund	-	213,661
General Fund Total	7,944,670	7,647,594
Nonmajor Governmental Funds:		
General Fund	375,512	886,249
Nonmajor Governmental Funds	42,402	42,402
Fiduciary Funds	-	45,136
Nonmajor Governmental Funds Total	417,914	973,787
Internal Service Fund		
General Fund	213,661	-
Fiduciary Funds:		
Nonmajor Governmental Funds	45,136	-
Total	$ 8,621,381	$ 8,621,381

(Continued)

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Interfund balances are a result of normal operations and are eliminated periodically. Management intends to pay out these balances within one year with the exception of interfund balances in the Internal Service Fund. This is because the Internal Service Fund does not have its own bank account. The balance will only be cleared out if the Internal Service Fund is terminated.

Interfund transfers generally fall within two categories: (1) transfers to the Child Nutrition Program because of excess revenue from the Summer Feeding Program, and (2) transfers to cover operating expenditures/deficits in accordance with District policy or legal requirements.

Interfund transfers for the year ended August 31, 2025, consisted of the following amounts:

	Transfers In	Transfers Out
Transfers in from Other Funds:		
General Fund	$ 10,270	$ -
General Fund Total	10,270	-
Transfers out to Other Funds:		
Nonmajor Governmental Funds	-	10,270
Nonmajor Governmental Funds Total	-	10,270
Total	$ 10,270	$ 10,270

D. Capital Asset Activity

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

	Primary Governments			
	Beginning Balance	Additions	Deletions, Reclassifications and Adjustments	Ending Balance
Non-depreciable assets:				
Land	$ 6,921,325	$ -	$ -	$ 6,921,325
Construction in progress	11,763,403	381,742	(11,763,403)	381,742
Total non-depreciable assets	18,684,728	381,742	(11,763,403)	7,303,067
Depreciable assets:				
Buildings and improvements	301,939,837	-	11,763,403	313,703,240
Furniture and equipment	37,275,839	7,626,729	(67,731)	44,834,837
Total depreciable assets	339,215,676	7,626,729	11,695,672	358,538,077
Right-to-use lease assets:				
Equipment	643,010	-	-	643,010

(Continued)

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

	Primary Governments			
	Beginning Balance	Additions	Deletions, Reclassifications and Adjustments	Ending Balance
Less accumulated depreciation for:				
Buildings and improvements	107,013,827	5,505,729	-	112,519,556
Furniture and equipment	28,301,886	3,055,776	(67,731)	31,289,931
Total accumulated depreciation for capital assets	135,315,713	8,561,505	(67,731)	143,809,487
Less accumulated amortization for:				
Right-to-use Lease Assets:				
Equipment	436,761	145,587	-	582,348
Total accumulated depreciation and amortization	436,761	145,587	-	582,348
Total net capital assets	$ 222,790,940	$ (698,621)	$ -	$ 222,092,319

Depreciation and amortization expense was charged to governmental functions as follows:

11	Instruction	$ 3,977,697
12	Instructional resources and media services	64,986
13	Curriculum and staff development	210,422
21	Instructional leadership	137,819
23	School leadership	362,949
31	Guidance, counseling & evaluation services	255,547
32	Social work services	6,129
33	Health services	68,567
34	Student (pupil) transportation	1,096,218
35	Food services	256,386
36	Extracurricular activities	197,098
41	General administration	173,227
51	Facilities maintenance and operations	1,603,765
52	Security and monitoring services	136,857
53	Data processing services	123,260
61	Community services	36,165
	Total depreciation and amortization expense	$ 8,707,092

(Continued)

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

E. Property Insurance and Personnel Bonds

For the year ended August 31, 2025, the District carried insurance for building and personal property with a combined limit for both in the amount of $484,502,143 with a deductible of $100,000 per occurrence and for windstorm and hail damage limited to $484,583,056 per occurrence, with a $500,000 minimum deductible per occurrence or 3% of the total insurable value. General and automobile liability is limited to $1,000,000 with $1,000 deductible per occurrence. The District also carried an Educators Liability policy that is limited to $1,000,000 in the aggregate, with $25,000 deductible per occurrence.

F. Deferred Charge and Deferred Gain for Refunding of Bonds

Deferred charge for refunding of bonds for the fiscal year ended August 31, 2025, presented as deferred outflows of resources, was as follows:

Description	Beginning Balance	Deferred Charge on New Issues	Net Recognized	Ending Balance
Series 2014	$ 841,613	$ -	$ 841,613	$ -
Series 2015	990,560	-	159,809	830,751
Series 2016	1,247,391	-	138,515	1,108,876
Series 2020	8,863,781	-	432,929	8,430,852
	$ 11,943,345	$ -	$ 1,572,866	$ 10,370,479

Deferred gain on refunding of bonds for the year ended August 31, 2025, presented as deferred inflows of resources, was as follows:

Description	Beginning Balance	Deferred Gain on New Issues	Amortization Recognized	Ending Balance
Series 2015A	$ 217,198	$ -	$ 43,415	$ 173,783
Series 2024	-	1,143,387	140,882	1,002,505
	$ 217,198	$ 1,143,387	$ 184,297	$ 1,176,288

G. Due to Other Governments

The Texas Education Agency (TEA) provides funds from the Existing Debt Allotment (EDA) and Instructional Facilities Allotment (IFA) to the District based on eligible debt and other factors. Adjustments to the current fiscal year's allotments are made subsequent to year-end based on TEA receiving updated information and presents any balance due from or owed to the District. TEA has the right to offset the receivable and liability. For the year ended August 31, 2025, TEA indicates that it overpaid the District for the EDA and IFA. TEA has recouped this amount by reducing its payments to the District for fiscal year 2026. The balance in Due to Other Governments as of August 31, 2025 consisted of the following:

(Continued)

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

	Nonmajor Governmental Funds
Existing Debt Allotment	$ 226,467
Instructional Facilities Allotment	390,113
Total	$ 616,580

H. Unearned Revenue

Unearned revenue as of August 31, 2025 was as follows:

	General Fund	Nonmajor Governmental Funds	Total
USDA Commodities	$ 27,255	$ -	$ 27,255
Instructional Facilities Allotment	-	20,068	20,068
State Grants Advanced	-	1,050	1,050
Local Grants Advanced	-	259	259
Total Unearned Revenue	$ 27,255	$ 21,377	$ 48,632

I. Changes in Long-term Liabilities

Long-term liability activity for the year ended August 31, 2025 was as follows:

	Funded by:	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:						
Bonds Payable	Debt Service	$ 133,082,987	$ 14,640,000	$ 23,071,570	$ 124,651,417	$ 6,593,910
Accretion Payable	Debt Service	17,855,971	347,513	893,430	17,310,054	936,090
Unamortized Premium on Bonds		5,730,267	1,094,648	2,423,799	4,401,116	774,642
		156,669,225	16,082,161	26,388,799	146,362,587	8,304,642
Other Liabilities						
Right-to-Use Lease Liabilities	General Fund	$ 212,993	-	$ 149,667	$ 63,326	$ 63,326
Compensated Absences*		10,885,865	592,769	-	11,478,634	3,089,425
Total Other Liabilities		11,098,858	592,769	149,667	11,541,960	3,152,751
Total Governmental Long-term Liabilities		$ 167,768,083	$ 16,674,930	$ 26,538,466	$ 157,904,547	$ 11,457,393

** The addition in compensated absences reflects the net change for the year.*

(Continued)

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

J. General Long-term Debt

A summary of changes in general long-term debt for the year ended August 31, 2025 was as follows:

Description	Interest Rate Payable	Amounts Original Issue	Interest Current Year	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Unlimited Tax Refunding Bonds - Series 2009: Final maturity 2-15-2025	3% - 4.5%	6,385,000	4,613	205,000	-	205,000	-	-
Unlimited Tax Refunding Bonds - Series 2010A Final maturity 2-15-2027	2% - 4%	12,305,000	6,300	245,000	-	175,000	70,000	35,000
Unlimited Tax Refunding Bonds - Series 2011 Current interest bonds Final maturity 8-15-2027	2% - 3.5%	8,725,000	13,825	395,000	-	130,000	265,000	130,000
Unlimited Tax Refunding Bonds - Series 2014 Current interest bonds Final maturity 8-15-2025	2% - 5%	23,815,000	81,500	13,050,000	-	13,050,000	-	-
Unlimited Tax Refunding Bonds - Series 2015 Final maturity 8-15-2032	2% - 5%	23,315,000	785,064	18,760,000	-	2,075,000	16,685,000	1,385,000
Unlimited Tax Refunding Bonds - Series 2015A Final maturity 2-15-2029	2%-5%	15,890,000	104,200	7,620,000	-	5,630,000	1,990,000	-
Unlimited Tax Refunding Bonds - Series 2016 Final maturity 8-15-2033	2%-5%	24,735,000	720,900	16,400,000	-	1,505,000	14,895,000	1,580,000
Unlimited Tax Refunding Bonds - Series 2020								
Final maturity 2-15-2045	1.9%-2.26%	76,125,000	1,688,024	76,125,000	-	-	76,125,000	-
Capital appreciation bonds Final maturity 2-15-2034	0.38%-2.25%	2,234,890	-	282,987	-	106,570	176,417	63,910
Unlimited Tax Refunding Bonds - Series 2024 Final maturity 8-15-2031	5%	14,640,000	477,833	-	14,640,000	195,000	14,445,000	3,400,000
		$ 208,169,890	$ 3,882,259	$ 133,082,987	$ 14,640,000	$ 23,071,570	$ 124,651,417	$ 6,593,910

Tax Refunding Bond 2020 series are capital appreciation bonds that require interest to be paid when the principal on the bonds is due. These capital appreciation bonds began to mature in 2021 and will continue to mature through 2034.

(Continued)

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Accretion payable for the year ended August 31, 2025 was as follows:

Description	Accretion Outstanding 8/31/2024	Issued	Accrual of Accretion	Accretion Retired	Accretion Outstanding 8/31/2025	Due Within One Year
Tax Refunding Bond Series 2020	$ 17,855,971	$ -	$ 347,513	$ 893,430	$17,310,054	$ 936,090
	$ 17,855,971	$ -	$ 347,513	$ 893,430	$17,310,054	$ 936,090

Unamortized premiums on bonds for the year ended August 31, 2025 were as follows:

Description	Beginning Balance	Premiums on New Issues	Write-Off	Amortization Recognized	Ending Balance	Due Within One Year
Series 2009	$ 6,829	$ -	$ -	$ 6,829	$ -	$ -
Series 2010A	309,060	-	-	112,368	196,692	112,368
Series 2011	161,221	-	-	53,740	107,481	53,740
Series 2014	1,210,812	-	1,013,544	197,268	-	-
Series 2015 (Refunding)	1,302,578	-	47,443	159,708	1,095,427	156,489
Series 2015A	758,447	-	359,897	96,477	302,073	75,520
Series 2016	1,981,320	-	-	220,147	1,761,173	220,147
Series 2024	-	1,094,648	-	156,378	938,270	156,378
Total Unamortized Premium	$ 5,730,267	$ 1,094,648	$ 1,420,884	$ 1,002,915	$ 4,401,116	$ 774,642

Debt service requirements are as follows:

	General Obligations		
Year Ended August 31,	Principal	Interest	Total Requirements
2026	$ 6,593,910	$ 4,791,239	$ 11,385,149
2027	6,608,320	4,492,629	11,100,949
2028	7,017,980	4,167,844	11,185,824
2029	6,938,780	3,897,144	10,835,924
2030	7,068,260	3,655,464	10,723,724
2031-2035	20,499,167	24,367,073	44,866,240
2036-2040	32,980,000	6,158,959	39,138,959
2041-2045	36,945,000	2,196,710	39,141,710
Total	$ 124,651,417	$ 53,727,062	$ 178,378,479

(Continued)

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

On September 29, 2020, the District issued Unlimited Tax Refunding Bonds, Taxable Series 2020, in the amount of $78,359,890 which was used to refund $78,360,000 of Unlimited Tax School Building Bonds, Series 2015. As a result of the refunding, the amount of $78,360,000 was considered defeased and is not presented in these financial statements. The defeased bonds were redeemed on August 15, 2025.

On December 20, 2024, the District issued Unlimited Tax Refunding Bonds, Taxable Series 2024, in the amount of $14,640,000 which was used to refund $11,420,000 of Unlimited Tax Refunding Bonds, Series 2014 and $3,850,000 of Unlimited Tax Refunding Bonds, Series 2015A. The bonds are payable February 15 and August 15 of each year, commencing February 15, 2025 and ending upon maturity on August 15, 2031. Bonds are not subject to optional redemption. As a result of the refunding, the amount of $15,270,000 was considered defeased and is not presented in these financial statements. The defeased bonds were redeemed on March 18, 2025. The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $1,143,387. This difference, reported in these financial statements in the deferred inflows of resources category, is amortized over the life of the new bond using the straight line method. The issuance of the refunding was undertaken to reduce total debt service payments over zero years by $524,667 and resulted in an economic present value gain of $524,421 after allocation of all costs of issuance of the bonds.

On February 13, 2025, the District irrevocably placed existing resources in the total amount of $751,914 with an escrow agent in a trust to be used solely for satisfying both interest and principal for one scheduled payment on the Unlimited Tax Refunding Bonds, Series 2015. The trust owns only monetary assets that are essentially risk-free. As a result, the amount of $725,000 of the Series 2015 bonds are considered defeased and are not presented in these financial statements. The defeased bonds were paid from escrow funds on August 15, 2025. The early extinguishment of debt with existing resources resulted in a difference of $15,545 between the reacquisition price and the net carrying amount of the defeased bonds, including deferred charge from prior refundings, and represents a loss.

There are a number of limitations and restrictions contained in the general obligation bond indenture. The District's management has indicated that the District is in compliance with all significant limitations and restrictions, including arbitrage, at August 31, 2025.

K. Right-to-Use Lease Liabilities

The District has entered into a single lease agreement as lessee to lease office equipment for a term of five years requiring monthly payments. Management utilized an explicit interest rate of 2.17% to calculate the net present value. During fiscal year 2025, the District made principal payments of $149,667 and interest payments of $3,139.

Debt service requirements for right-to-use leases are as follows:

Year Ending August 31,	Principal	Interest	Total Requirements
2026	$ 63,326	$ 344	$ 63,670
Total	$ 63,326	$ 344	$ 63,670

(Continued)

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

L. Rebatable Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. Arbitrage is evaluated and estimated on an annual basis by a third party arbitrage rebate service company. The company has estimated no liability for the District as of August 31, 2025.

M. Fund Balances

As of August 31, 2025, fund balances are composed of the following:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:			
Inventories	$ 87,294	$ -	$ 87,294
Corpus for Scholarship Fund	-	5,000	5,000
Restricted:			
Food Services	7,594,540	-	7,594,540
Federal and State Programs	-	460,597	460,597
Retirement of Long-Term Debt	-	5,698,608	5,698,608
Scholarships	-	52,998	52,998
Other	-	6,761	6,761
Committed:			
Campus Activities	-	353,858	353,858
Assigned:			
Future Construction	6,236,794	-	6,236,794
Continue ESSER Initiatives & other	6,189,439	-	6,189,439
Unassigned Fund Balance	52,717,877	-	52,717,877
Total fund balances	$ 72,825,944	$ 6,577,822	$ 79,403,766

N. Encumbrances

Encumbrance accounting is employed as an extension of formal budgetary integration for the General Fund, special revenue funds, and capital projects funds. At August 31, 2025, the District did not have any encumbrances.

(Continued)

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

O. Construction Commitments

The District had ongoing construction projects under non-cancelable contracts at August 31, 2025. Construction commitments as of August 31, 2025 are as follows:

Project Name	Spent To Date	Remaining Commitment
Insurance Projects	$ 24,960	$ 19,890
Architect/Engineer Services	623,312	24,827
Site Improvements	8,409,562	2,071,371
Athletic Equipment	-	253,822
IT Equipment/Cabling	74,891	133,260
Total	$ 9,132,725	$ 2,503,170

P. Revenue from Local and Intermediate Sources

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

	General Fund	Nonmajor Governmental Funds	Internal Service Fund	Total
Property taxes	$ 14,891,769	$ 7,442,181	$ -	$ 22,333,950
Penalties and interest	483,286	170,049	-	653,335
Investment income	3,040,020	500,553	-	3,540,573
Insurance Recovery	116,435	-	-	116,435
Rent income	10,061	-	-	10,061
Food sales	360,290	361	-	360,651
Private Grants	-	403,423	-	403,423
Athletic activities	49,239	-	-	49,239
Workers' compensation	-	-	584,835	584,835
Enterprising services	-	237,845	-	237,845
Other	183,562	30,088	-	213,650
Total	$ 19,134,662	$ 8,784,500	$ 584,835	$ 28,503,997

(Continued)

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Q. Compensated Absences

The District implemented GASB Statement No. 101, *Compensated Absences*, during fiscal year 2025 utilizing the First-in, First-out (FIFO) flow assumption for estimating the compensated absences liability for amounts more likely than not to be used by active employees as leave. Under the FIFO flow assumption, as employees use leave for time off, the leave they earned "first" (earliest), will be reduced, and the most recently earned leave will carry forward. The leave more likely than not to be used is calculated based on a three-year weighted average of former employees' years of service upon separation and days used over the course of their employment. The liability amount is calculated by applying those results to the leave balances of active employees and valuing the leave balance that is more likely than not to be used at their payrate in effect at year-end. The calculation includes salary-related payments as required by the new standard.

R. Defined Benefit Pension Plan

Plan Description: The District participates in a cost-sharing multiple-employer defined benefit pension plan that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). 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 (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the internet at https://www.trs.texas.gov/learning-resources/publications; by writing to TRS at attention Finance Division, P.O. Box 149676, Austin, TX, 78714-0185, or by calling 1-800-223-8778.

Benefits Provided: TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above. Accordingly, the 2023 Texas Legislature passed Senate Bill (SB) 10 and

(Continued)

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

House Joint Resolution (HJR) 2 to provide eligible retirees with a one-time stipend and an ad hoc cost-of-living-adjustment (COLA).

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

State law requires the plan to be actuarially sound in order for the legislature to consider a benefit enhancement, such as a supplemental payment to retirees. The pension became actuarially sound in May 2019 when the 86th Texas legislature approved the TRS Pension Reform Bill (SB12) that provided gradual contribution increases from the state, participating employers and active employees for the fiscal years 2019 through 2024.

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:

- one-time $7,500 stipend to eligible annuitants who are 75 years of age and older.
- one-time $2,400 stipend to eligible annuitants age 70 to 74.

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

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

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

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

(Continued)

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Contribution Rates

	Plan Fiscal Year	
	2024	2025
Member	8.25%	8.25%
Non-Employer Contributing Entity (State)	8.25%	8.25%
Employers	8.25%	8.25%

Contributions Required and Made

2025 Employer Contributions	$	3,799,324
2025 Member Contributions		7,393,865
2024 Plan Year NECE On-Behalf Contributions (State)		4,779,763

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

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

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

Included in the employer contributions amount listed above for fiscal year 2025, the District paid $359 in retiree surcharges and $1,292,999 for the Public Education Employer Contribution. These two additional surcharges an employer is subject to are summarized as follows:

(Continued)

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

- All public schools, charter schools and regional education service centers must contribute 1.9 percent of the member's salary beginning in fiscal year 2024, gradually increasing to 2 percent in fiscal year 2025.

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 were adopted in July 2022. The following table discloses the assumptions that were applied to this 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%
Mortality Assumption	The active mortality rates were based on the PUB (2010), Amount-Weighted, Below- Median Income, Teacher, Male and Female tables, with a 2-year set forward for male. The rates are projected on a fully generational basis by the long-term rates of scale MP 2021 to account for future mortality improvements. The post-retirement mortality rates were based on the 2021 TRS of Texas Healthy Pensioner Mortality Tables. The rates are projected on a fully generational basis by Scale UMP 2021, but with immediate convergence, to account for future mortality improvements.
Long-term expected Investment Rate of Return	7.00%
Municipal Bond Rate as of August 2024	3.87%. - The source for the rate is the Bond Buyers 20 Index which represents the estimated yield of a portfolio of 20 general obligation bonds maturing in 20 years based on a survey of municipal bond traders.
Last year ending August 31 in Projection Period (100 years)	2123
Inflation	2.30%
Salary Increases	2.95% to 8.95% including inflation
Ad hoc post-employment benefit changes	None

(Continued)

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

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 actuarial valuation report dated November 21, 2023.

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

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

The long-term expected rate of return on pension plan investments is 7.00 percent and 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.

(Continued)

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

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 %**	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
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%
Stable Value			
Government Bonds	16.00%	1.90%	0.40%
Stable Value Hedge Funds	5.00%	3.00%	0.20%
Absolute Return*	0.00%	4.00%	0.00%
Real Return			
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%
Risk Parity	8.00%	4.00%	0.40%
Asset Allocation Leverage			
Cash	2.00%	1.00%	0.00%
Asset Allocation Leverage	-6.00%	1.30%	-0.10%
Inflation Expectation			2.40%
Volatility Drag****			-0.70%
Total	100.00%		7.90%

**Absolute Return includes Credit Sensitive Investments.*
***Target allocations are based on the FY2024 policy model.*
***Capital Market Assumptions come from 2024 SAA Study CMA Survey (as of 12/31/2023).
****The volatility drag results from conversion between arithmetic and geometric mean returns.

(Continued)

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

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

	1% Decrease 6.00%	Current Single Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the net pension liability	$ 70,136,431	$ 43,910,648	$ 22,180,722

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At August 31, 2025, the District reported a liability of $43,910,648 for its proportionate share of the TRS net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

The District's proportionate share of the collective net pension liability	$ 43,910,648
State's proportionate share that is associated with the District	51,810,033
Total	$ 95,720,681

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 District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2023 through August 31, 2024.

At August 31, 2024 the employer's proportion of the collective net pension liability was 0.0718854714% which was a decrease of 0.0011728927% from its proportion measured as of August 31, 2023.

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

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

(Continued)

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

For the year ended August 31, 2025, the District recognized pension expense of $6,192,165 and revenue of $6,192,165 for support provided by the State.

The amount of pension expense recognized by the District in the reporting period was $12,831,850.

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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,420,295	$ 342,833
Changes in actuarial assumptions	2,267,201	303,954
Net difference between projected and actual investment earnings	266,917	-
Changes in proportion and difference between District's contributions and proportionate share of contributions	7,748,018	7,802,435
District contributions to TRS subsequent to the measurement date	3,799,324	-
Total	$ 16,501,755	$ 8,449,222

The $3,799,324 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending August 31, 2026.

The net amounts of the District's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended August 31	Pension Expense
2026	$ 771,526
2027	5,405,929
2028	479,588
2029	(2,481,819)
2030	77,986
Thereafter	(1)
	$ 4,253,209

(Continued)

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Changes in Net Pension Liability:

	Beginning Balance	Additions	Reductions	Ending Balance
Net Pension Liability	$ 50,184,047	$ -	$ 6,273,399	$ 43,910,648

Payable to the Pension Plan: At August 31, 2025, the District reported a payable of $977,322 to the pension plan for the outstanding amount of contractually required contributions related to past service costs. Member contributions included in this payable were $638,686.

S. Defined Other Post-Employment Benefit Plan

Plan Description: The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a cost-sharing multiple-employer defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. 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.

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 (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the internet at https://www.trs.texas.gov/learning-resources/publications; by writing to TRS at attention Finance Division, P.O. Box 149676, Austin, TX, 78714-0185, or by calling 1-800-223-8778.

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

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

(Continued)

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

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

TRS-Care Monthly Plan Premium Rates		
	Medicare	Non-Medicare
Retiree or Surviving Spouse	$ 135	$ 200
Retiree and Spouse	529	689
Retiree or Surviving Spouse and Children	468	408
Retiree and Family	1,020	999

Contributions: Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts are 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 percent of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65 percent of salary. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public or charter school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act, which is 0.75 percent of each active employee's pay for fiscal year 2024. The following table shows contributions to the TRS-Care plan by type of contributor.

Contributions Rates	2024	2025
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%

2025 Employer Contributions	$ 746,022
2025 Member Contributions	582,605
2024 Plan Year NECE On-behalf Contributions (State)	1,028,768

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. During the year ended August 31, 2025, the District paid $535 in retiree surcharges.

(Continued)

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

The General Appropriations Act passed by the 88th Legislature included funding to maintain TRS-Care premiums at their current level through 2025. Also, the 86th 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.

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 pension actuarial valuation that was rolled forward to August 31, 2024:

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Salary Increases
Rates of Disability Incidence	

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2023 rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry-Age Normal
Inflation	2.30%
Single Discount Rate	3.87% as of August 31, 2024
Salary Increases	2.95% to 8.95%, including inflation
Demographic Assumptions	The rates of mortality, retirement, termination and disability incidence are identical to the assumptions used to value the pension liabilities of TRS. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2021.
Mortality Assumption	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 rates of Scale MP 2021. The active mortality rates were based on PUB(2010) Amount-Weighted, Below-Median Income, Teacher male and female tables (with a two-year set forward for males), also with full generational mortality using the ultimate rates of Scale MP 2021.

(Continued)

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Health Care Trend Rates	Initial medical trend rates of 6.75% for non-Medicare retirees. For Medicare retirees, trend rates are higher in the first two years due to anticipated growth but thereafter match those of non-Medicare retirees. Initial prescription drug trend rate of 7.75% for all retirees. Initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 11 years.
Election Rates	Normal Retirement: 62% participation prior to age 65 and 25% participation after age 65; 30% of pre-65 retirees are assumed to discontinue coverage at age 65
Aging Factors	Based on 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.
Ad hoc post-employment benefit changes	None
Other Information:	
Notes	Assumption changes include a discount rate change from 4.13% as of August 31, 2023 to 3.87% as of August 31, 2024. Additionally, the tables used to model the impact of aging on the underlying claims were revised.

Discount Rate: A single discount rate of 3.87 percent was used to measure the total OPEB liability. This was a decrease of 0.26 percent in the discount rate since the previous year. Because the investments are held in cash and there is no intentional objective to advance fund the benefits, the single discount rate is equal to the prevailing municipal bond rate.

The source of the municipal bond rate is the Fidelity "20-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 percentage point lower than and 1 percentage point higher than the discount rate that was used in measuring the net OPEB liability.

(Continued)

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

	1% Decrease 2.87%	Current Single Discount Rate 3.87%	1% Increase 4.87%
District's proportionate share of the net OPEB liability:	$ 32,593,666	$ 27,434,667	$ 23,266,117

***Healthcare Cost Trend Rates Sensitivity Analysis**:* The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1 percent less than and 1 percent greater than the health trend rates assumed.

	1% Decrease in Healthcare Trend Rate	Current Single Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
District's proportionate share of the net OPEB liability:	$ 22,341,463	$ 27,434,667	$ 34,071,619

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs: At August 31, 2025, the District reported a liability of $27,434,667 for its proportionate share of the TRS-Care'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:

The District's proportionate share of the collective net OPEB liability	$ 27,434,667
State's proportionate share that is associated with the District	34,375,265
Total	$ 61,809,932

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 through August 31, 2024.

At August 31, 2024 the employer's proportion of the collective net OPEB liability was .0903897249%, which was a decrease of 0.0027158908% from its proportion measured as of August 31, 2023.

(Continued)

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Changes of Assumptions Since the Prior Measurement Date– The following were changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability since the prior measurement period:

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

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

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

For the year ended August 31, 2025, the District recognized OPEB expense of $(4,468,150) and revenue of $(4,468,150) for support provided by the State.

The amount of OPEB expense recognized by the District in the reporting period was $(7,227,118).

At August 31, 2025, the District reported its proportionate share of the TRS-Care's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits (OPEB) from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,258,305	$ 13,691,386
Changes in actuarial assumptions	3,511,313	8,951,614
Net Difference between projected and actual investment earnings	-	76,826
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	15,414,830	13,966,281
Contributions paid to TRS-Care subsequent to the measurement date	746,022	-
Total	$ 24,930,470	$ 36,686,107

The $746,022 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended August 31, 2026.

(Continued)

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended August 31:	OPEB Expense
2026	$ (3,472,672)
2027	(2,230,125)
2028	(2,448,317)
2029	(2,180,006)
2030	(974,555)
Thereafter	(1,195,984)
	$ (12,501,659)

Changes in Net OPEB Liability:

	Beginning Balance	Additions	Reductions	Ending Balance
Net OPEB Liability	$ 20,611,987	$ 7,643,733	$ 821,053	$ 27,434,667

Payable to the OPEB Plan: At August 31, 2025, the District reported a payable of $115,126 to the OPEB plan for the outstanding amount of contractually required contributions related to past service costs. Member contributions included in this payable were $50,376.

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. Medicare Part D contributions made on behalf of the District's employees for the year ended August 31, 2025, 2024 and 2023 were $621,839, $493,629, and $477,683,respectively. These amounts are recorded as equal revenues and expenditures in the governmental fund financial statements of the District.

(Continued)

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

T. Workers' Compensation Program

As required by law the District has acquired adequate workers' compensation insurance coverage contracted through Claims Administrative Services, Inc. since September 1, 2001. The District has chosen to participate in a political subdivision risk pool, which means that the District shares its exposure with other school districts and public entities with similar employee populations. Currently, the District employs more than 1,500 full-time and part-time employees, and pays about $756,118 in workers' compensation premium annually. This premium is considered sufficient by Claims Administrative Services, Inc. and no contingent liability is required to be reported. This total amount paid for workers' compensation costs is less than 1% of annual payroll, which illustrates that the District is managing and operating its workers' compensation program with comfortable success.

U. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board maintains insurance policies acquired from independent insurance carriers covering all structural property, automobiles, dishonesty, errors and omissions, boiler and machinery, personal property, general liability, and athletic insurance. There have been no reductions in insurance coverage from prior years and settlements have not exceeded insurance coverage.

V. Litigation

During the normal course of business, the District is subject to various legal claims. As of August 31, 2025, management was not aware of any such claim which would have a material adverse effect on the accompanying basic financial statements and accordingly, no provision has been accrued.

W. Federal and State Funding

The District participates in numerous programs which are subject to audit by the Texas Education Agency and various Federal agencies. These programs have complex compliance requirements, and should State or Federal auditors discover areas of material noncompliance, those District funds may be subject to refund if so determined by administrative audit review.

(Continued)

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

X. Related Party Transactions

From time to time, the District may enter into transactions with related parties through the normal course of business. If a Board member has a conflict of interest, proper documentation is completed and he/she is required to abstain from any discussion or voting regarding the matter. Management is not aware of any material related party transactions that occurred during the year ended August 31, 2025.

Y. Other Retirement Plans

The District has established a 457 (Deferred Compensation) FICA Alternative Plan for employees of the Districts that are not eligible for TRS membership and who otherwise would be subject to Social Security Tax withholdings.

In addition, the District has established a 457(b) Plan. All employees are eligible to participate in this Plan immediately upon becoming employed by the District.

The District does not contribute to either of these Plans and does not hold the assets in a trustee capacity. Management does not have control over the funds nor can they access the funds, and therefore believes the District does not have fiduciary accountability for the Plans. As such, the Plan assets are not included in a trust fund in the District's financial statements.

Z. Restatement

In fiscal year 2025, as the result of the implementation of GASB Statement No. 101, *Compensated Absences*, the District is reporting a change in accounting principles, applied retroactively by recording a compensated absences beginning balance, with amounts presented as due within one year and due in more than one year in the statement of net position. The beginning net position was restated for governmental activities as follows:

	Compensated Absences	Net Position
Beginning of Year as Previously Reported	$ -	$ 83,960,205
Implementation of GASBS 101:	10,885,865	(10,885,865)
Beginning of Year as Restated	$ 10,885,865	$ 73,074,340

(Continued)

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

AA. New Accounting Pronouncements

The District has not completed the process of evaluating the impact on its financial position that will result from adopting the following Governmental Accounting Standards Board (GASB) Statements:

- GASB Statement No. 103, *Financial Reporting Model Improvements,* effective for fiscal years beginning after June 15, 2025. GASBS No. 103 improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.

- GASB Statement No. 104, *Disclosure of Certain Capital Assets,* effective for fiscal years beginning after June 15, 2025. GASBS No. 104 provides users of governmental financial statements with essential information about certain types of capital assets.

BB. Subsequent Events

On December 2, 2025, in an effort to take advantage of lower interest rates, the District issued Unlimited Tax Refunding Bonds, Taxable Series 2025, in the amount of $29,630,000 to retire a portion of existing debt.

On December 3, 2025, the District signed a single lease agreement to lease office equipment for a term of 56 months requiring monthly payments of $12,949 with an explicit interest rate of 12.5 percent. Payments commence January 2026.

REQUIRED SUPPLEMENTARY INFORMATION

CLINT ISD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
		Original	Final		
	REVENUES:				
5700	Total Local and Intermediate Sources	$ 18,875,179	$ 19,433,820	$ 19,134,662	$ (299,158)
5800	State Program Revenues	98,763,413	98,769,310	104,070,411	5,301,101
5900	Federal Program Revenues	10,990,646	10,990,646	12,962,264	1,971,618
5020	Total Revenues	128,629,238	129,193,776	136,167,337	6,973,561
	EXPENDITURES:				
	Current:				
0011	Instruction	72,146,943	71,682,461	66,422,988	5,259,473
0012	Instructional Resources and Media Services	1,184,201	1,183,664	1,157,358	26,306
0013	Curriculum and Instructional Staff Development	3,328,930	3,319,820	3,011,271	308,549
0021	Instructional Leadership	2,745,438	2,975,913	2,057,184	918,729
0023	School Leadership	7,682,972	7,413,123	7,312,557	100,566
0031	Guidance, Counseling, and Evaluation Services	4,086,811	4,289,923	4,065,214	224,709
0032	Social Work Services	158,082	138,082	121,592	16,490
0033	Health Services	1,499,330	1,479,273	1,382,215	97,058
0034	Student (Pupil) Transportation	4,712,087	4,737,087	4,420,788	316,299
0035	Food Services	9,732,080	13,856,395	11,753,155	2,103,240
0036	Extracurricular Activities	3,965,015	4,160,462	3,733,080	427,382
0041	General Administration	4,392,235	4,432,235	3,900,133	532,102
0051	Facilities Maintenance and Operations	16,341,842	15,634,232	15,216,378	417,854
0052	Security and Monitoring Services	2,786,795	3,001,795	2,888,118	113,677
0053	Data Processing Services	3,390,856	3,485,856	2,972,857	512,999
0061	Community Services	88,205	93,205	89,666	3,539
	Debt Service:				
0071	Principal on Long-Term Liabilities	246,861	246,861	149,667	97,194
0072	Interest on Long-Term Liabilities	3,139	3,139	3,139	-
	Capital Outlay:				
0081	Facilities Acquisition and Construction	11,388,416	11,716,711	6,604,928	5,111,783
	Intergovernmental:				
0095	Payments to Juvenile Justice Alternative Ed. Prg.	35,000	35,000	-	35,000
0099	Other Intergovernmental Charges	385,000	465,000	450,545	14,455
6030	Total Expenditures	150,300,238	154,350,237	137,712,833	16,637,404
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(21,671,000)	(25,156,461)	(1,545,496)	23,610,965
	OTHER FINANCING SOURCES (USES):				
7915	Transfers In	-	-	10,270	10,270
1200	Net Change in Fund Balances	(21,671,000)	(25,156,461)	(1,535,226)	23,621,235
0100	Fund Balance - September 1 (Beginning)	74,361,170	74,361,170	74,361,170	-
3000	Fund Balance - August 31 (Ending)	$ 52,690,170	$ 49,204,709	$ 72,825,944	$ 23,621,235

Budgets and Budgetary Accounting

The Board of Trustees adopts an "appropriated budget" for the General Fund. The District is required to present the adopted and final amended budgeted revenues and expenditures for this fund. The District compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears in Exhibit G-1.

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

1. Prior to August 20, 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.

2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must be given.

3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year. No expenditures were made prior to approval of the budget.

4. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.

5. 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 canceled or appropriately provided for in the subsequent year's budget.

CLINT INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2025

	Measurement Year Ended August 31,			
	2024	2023	2022	2021
District's Proportion of the Net Pension Liability	0.0718854714%	0.0730583641%	0.0961657566%	0.0589676081%
District's Proportionate Share of Net Pension Liability	43,910,648	50,184,047	57,091,137	15,016,963
States Proportionate Share of the Net Pension Liability associated with the District	51,810,033	59,227,781	38,580,073	25,427,604
Total	$ 95,720,681	$ 109,411,828	$ 95,671,210	$ 40,444,567
District's Covered Payroll	$ 93,164,881	$ 88,826,309	$ 83,753,519	$ 77,323,097
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered Payroll	47.13%	56.50%	68.17%	19.42%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	77.51%	73.15%	75.62%	88.79%

Measurement Year Ended August 31,					
2020	2019	2018	2017	2016	2015
0.0593634460%	0.0639030281%	0.0605223246%	0.0672858958%	0.0694300038%	0.0744378000%
31,793,851	33,218,792	33,312,956	21,514,405	26,236,566	26,312,772
55,661,264	52,183,391	55,325,649	32,528,251	39,094,734	38,325,970
$ 87,455,115	$ 85,402,183	$ 88,638,605	$ 54,042,656	$ 65,331,300	$ 64,638,742
$ 77,642,144	$ 73,181,705	$ 68,567,380	$ 69,185,538	$ 68,239,797	$ 67,596,256
40.95%	45.39%	48.58%	31.10%	38.45%	38.93%
75.54%	75.24%	73.74%	82.17%	78.00%	78.43%

CLINT INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2025

	Fiscal Year Ended August 31,			
	2025	2024	2023	2022
Contractually Required Contribution	$ 3,799,324	$ 4,046,972	$ 3,720,317	$ 3,512,173
Contribution in Relation to the Contractually Required Contribution	(3,799,324)	(4,046,972)	(3,720,317)	(3,512,173)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 89,627,153	$ 93,164,881	$ 88,826,309	$ 83,753,519
Contributions as a percentage of Covered Payroll	4.24%	4.34%	4.19%	4.19%

Note: GASB 68, paragraph 81 requires that the information in this schedule is presented for the District's fiscal year as opposed to the Plan's measurement year.

Fiscal Year Ended August 31,						
2021	2020	2019	2018	2017	2016
$ 3,269,568	$ 2,449,353	$ 2,236,265	$ 2,038,844	$ 2,205,239	$ 2,205,967
(3,269,568)	(2,449,353)	(2,236,265)	(2,038,844)	(2,205,239)	(2,205,967)
$ -	$ -	$ -	$ -	$ -	$ -
$ 77,323,097	$ 77,642,144	$ 73,181,705	$ 68,567,380	$ 69,185,538	$ 68,239,797
4.23%	3.15%	3.06%	2.97%	3.19%	3.23%

Changes of Benefit Terms

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

Changes of Assumptions

There were no changes of assumptions that affected measurement of the net pension liability during the measurement period.

CLINT INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2025

	Measurement Year Ended August 31,			
	2024	2023	2022	2021
District's Proportion of the Net OPEB Liability	0.0903897249%	0.0931055347%	0.1181196611%	0.0819743694%
District's Proportionate Share of the Net OPEB Liability	27,434,667	20,611,987	28,282,578	31,621,177
States Proportionate Share of the Net OPEB Liability associated with the District	34,375,265	24,871,531	34,500,302	42,365,331
Total	$ 61,809,932	$ 45,483,518	$ 62,782,880	$ 73,986,508
District's Covered Payroll	$ 93,164,881	$ 88,826,309	$ 83,753,519	$ 77,323,097
District's Proportionate Share of the Net OPEB Liability as a percentage of its Covered Payroll	29.45%	23.20%	33.77%	40.89%
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	13.70%	14.94%	11.52%	6.18%

	Measurement Year Ended August 31,			
	2020	2019	2018	2017
District's Proportion of the Net OPEB Liability	0.0847445775%	0.0867250793%	0.0822964678%	0.0848486348%
District's Proportionate Share of the Net OPEB Liability	32,215,241	41,013,350	41,091,380	36,897,488
States Proportionate Share of the Net OPEB Liability associated with the District	43,289,561	54,497,571	58,257,387	52,512,494
Total	$ 75,504,802	$ 95,510,921	$ 99,348,767	$ 89,409,982
District's Covered Payroll	$ 77,642,144	$ 73,181,705	$ 68,567,380	$ 69,185,538
District's Proportionate Share of the Net OPEB Liability as a percentage of its Covered Payroll	41.49%	56.04%	59.93%	53.33%
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	4.99%	2.66%	1.57%	0.91%

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

CLINT INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2025

	Fiscal Year Ended August 31,			
	2025	2024	2023	2022
Contractually Required Contribution	$ 746,022	$ 820,659	$ 801,997	$ 807,632
Contribution in Relation to the Contractually Required Contribution	(746,022)	(820,659)	(801,997)	(807,632)
Contribution Deficiency (Excess)		$ -	$ -	$ -
District's Covered Payroll	$ 89,627,153	$ 93,164,881	$ 88,826,309	$ 83,753,519
Contributions as a percentage of Covered Payroll	0.83%	0.88%	0.90%	0.96%

Note: GASB 75, paragraph 97 requires that the information on this schedule be presented for the District's fiscal year as opposed to the Plan's measurement year.

Fiscal Year Ended August 31,						
2021	2020	2019	2018	2017	2016
$ 802,939	$ 644,118	$ 615,388	$ 567,728	$ 441,129	$ 436,304
(802,939)	(644,118)	(615,388)	(567,728)	(441,129)	(436,304)
$ -	$ -	$ -	$ -	$ -	$ -
$ 77,323,097	$ 77,642,144	$ 73,181,705	$ 68,567,380	$ 69,185,538	$ 68,239,797
1.04%	0.83%	0.84%	0.83%	0.64%	0.64%

Changes of Benefit Terms

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

Changes Since the Prior Actuarial Valuation

Assumption, Method, and Plan Changes - the following were changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability since the prior valuation:

- The discount rate changed from 4.13 percent as of August 31, 2023 to 3.87 percent as of August 31, 2024. This change increased the total OPEB liability.

- The tables used to model the impact of aging on the underlying claims were updated based on the Society of Actuaries' 2013 Study "Health Care Costs - From Birth to Death". This change increased the total OPEB liability.

Difference Between Expected and Actual Experience - the primary driver of the $5.8 billion loss was the lowering of Medicare retiree premiums, which shifted a greater share of the health care costs for Medicare-eligible retirees to TRS.

SUPPLEMENTARY INFORMATION

CLINT ISD
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2025

Data Control Codes		206 ESSA, IX, A Homeless Children Ed.	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
	ASSETS				
1110	Cash and Cash Equivalents	$ -	$ -	$ -	$ -
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-	-
1240	Due from Other Governments	13,157	149,046	78,820	927
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	15	22	-
1800	Restricted Assets	-	-	-	-
1000	Total Assets	$ 13,157	$ 149,061	$ 78,842	$ 927
	LIABILITIES				
2110	Accounts Payable	$ -	$ -	$ -	$ -
2170	Due to Other Funds	13,157	149,061	78,842	927
2180	Due to Other Governments	-	-	-	-
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	13,157	149,061	78,842	927
	DEFERRED INFLOWS OF RESOURCES				
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	Total Deferred Inflows of Resources	-	-	-	-
	FUND BALANCES				
	Nonspendable Fund Balance:				
3445	Other Non-Spendable Fund Balance	-	-	-	-
	Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	-	-
3480	Retirement of Long-Term Debt	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	-
	Committed Fund Balance:				
3545	Other Committed Fund Balance	-	-	-	-
3000	Total Fund Balances	-	-	-	-
4000	Total Liabilities, Deferred Inflows & Fund Balances	$ 13,157	$ 149,061	$ 78,842	$ 927

242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	265 Title IV, B Community Learning	272 Medicaid Admin. Claim MAC	289 Other Federal Special Revenue Funds	410 State Instructional Materials
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	11,744	96,003	20,580	71,435	122,632	166,364	-
-	-	-	-	-	337,965	-	20,068
-	4	5	-	-	-	-	-
-	-	-	-	-	-	-	-
$ -	$ 11,748	$ 96,008	$ 20,580	$ 71,435	$ 460,597	$ 166,364	$ 20,068
$ -	$ -	$ -	$ -	$ 7	$ -	$ -	$ -
-	11,748	96,008	20,580	71,428	-	166,364	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	20,068
-	11,748	96,008	20,580	71,435	-	166,364	20,068
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	460,597	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	460,597	-	-
$ -	$ 11,748	$ 96,008	$ 20,580	$ 71,435	$ 460,597	$ 166,364	$ 20,068

CLINT ISD
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2025

Data Control Codes		429 Other State Special Revenue Funds	461 Campus Activity Funds	480 Scholarship Fund	482 Homeless Donation Fund
	ASSETS				
1110	Cash and Cash Equivalents	$ -	$ 441,396	$ -	$ -
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-	-
1240	Due from Other Governments	264,664	-	-	-
1260	Due from Other Funds	1,050	-	40,407	504
1290	Other Receivables	388	-	-	-
1800	Restricted Assets	-	-	-	-
1000	Total Assets	$ 266,102	$ 441,396	$ 40,407	$ 504
	LIABILITIES				
2110	Accounts Payable	$ -	$ -	$ -	$ -
2170	Due to Other Funds	265,052	87,538	-	-
2180	Due to Other Governments	-	-	-	-
2300	Unearned Revenue	1,050	-	-	-
2000	Total Liabilities	266,102	87,538	-	-
	DEFERRED INFLOWS OF RESOURCES				
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	Total Deferred Inflows of Resources	-	-	-	-
	FUND BALANCES				
	Nonspendable Fund Balance:				
3445	Other Non-Spendable Fund Balance	-	-	-	-
	Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	-	-
3480	Retirement of Long-Term Debt	-	-	-	-
3490	Other Restricted Fund Balance	-	-	40,407	504
	Committed Fund Balance:				
3545	Other Committed Fund Balance	-	353,858	-	-
3000	Total Fund Balances	-	353,858	40,407	504
4000	Total Liabilities, Deferred Inflows & Fund Balances	$ 266,102	$ 441,396	$ 40,407	$ 504

484 GALA Senior	485 Action for Healthy Kids	489 New Tech Network	493 PTECH EPCC Reimbursement	496 TCEA Grant	498 CREEED	499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 441,396
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	995,372
1,491	36	20	-	164	11,404	4,805	417,914
-	-	-	-	-	-	13,082	13,516
-	-	-	-	-	-	-	-
$ 1,491	$ 36	$ 20	$ -	$ 164	$ 11,404	$ 17,887	$ 1,868,198
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 7
-	-	-	-	-	-	13,082	973,787
-	-	-	-	-	-	-	-
-	-	-	-	-	-	259	21,377
-	-	-	-	-	-	13,341	995,171
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	460,597
-	-	-	-	-	-	-	-
1,491	36	20	-	164	11,404	4,546	58,572
-	-	-	-	-	-	-	353,858
1,491	36	20	-	164	11,404	4,546	873,027
$ 1,491	$ 36	$ 20	$ -	$ 164	$ 11,404	$ 17,887	$ 1,868,198

CLINT ISD
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2025

Data Control Codes		599 Debt Service Fund	699 Capital Projects Fund	807 David Cramer Memorial Scholarship	Total Nonmajor Governmental Funds
	ASSETS				
1110	Cash and Cash Equivalents	$ 6,102,822	$ -	$ -	$ 6,544,218
1220	Property Taxes - Delinquent	1,302,469	-	-	1,302,469
1230	Allowance for Uncollectible Taxes	(682,440)	-	-	(682,440)
1240	Due from Other Governments	-	-	-	995,372
1260	Due from Other Funds	-	-	-	417,914
1290	Other Receivables	98,635	-	-	112,151
1800	Restricted Assets	-	-	6,187	6,187
1000	Total Assets	$ 6,821,486	$ -	$ 6,187	$ 8,695,871
	LIABILITIES				
2110	Accounts Payable	$ -	$ -	$ -	$ 7
2170	Due to Other Funds	-	-	-	973,787
2180	Due to Other Governments	616,580	-	-	616,580
2300	Unearned Revenue	-	-	-	21,377
2000	Total Liabilities	616,580	-	-	1,611,751
	DEFERRED INFLOWS OF RESOURCES				
2601	Unavailable Revenue - Property Taxes	506,298	-	-	506,298
2600	Total Deferred Inflows of Resources	506,298	-	-	506,298
	FUND BALANCES				
	Nonspendable Fund Balance:				
3445	Other Non-Spendable Fund Balance	-	-	5,000	5,000
	Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	-	460,597
3480	Retirement of Long-Term Debt	5,698,608	-	-	5,698,608
3490	Other Restricted Fund Balance	-	-	1,187	59,759
	Committed Fund Balance:				
3545	Other Committed Fund Balance	-	-	-	353,858
3000	Total Fund Balances	5,698,608	-	6,187	6,577,822
4000	Total Liabilities, Deferred Inflows & Fund Balances	$ 6,821,486	$ -	$ 6,187	$ 8,695,871

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CLINT ISD
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes		206 ESSA, IX, A Homeless Children Ed.	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
	REVENUES:				
5700	Total Local and Intermediate Sources	$ -	$ -	$ -	$ -
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	28,022	4,165,417	1,944,255	17,254
5020	Total Revenues	28,022	4,165,417	1,944,255	17,254
	EXPENDITURES:				
	Current:				
0011	Instruction	24,881	3,363,313	1,001,828	17,254
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	637	359,237	-	-
0021	Instructional Leadership	1,060	258,336	182,701	-
0023	School Leadership	-	3,288	-	-
0031	Guidance, Counseling, and Evaluation Services	-	1,895	759,726	-
0034	Student (Pupil) Transportation	-	38,767	-	-
0035	Food Services	-	-	-	-
0051	Facilities Maintenance and Operations	-	-	-	-
0052	Security and Monitoring Services	-	-	-	-
0061	Community Services	1,444	140,581	-	-
	Debt Service:				
0071	Principal on Long-Term Liabilities	-	-	-	-
0072	Interest on Long-Term Liabilities	-	-	-	-
0073	Bond Issuance Cost and Fees	-	-	-	-
	Capital Outlay:				
0081	Facilities Acquisition and Construction	-	-	-	-
6030	Total Expenditures	28,022	4,165,417	1,944,255	17,254
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
	OTHER FINANCING SOURCES (USES):				
7901	Refunding Bonds Issued	-	-	-	-
7916	Premium or Discount on Issuance of Bonds	-	-	-	-
8911	Transfers Out (Use)	-	-	-	-
8940	Payment to Bond Refunding Escrow Agent (Use)	-	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-	-
1200	Net Change in Fund Balance	-	-	-	-
0100	Fund Balance - September 1 (Beginning)	-	-	-	-
3000	Fund Balance - August 31 (Ending)	$ -	$ -	$ -	$ -

242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	265 Title IV, B Community Learning	272 Medicaid Admin. Claim MAC	289 Other Federal Special Revenue Funds	410 State Instructional Materials
$ 361	$ -	$ -	$ -	$ -	$ -	$ -	$ 42
-	-	-	-	-	-	-	526,657
101,066	189,321	842,454	460,534	930,431	122,633	972,536	-
101,427	189,321	842,454	460,534	930,431	122,633	972,536	526,699
-	96,387	149,565	252,423	675,351	-	238,568	526,699
-	-	-	-	-	-	3,000	-
-	-	677,889	171,990	8,605	-	162,455	-
-	-	15,000	-	164,380	-	30,581	-
-	-	-	-	-	-	-	-
-	92,934	-	-	-	-	537,932	-
-	-	-	-	-	-	-	-
91,157	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	36,121	82,095	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
91,157	189,321	842,454	460,534	930,431	-	972,536	526,699
10,270	-	-	-	-	122,633	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(10,270)	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(10,270)	-	-	-	-	-	-	-
-	-	-	-	-	122,633	-	-
-	-	-	-	-	337,964	-	-
$ -	$ -	$ -	$ -	$ -	$ 460,597	$ -	$ -

CLINT ISD
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes		429 Other State Special Revenue Funds	461 Campus Activity Funds	480 Scholarship Fund	482 Homeless Donation Fund
	REVENUES:				
5700	Total Local and Intermediate Sources	$ -	$ 237,845	$ 142,144	$ -
5800	State Program Revenues	1,237,018	-	-	-
5900	Federal Program Revenues	-	-	-	-
5020	Total Revenues	1,237,018	237,845	142,144	-
	EXPENDITURES:				
	Current:				
0011	Instruction	299,832	198,430	139,287	-
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	284,333	-	-	-
0021	Instructional Leadership	213,387	-	-	-
0023	School Leadership	-	-	-	-
0031	Guidance, Counseling, and Evaluation Services	-	-	-	-
0034	Student (Pupil) Transportation	-	-	-	-
0035	Food Services	-	-	-	-
0051	Facilities Maintenance and Operations	33,324	-	-	-
0052	Security and Monitoring Services	406,142	-	-	-
0061	Community Services	-	-	-	247
	Debt Service:				
0071	Principal on Long-Term Liabilities	-	-	-	-
0072	Interest on Long-Term Liabilities	-	-	-	-
0073	Bond Issuance Cost and Fees	-	-	-	-
	Capital Outlay:				
0081	Facilities Acquisition and Construction	-	-	-	-
6030	Total Expenditures	1,237,018	198,430	139,287	247
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	39,415	2,857	(247)
	OTHER FINANCING SOURCES (USES):				
7901	Refunding Bonds Issued	-	-	-	-
7916	Premium or Discount on Issuance of Bonds	-	-	-	-
8911	Transfers Out (Use)	-	-	-	-
8940	Payment to Bond Refunding Escrow Agent (Use)	-	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-	-
1200	Net Change in Fund Balance	-	39,415	2,857	(247)
0100	Fund Balance - September 1 (Beginning)	-	314,443	37,550	751
3000	Fund Balance - August 31 (Ending)	$ -	$ 353,858	$ 40,407	$ 504

484 GALA Senior	485 Action for Healthy Kids	489 New Tech Network	493 PTECH EPCC Reimbursement	496 TCEA Grant	498 CREEED	499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds
$ 3,000	$ -	$ -	$ 27,662	$ -	$ -	$ 258,279	$ 669,333
-	-	-	-	-	-	5,813	1,769,488
-	-	-	-	-	-	-	9,773,923
3,000	-	-	27,662	-	-	264,092	12,212,744
-	-	-	27,662	-	-	102,463	7,113,943
-	-	-	-	-	-	-	3,000
-	-	-	-	-	5,411	154,630	1,825,187
-	-	-	-	-	-	-	865,445
-	-	-	-	-	-	-	3,288
-	-	-	-	-	-	-	1,392,487
-	-	-	-	-	-	-	38,767
-	-	-	-	-	-	-	91,157
-	-	-	-	-	-	4,210	37,534
-	-	-	-	-	-	-	406,142
3,000	-	-	-	-	-	939	264,427
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,000	-	-	27,662	-	5,411	262,242	12,041,377
-	-	-	-	-	(5,411)	1,850	171,367
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(10,270)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(10,270)
-	-	-	-	-	(5,411)	1,850	161,097
1,491	36	20	-	164	16,815	2,696	711,930
$ 1,491	$ 36	$ 20	$ -	$ 164	$ 11,404	$ 4,546	$ 873,027

CLINT ISD
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes		599 Debt Service Fund	699 Capital Projects Fund	807 David Cramer Memorial Scholarship	Total Nonmajor Governmental Funds
	REVENUES:				
5700	Total Local and Intermediate Sources	$ 8,115,080	$ 30	$ 57	$ 8,784,500
5800	State Program Revenues	4,779,385	-	-	6,548,873
5900	Federal Program Revenues	-	-	-	9,773,923
5020	Total Revenues	12,894,465	30	57	25,107,296
	EXPENDITURES:				
	Current:				
0011	Instruction	-	-	-	7,113,943
0012	Instructional Resources and Media Services	-	-	-	3,000
0013	Curriculum and Instructional Staff Development	-	-	-	1,825,187
0021	Instructional Leadership	-	-	-	865,445
0023	School Leadership	-	-	-	3,288
0031	Guidance, Counseling, and Evaluation Services	-	-	-	1,392,487
0034	Student (Pupil) Transportation	-	-	-	38,767
0035	Food Services	-	-	-	91,157
0051	Facilities Maintenance and Operations	-	-	-	37,534
0052	Security and Monitoring Services	-	-	-	406,142
0061	Community Services	-	-	-	264,427
	Debt Service:				
0071	Principal on Long-Term Liabilities	7,801,570	-	-	7,801,570
0072	Interest on Long-Term Liabilities	4,775,689	-	-	4,775,689
0073	Bond Issuance Cost and Fees	251,754	-	-	251,754
	Capital Outlay:				
0081	Facilities Acquisition and Construction	-	30	-	30
6030	Total Expenditures	12,829,013	30	-	24,870,420
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	65,452	-	57	236,876
	OTHER FINANCING SOURCES (USES):				
7901	Refunding Bonds Issued	14,640,000	-	-	14,640,000
7916	Premium or Discount on Issuance of Bonds	1,094,648	-	-	1,094,648
8911	Transfers Out (Use)	-	-	-	(10,270)
8940	Payment to Bond Refunding Escrow Agent (Use)	(15,500,054)	-	-	(15,500,054)
7080	Total Other Financing Sources (Uses)	234,594	-	-	224,324
1200	Net Change in Fund Balance	300,046	-	57	461,200
0100	Fund Balance - September 1 (Beginning)	5,398,562	-	6,130	6,116,622
3000	Fund Balance - August 31 (Ending)	$ 5,698,608	$ -	$ 6,187	$ 6,577,822

CLINT ISD
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
AUGUST 31, 2025

	865 Custodial Fund Student Activity Acct	899 Custodial Fund Sunshine Account	Total Custodial Funds
ASSETS			
Cash and Cash Equivalents	$ 567,982	$ -	$ 567,982
Due from Other Funds	-	45,136	45,136
Total Assets	567,982	45,136	613,118
NET POSITION			
Restricted for Individuals and Organizations	567,982	45,136	613,118
Total Net Position	$ 567,982	$ 45,136	$ 613,118

CLINT ISD
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2025

	865 Custodial Fund Student Activity Acct	899 Custodial Fund Sunshine Account	Total Custodial Funds
ADDITIONS:			
Contributions to Student Groups	$ 94,065	$ -	$ 94,065
Enterprising Services Revenue	691,141	-	691,141
Earnings from Temporary Deposits	9,052	-	9,052
Contributions, Gifts and Donations	-	84,626	84,626
Total Additions	794,258	84,626	878,884
DEDUCTIONS:			
Materials, Supplies and Misc.	697,605	81,614	779,219
Payment of Sales Tax Collected	1,366	-	1,366
Total Deductions	698,971	81,614	780,585
Change in Net Position	95,287	3,012	98,299
Net Position - September 1 (Beginning)	472,695	42,124	514,819
Net Position - August 31 (Ending)	$ 567,982	$ 45,136	$ 613,118

OTHER INFORMATION - REQUIRED TEA SCHEDULES

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

Last 10 Years Ended August 31		(1) Tax Rates Maintenance	(2) Tax Rates Debt Service	(3) Assessed/Appraised Value for School Tax Purposes
2016	and prior years	Various	Various	$ Various
2017		1.040100	0.366500	1,069,176,764
2018		1.040100	0.366500	1,173,520,402
2019		1.170000	0.236600	1,331,887,487
2020		1.068350	0.236600	1,490,415,332
2021		1.054700	0.340000	1,549,546,485
2022		0.960300	0.380000	1,802,688,599
2023		0.942900	0.380000	2,020,902,296
2024		0.757500	0.380000	1,843,177,357
2025	(School year under audit)	0.755200	0.380000	2,101,397,118
1000	TOTALS			
8000	Total Taxes Refunded Under Section 26.1115, Tax Code			

(10) Beginning Balance 9/1/2024	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2025	(99) Taxes Refunded Under Section 26.1115c
$ 1,473,711	$	$ 46,345	$ 12,504	$ (117,391)	$ 1,297,471	
164,136		9,446	3,329	(202)	151,159	
172,951		10,478	3,692	(202)	158,579	
231,515		22,338	4,517	(202)	204,458	
268,943		27,426	6,074	(588)	234,856	
311,028		36,898	11,895	568	262,803	
416,126		60,563	23,965	106	331,704	
631,231		95,879	38,641	(45,245)	451,466	
1,016,183		151,620	76,060	(275,719)	512,784	
	22,965,517	14,424,663	7,258,172		1,282,682	
$ 4,685,824	$ 22,965,517	$ 14,885,655	$ 7,438,849	$ (438,875)	$ 4,887,962	
						$ 35,626

CLINT ISD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
		Original	Final		
	REVENUES:				
5700	Total Local and Intermediate Sources	$ 238,200	$ 796,841	$ 644,406	$ (152,435)
5800	State Program Revenues	30,000	35,897	35,897	-
5900	Federal Program Revenues	9,720,033	9,720,033	11,086,234	1,366,201
5020	Total Revenues	9,988,233	10,552,771	11,766,537	1,213,766
	EXPENDITURES:				
	Current:				
0035	Food Services	9,731,580	13,781,580	11,678,841	2,102,739
0051	Facilities Maintenance and Operations	256,653	256,653	210,627	46,026
6030	Total Expenditures	9,988,233	14,038,233	11,889,468	2,148,765
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(3,485,462)	(122,931)	3,362,531
	OTHER FINANCING SOURCES (USES):				
7915	Transfers In	-	-	10,270	10,270
1200	Net Change in Fund Balances	-	(3,485,462)	(112,661)	3,372,801
0100	Fund Balance - September 1 (Beginning)	7,707,201	7,707,201	7,707,201	-
3000	Fund Balance - August 31 (Ending)	$ 7,707,201	$ 4,221,739	$ 7,594,540	$ 3,372,801

CLINT ISD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
		Original	Final		
	REVENUES:				
5700	Total Local and Intermediate Sources	$ 7,793,163	$ 7,793,163	$ 8,115,080	$ 321,917
5800	State Program Revenues	4,931,518	4,931,518	4,779,385	(152,133)
5020	Total Revenues	12,724,681	12,724,681	12,894,465	169,784
	EXPENDITURES:				
	Debt Service:				
0071	Principal on Long-Term Liabilities	7,606,570	7,801,570	7,801,570	-
0072	Interest on Long-Term Liabilities	4,963,150	4,775,689	4,775,689	-
0073	Bond Issuance Cost and Fees	63,166	55,627	251,754	(196,127)
6030	Total Expenditures	12,632,886	12,632,886	12,829,013	(196,127)
1100	Excess of Revenues Over Expenditures	91,795	91,795	65,452	(26,343)
	OTHER FINANCING SOURCES (USES):				
7901	Refunding Bonds Issued	-	-	14,640,000	14,640,000
7916	Premium or Discount on Issuance of Bonds	-	-	1,094,648	1,094,648
8940	Payment to Bond Refunding Escrow Agent (Use)	-	-	(15,500,054)	(15,500,054)
7080	Total Other Financing Sources (Uses)	-	-	234,594	234,594
1200	Net Change in Fund Balances	91,795	91,795	300,046	208,251
0100	Fund Balance - September 1 (Beginning)	5,398,562	5,398,562	5,398,562	-
3000	Fund Balance - August 31 (Ending)	$ 5,490,357	$ 5,490,357	$ 5,698,608	$ 208,251

Expenditures in Excess of Appropriations

Exhibit J-3 presents an insignificant unfavorable budget variance in function 73 - Bond Issuance Cost and Fees. The District refunded a portion of their debt and issued new debt. Since this did not require the use of operating funds, the Board did not amend the budget to reflect the bond refunding proceeds and related cost of issuance. All transactions were approved by the Board; however, the budget was not officially amended. The actual change in fund balance for the debt service fund was favorable and larger than the amended budget.

CLINT ISD

STATE COMPENSATORY EDUCATION AND BILINGUAL EDUCATION PROGRAM EXPENDITURES

FOR THE YEAR ENDED AUGUST 31, 2025

Section A: Compensatory Education Programs

AP1	Did your district expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the district have written policies and procedures for its state compensatory education program?	Yes
AP3	Total state allotment funds received for state compensatory education programs during the district's fiscal year.	13,285,414
AP4	Actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24,26,28,29,30)	7,917,328

Section B: Bilingual Education Programs

AP5	Did your district expend any bilingual education program state allotment funds during the district's fiscal year?	Yes
AP6	Does the district have written policies and procedures for its bilingual education program?	Yes
AP7	Total state allotment funds received for bilingual education programs during the district's fiscal year.	2,423,235
AP8	Actual direct program expenditures for bilingual education programs during the district's fiscal year. (PIC 25)	1,822,011

FEDERAL AWARDS SECTION

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

To the Board of Trustees
Clint Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Clint Independent School District (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 and have issued our report thereon dated February 23, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Gibson Ruddock Patterson LLC

Gibson Ruddock Patterson LLC
El Paso, Texas
February 23, 2026

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

To the Board of Trustees
Clint Independent School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended 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 (Government Auditing Standards); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Gibson Ruddock Patterson LLC

Gibson Ruddock Patterson LLC
El Paso, Texas
February 23, 2026

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Were significant deficiencies in internal control disclosed?	None reported
Were material weaknesses in internal control disclosed?	No
Was any noncompliance disclosed that is material to the financial statements of the auditee, which would be required to be reported in accordance with Government Auditing Standards?	No

Federal Awards

Internal control over major federal award programs:	
Were significant deficiencies in internal control over major programs disclosed?	None reported
Were material weaknesses in internal control over major programs disclosed?	No
Type of auditor's report issued on compliance for major federal award programs:	Unmodified
Were there any audit findings that the auditor is required to disclose under Title 2 CFR 200.516 Audit findings paragraph (a)?	No
Major Federal Program(s):	**ESEA Title I, Part A - Grants to Local Educational Agencies** Assistance Listing No. 84.010A **ESEA Title II, Part A - Supporting Effective Instruction State Grants** Assistance Listing No. 84.367A **ESEA Title IV, Part A - Student Support and Academic Enrichment Program** Assistance Listing No. 84.424A and 84.424F

(Continued)

SUMMARY OF AUDITOR'S RESULTS

Federal Awards (Continued)

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Did auditee qualify as a low-risk auditee under 2 CFR 200.520 Criteria for a low-risk auditee?	Yes

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2025

FINANCIAL STATEMENT FINDINGS

There were no current year findings.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no current year findings or questioned costs.

CLINT INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF STATUS OF PRIOR FINDINGS

FOR THE YEAR ENDED AUGUST 31, 2025

FINANCIAL STATEMENT FINDINGS

There were no prior year findings.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no prior year findings or questioned costs.

CLINT ISD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED AUGUST 31, 2025

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal Assistance Listing No.	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
U.S. DEPARTMENT OF DEFENSE			
Direct Programs			
NJROTC	12.000	N/A	$ 233,929
Total Direct Programs			233,929
TOTAL U.S. DEPARTMENT OF DEFENSE			233,929
U.S. DEPARTMENT OF EDUCATION			
Passed through Region 10 Education Service Center			
*Empowering ECSE Educators to Improve Student Outcomes	84.173A	246610047110001	84,750
Total Special Education Cluster (IDEA)			2,046,259
Total Passed through Region 10 Education Service Center			84,750
Passed Through Texas Education Agency			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	25610101071901	4,213,643
ESEA, Title I, 1003 ESF Focused Support Grant	84.010A	256101397110097	144,098
ESEA, Title I, SFI School Improvement	84.010A	25610106071901	9,375
Total Assistance Listing Number 84.010			4,367,116
*IDEA - Part B, Formula	84.027A	256600010719016600	1,944,255
*IDEA - Part B, Preschool	84.173A	256610010719016610	17,254
Total Special Education Cluster (IDEA)			2,046,259
Career and Technical - Basic Grant	84.048A	25420006071901	196,978
Education for Homeless Children and Youth	84.196A	244600057110014	1,803
Education for Homeless Children and Youth	84.196A	254600057110087	26,430
Total Assistance Listing Number 84.196			28,233
Title IV, Pt B-21st Century Community Learning Centers	84.287C	266950307110014	45,906
Title IV, Pt B-21st Century Community Learning Centers	84.287C	256950307110014	778,609
Title IV, Pt B-21st Century Community Learning Centers	84.287C	246950367110009	133,395
Total Assistance Listing Number 84.287			957,910
Title III, Part A - English Language Acquisition	84.365A	25671001071901	453,024
Title III, Part A - English Language Acquisition - Immigrant	84.365A	25671003071901	25,903
Total Assistance Listing Number 84.365			478,927
ESEA, Title II, Part A, Supporting Effective Instruction	84.367A	25694501071901	738,229
ESEA, Title II, Part A, Supporting Effective Instruction	84.367A	246945857110001	130,432
Total Assistance Listing Number 84.367			868,661
Grants for State Assessments - LEP Summer School	84.369A	69552502	14,300
Title IV, Part A, Student Support and Academic Enrichment	84.424A	25680101071901	318,175
Title IV, Pt A, SSAE - Stronger Connections Grant	84.424F	236811017110047	570,513
Total Assistance Listing Number 84.424			888,688
Total Passed Through Texas Education Agency			9,762,322
TOTAL U.S. DEPARTMENT OF EDUCATION			9,847,072
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Texas Health and Human Services Commission			

CLINT ISD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED AUGUST 31, 2025

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal Assistance Listing No.	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
Medicaid Administrative Claiming Program - MAC	93.778	HHS000537900016	29,995
Medicaid Administrative Claiming Program - MAC	93.778	HHS000537900436	92,638
Total Assistance Listing Number 93.778			122,633
Total Medicaid Cluster			122,633
Total Passed Through Texas Health and Human Services Commission			122,633
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			122,633
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through the Texas Department of Agriculture			
**School Breakfast Program - Cash Assistance	10.553	NT4XL1YGLGC5	4,520,591
*National School Lunch Program - Cash Assistance	10.555	NT4XL1YGLGC5	5,842,292
**National School Lunch Prog. - Non-Cash Assistance	10.555	NT4XL1YGLGC5	550,673
Total Assistance Listing Number 10.555			6,392,965
*Summer Feeding Program - Cash Assistance	10.559	NT4XL1YGLGC5	101,066
Total Child Nutrition Cluster			11,014,622
Child & Adult Care Food Program - Non-Cash Assist.	10.558	NT4XL1YGLGC5	461,312
Total Passed Through the Texas Department of Agriculture			11,475,934
TOTAL U.S. DEPARTMENT OF AGRICULTURE			11,475,934
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 21,679,568

* and ** Clustered Programs

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

1. BASIS OF ACCOUNTING

The District accounts for all awards under federal programs in the general fund or a special revenue fund in accordance with the Texas Education Agency's *Financial Accountability System Resource Guide*. Special revenue funds are used to account for resources restricted to, or committed for, specific purposes by a grantor. Federal and state financial assistance is generally accounted for in a special revenue fund. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount. For the year ended August 31, 2025, the District predominately accounted for federal grant funds in special revenue funds, with the exception of those noted in the reconciliation within Note 4, which were accounted for in the general fund.

These programs are accounted for using a current financial measurement focus. With this measurement focus, only current assets, deferred outflow of resources, current liabilities, and deferred inflow of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in fund balance.

The modified accrual basis of accounting is used for these funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due, and certain compensated absences, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement. Pass-through entity identifying numbers are presented where available.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. When grant funds are received before expenditures are made, they are recorded as unearned revenues until earned. Due to the nature of the reporting process for the SHARS program, the District recognizes SHARS revenue upon receipt of the reimbursement notice from the federal government.

2. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "schedule") includes the federal activity of the District under programs of the federal government for the year ended August 31, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

(Continued)

2. BASIS OF PRESENTATION (Continued)

Period of Performance - The period of performance for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 90 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Performance of Federal Funds, Part 3, OMB Compliance Supplement - November 2025.

Matching - Matching contributions were not required for any of the federal awards.

Program Income - The Child Nutrition Cluster generated program income in the amount of $644,767 for the year ended August 31, 2025.

Commodities - Commodity assistance is reported by the Assistance Listing Number of the programs under which USDA donated the commodities identified as non-cash assistance.

3. INDIRECT COST RATE

The District did not elect to use the 10% de minimis indirect cost rate but used the indirect cost rate assigned by the Texas Education Agency.

The District accounted for federally funded indirect costs in the General Fund as follows:

Program Title	Federal Assistance Listing Number	Amount
School Breakfast Program - Cash Assistance	10.553	$ 115,454
National School Lunch Program - Cash Assistance	10.555	173,181
ESEA, Title I, Part A - Improving Basic Programs	84.010A	191,040
ESEA, Title I, 1003 ESF Focused Support Grant	84.010A	10,659
Career and Technical - Basic Grant	84.048A	7,657
Education for Homeless Children and Youth	84.196A	211
Twenty-First Century Community Learning Centers	84.287C	27,478
Title III, Part A - English Language Acquisition	84.365A	18,393
Title II, Part A - Supporting Effective Instruction	84.367A	26,207
Title IV, Part A, Student Support and Acad. Enrichm.	84.424A	15,202
Total Indirect Costs		$ 585,482

(Continued)

4. RECONCILIATIONS

Of the federal expenditures presented in Exhibit K-1, the District accounted for certain funds in the General Fund as follows:

Program Title	Federal Assistance Listing Number	Amount
School Breakfast Program - Cash Assistance	10.553	$ 4,405,137
National School Lunch Program - Cash Assistance	10.555	5,669,112
National School Lunch Prog. - Non-Cash Assistance	10.555	550,673
Child & Adult Care Food Program - Cash Assistance	10.558	461,312
NJROTC	12.000	233,929
Indirect Costs - CNP	10.XXX	288,635
Indirect Costs - Other	Various	296,847
Total Federal Expenditures Presented in Exhibit K-1		11,905,645
SHARS (not included in Exhibit K-1)		1,056,619
Total General Fund federal revenue per Exhibit C-3		$ 12,962,264

The total federal revenue presented on Exhibit K-1 can be reconciled to Exhibit C-3 as follows:

Expenditures of federal awards per Exhibit K-1	$ 21,679,568
School Health and Related Services (SHARS) reimbursements	1,056,619
Total federal revenue per Exhibit C-3	$ 22,736,187