

**WINK-LOVING INDEPENDENT SCHOOL DISTRICT**

**ANNUAL FINANCIAL REPORT**

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

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

**WINK-LOVING INDEPENDENT SCHOOL DISTRICT**

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**WINK-LOVING INDEPENDENT SCHOOL DISTRICT**

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CERTIFICATE OF BOARD

Wink-Loving Independent School District  
Name of School District

Winkler  
County

248-902  
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 17<sup>th</sup> day of November, 2025.

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

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

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

**FINANCIAL SECTION**

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

CERTIFIED PUBLIC ACCOUNTANTS

PHONE: (806) 747-3806

FAX: (806) 747-3815

8215 NASHVILLE AVENUE

LUBBOCK, TEXAS 79423-1954

**Independent Auditor's Report**

**UNMODIFIED OPINIONS ON THE BASIC FINANCIAL STATEMENTS**

Board of School Trustees  
Wink-Loving Independent School District  
Wink, Texas

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

***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wink-Loving Independent School District (the District), as of and for the year ended August 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

***Basis for Opinions***

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

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

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

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

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

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

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

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

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

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

GAAP requires that the management's discussion and analysis on pages 4-11, budgetary comparison information on page 53, and the pension and other post-employment benefit (OPEB) related information on pages 54-58 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 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 financial statements for non-major funds and internal service funds 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 financial statements are fairly stated, in all material aspects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the required Texas Education Agency (TEA) schedules but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Bolinger, Segars, Gilbert & Moss LLP*

Certified Public Accountants

Lubbock, Texas

October 24, 2025

## **WINK-LOVING INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **INTRODUCTION**

Our discussion and analysis of the Wink-Loving Independent School District (the District) provides an overview of the District's financial performance for the year ended August 31, 2025. It should be read in conjunction with the District's Basic Financial Statements and Independent Auditor's Report.

The Management's Discussion and Analysis (MD&A) is an element of the financial reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

### **FINANCIAL HIGHLIGHTS**

- The net position of the District increased by \$49,588,645. The District's Statement of Activities shows total revenues of \$192,140,240, and expenses totaled \$142,551,595.
- The District ended the year, August 31, 2025, with total net position of \$326,852,240, including unrestricted net position of \$129,135,836. The balance of cash and investments at August 31, 2025, was \$209,045,095.
- Total government-wide expenses decreased \$14,037,470 from 2023-24 to 2024-25. Most of the decrease is due to the decrease in recapture paid to the state.
- The District's total revenues on the Statement of Activities decreased \$31,308,882 from 2023-24 to 2024-25. Most of this decrease is due to the decreased property tax revenue.
- The District made principal payments on bonds of \$1,575,000 during the year ended August 31, 2025. The District also defeased bonds in the amount of \$25,375,000. In addition, the District issued bonds amounting to \$58,530,000 during the year. Bonds payable at August 31, 2025 total \$58,530,000. This compares to a balance of \$26,950,000 in 2024.
- Total general fund expenditures were \$145,974,674 for the year ended August 31, 2025. This compares with general fund expenditures of \$155,437,514 for the year ended August 31, 2024. This decrease is described above in the analysis of government-wide expenses.
- The District's general fund balance increased by \$129,753,626 during 2024-25.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District as a whole and then proceed to provide an increasingly detailed look at specific financial activities.

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short-term as well as what resources remain for future spending. They reflect the flow of current financial resources and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how the services of the District were sold to departments within the District. The fiduciary statements provide financial information about activities for which the District acts solely as a trustee.

The notes to the financial statements provide narrative explanations and additional data needed for full disclosure in the government-wide statements and the fund financial statements.

The combining statements for non-major funds and internal service funds contain information about the District's individual non-major funds. The sections labeled TEA Required Schedules contain data used by monitoring or regulatory agencies for assurance that the District is using funds supplied in compliance with the terms of grants.

## **Reporting the District as a Whole**

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

The analysis of the District's overall financial condition and operations is presented in the Statement of Net Position and the Statement of Activities. Its primary purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the District's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These statements apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The District's revenues are divided into those provided by outside parties who share the costs of some programs, such as tuition received from students from outside the district and grants provided by the U.S. Department of Education to assist children with disabilities or from disadvantaged backgrounds (program revenues), and revenues provided by the taxpayers or by TEA in equalization funding processes (general revenues). All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the District's net position and changes in them. The District's net position (the difference between assets and liabilities) provide one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider nonfinancial factors as well, such as changes in the District's average daily attendance or its property tax base and the condition of the District's facilities.

In the Statement of Net Position and the Statement of Activities, the District is reporting its governmental activities. The District currently has no business-type activities or component units as defined in the GASB Statement No. 34.

- Governmental activities – All of the District's basic services are reported here, including the instruction, counseling, co-curricular activities, food services, transportation, maintenance, community services, and general administration. Property taxes, tuition, fees, and state and federal grants finance most of these activities.

## **Reporting the District's Most Significant Funds**

### ***Fund Financial Statements***

The fund financial statements provide detailed information about the most significant funds—not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received from the U.S. Department of Education through TEA. The District's administration establishes many other funds to help it control and manage money for particular purposes.

The District's three fund types – governmental, proprietary, and fiduciary – use different accounting approaches.

- Governmental funds – Most of the District's basic services are included in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following the fund financial statements.
- Proprietary funds – The District reports the activities for which it charges users (other units of the District) in proprietary funds using the same accounting methods employed in the Statement of Net Position and the Statement of Activities. The internal service funds (the District's only category of proprietary funds) report activities that provide workers' compensation and medical insurance coverage to the District's other programs and activities.
- Fiduciary funds – The District is the trustee, or fiduciary, for money raised by student activities. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. We exclude these activities from the government-wide financial statements because the District cannot use these assets to finance its operations.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The District's net position increased during the year ended August 31, 2025, by \$49,588,645 (see Table II). 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 – increased \$23,058,178 from \$106,077,658 in 2024 to \$129,135,836 in 2025.

Our analysis focuses on the net position (Table I) and changes in net position (Table II) of the District's governmental and business-type activities.

**Table I**  
**Wink-Loving Independent School District**  
**Net Position**

	August 31,	
	2025	2024
Cash and Current Investments	\$ 209,045,095	\$ 176,531,024
Receivables and Other Current Assets	3,443,345	4,753,299
Capital Assets, Net of Accumulated Depreciation	186,367,749	136,534,599
Total Assets	\$ 398,856,189	\$ 317,818,922
Deferred Outflows of Resources	\$ 985,295	\$ 1,107,564
Current Liabilities	\$ 6,692,320	\$ 8,756,257
Unearned Revenues	564,072	
Long-Term Liabilities	63,773,560	30,581,473
Total Liabilities	\$ 71,029,952	\$ 39,337,730
Deferred Inflows of Resources	\$ 1,959,292	\$ 2,325,161
<b>Net Position</b>		
Net Investment in Capital Assets	\$ 182,306,092	\$ 156,048,402
Restricted for Debt Service	6,260,376	7,931,151
Restricted for Capital Projects	9,149,936	7,206,384
Unrestricted Net Position	129,135,836	106,077,658
Total Net Position	\$ 326,852,240	\$ 277,263,595

Factors impacting the District’s financial position include the following:

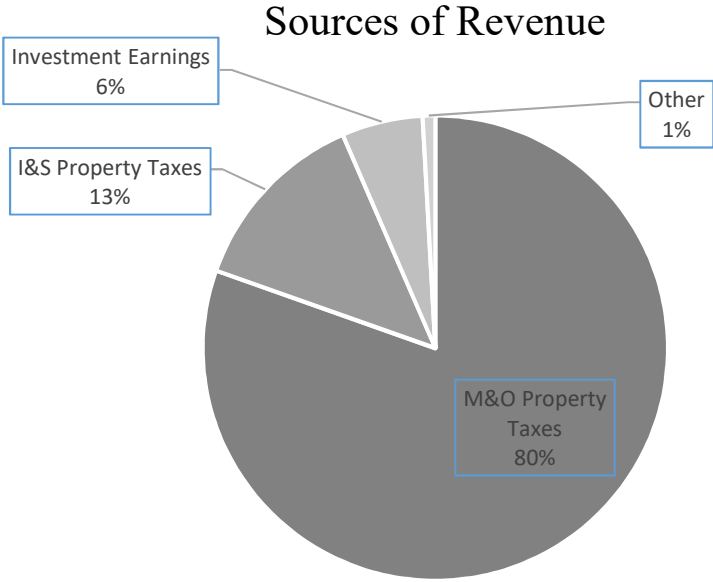
- The District’s appraised valuation of taxable property subject to M&O taxes decreased from \$23,220,374,227 to \$22,372,894,967, a decrease of 3.8%. The total school property taxes assessed for school year 2025 was \$181,876,503. This is a decrease of \$15,745,418 from the \$197,621,921 assessed in 2024.

Total tax collections for 2025 were \$183,882,428 (101.1% of the current year levy). The tax collections for 2024 were \$212,155,028 (107.4% of that year’s levy).

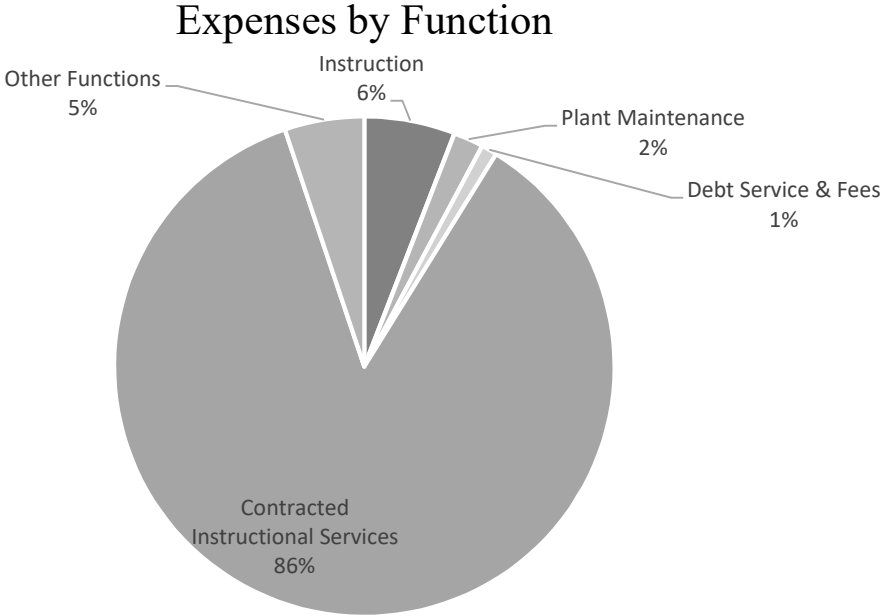
**Table II**  
**Wink-Loving Independent School District**  
**Changes in Net Position**

	August 31,	
	2025	2024
Revenues:		
Program Revenues:		
Charges For Services	\$ 265,922	\$ 224,281
Operating Grants and Contributions	493,170	1,050,002
General Revenues:		
Maintenance and Operations Taxes	158,829,490	169,918,787
Debt Service Taxes	25,821,601	36,876,250
State Aid - Formula Grants	415,672	1,419,696
Investment Earnings	11,112,681	13,057,531
Miscellaneous	921,415	902,575
Capital Assets Transferred	(5,719,711)	
Total Revenues	<u>\$ 192,140,240</u>	<u>\$ 223,449,122</u>
Expenses:		
Instruction	\$ 8,373,132	\$ 7,862,369
Instructional Resources and Media Services	144,092	136,573
Curriculum and Instructional Staff Development	34,050	54,588
Instructional Leadership	274,630	235,299
School Leadership	627,889	502,265
Guidance, Counseling, and Evaluation Services	266,041	144,483
Health Services	139,549	121,569
Student Transportation	404,669	299,017
Food Services	742,353	643,038
Co-Curricular / Extracurricular Activities	1,882,551	1,796,273
General Administration	1,227,288	1,149,072
Plant Maintenance and Operations	2,758,139	2,748,408
Security and Monitoring	203,608	212,857
Debt Service - Interest and Fees	1,454,858	1,325,523
Contracted Instructional Services Between Schools	122,628,143	137,926,223
Other Intergovernmental Charges	1,390,603	1,431,508
Total Expenses	<u>\$ 142,551,595</u>	<u>\$ 156,589,065</u>
Increase in Net Position	<u>\$ 49,588,645</u>	<u>\$ 66,860,057</u>

Sources of Revenue for the 2024-25 year consisted of the following:



Expenses by function are as follows:



## Fund Balances

The District's total Governmental Funds fund balance is \$201,951,639. This fund balance is reported in the various Governmental funds as follows:

**General Fund:** \$129,753,626 – Of this balance, \$81,500,000 is committed for future construction and equipment purchases and other expenditures. The remaining balance is available for current spending; however, it has been the practice of the District to try and maintain a fund balance that is at least several months operating expenses. The balance in the General Fund in 2024 was \$106,893,665.

**Debt Service Fund:** \$5,764,771 – This balance is restricted for extinguishing of long-term debt. The fund balance restricted for Debt Service in 2024 was \$7,361,641.

**Capital Projects Fund:** \$66,377,136 – This balance is restricted for capital acquisition and represents the unspent bond proceeds for the project. The fund balance restricted for Capital Acquisition in 2024 was \$54,827,757.

**Campus Activity Funds:** \$56,106 – This balance is assigned for use by campus activity groups.

**Table III**  
**Wink-Loving Independent School District**  
**Governmental Funds - Fund Balances**

	General Fund	Debt Service Fund	Capital Projects Fund	Other Funds	Totals
Restricted for:					
Retirement of Long-Term Debt	\$	\$ 5,764,771	\$	\$	\$ 5,764,771
Capital Acquisition and Contractual Obligations			66,377,136		66,377,136
Committed for:					
Construction	50,000,000				50,000,000
Equipment	1,000,000				1,000,000
Other	30,500,000				30,500,000
Assigned for:					
Campus Activity Funds				56,106	56,106
Unassigned	48,253,626				48,253,626
Total Fund Balances	<u>\$ 129,753,626</u>	<u>\$ 5,764,771</u>	<u>\$ 66,377,136</u>	<u>\$ 56,106</u>	<u>\$ 201,951,639</u>

## Budgetary Highlights

Over the course of the year, the Board of Trustees revised the District's budget several times. These budget amendments were necessary to reflect the revised estimates of revenues and expenses.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At August 31, 2025, the District has \$186,367,749 of capital assets, net of accumulated depreciation. Financial statement Footnote No. 6 discloses the capital asset activity of the District for the year ended August 31, 2025.

### Debt

At August 31, 2025, the District's long-term debt included \$58,530,000 in bonds payable, \$2,060,927 in unamortized bond premiums, and \$201,552 in accrued leave liability. Interest and Sinking property taxes will fund these debt service payments. Financial statement Footnote No. 9 discloses the debt activity of the District for the year ended August 31, 2025.

### **FACTORS BEARING ON THE DISTRICT'S FUTURE**

The District's elected and appointed officials considered many factors when setting the 2024-2025 fiscal year budget and tax rates. Among the factors considered is the economy, the District's population growth during the past few years, employment issues, property values, decisions before the Texas Legislature concerning state funding, and available grants from various agencies.

In the 2025-2026 budget, amounts available for appropriation in the General Fund budget are \$146,919,083, an increase of less than 1% over the adopted 2024-2025 budget of \$146,084,039. Budgeted expenditures are \$143,443,946, a decrease of about 6% as compared to the adopted 2024-2025 budget of \$152,704,018. Most of this decrease in expected revenue is due to expected decreases in property taxes received. Expenditures are expected to decrease with expected decrease in recapture payments. For normal district operations, the District has added no new major programs or initiatives to the 2025-2026 budget.

The property values of the District remain volatile due to the oil and gas activity in Winkler and Loving Counties. The taxes assessed on these property values affects the amount of money received from the state as well as the amount of recapture the District must pay in a year.

### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, 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, contact the District's business office, at Wink-Loving Independent School District, P.O. Box 637, Wink, Texas 79789.

**BASIC FINANCIAL STATEMENTS**

WINK-LOVING INDEPENDENT SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION  
AUGUST 31, 2025

<u>Data Control Codes</u>		<u>Primary Governmental Activities</u>
	ASSETS AND OTHER DEBITS:	
1110	Cash	\$ 9,294,992
1120	Current Investments	199,750,103
1220	Property Taxes - Delinquent	3,243,738
1230	Allowance for Uncollectible Taxes	(41,319)
1240	Due from Other Governments	197,992
1250	Accrued Interest	35,559
1267	Due from Fiduciary Funds	1,142
1490	Other Current Assets	6,233
	Capital Assets:	
1510	Land	1,628,352
1520	Buildings, Net	98,759,787
1530	Vehicles and Equipment, Net	3,701,044
1580	Construction in Progress	<u>82,278,566</u>
1000	Total Assets	<u>\$ 398,856,189</u>
	DEFERRED OUTFLOWS OF RESOURCES:	
1702	Deferred Outflows - Loss on Bond Defeasance	\$ 34,468
1705	Deferred Outflows Related to Pension Liability	370,294
1706	Deferred Outflows Related to OPEB Liability	<u>580,533</u>
	Total Deferred Outflows of Resources	<u>\$ 985,295</u>
	LIABILITIES:	
2110	Accounts Payable	\$ 6,026,327
2141	Accrued Interest Payable	117,873
2160	Accrued Wages Payable	426,944
2180	Due to Other Governments	117,656
2190	Due to Student Groups	3,520
2300	Unearned Revenue	564,072
	Noncurrent Liabilities:	
2501	Due Within One Year	4,715,000
2502	Due in More Than One Year	54,016,552
2516	Premium on Issuance of Bonds	2,060,927
2540	Net Pension Liability	1,705,769
2545	Net OPEB Liability	<u>1,275,312</u>
2000	Total Liabilities	<u>\$ 71,029,952</u>
	DEFERRED INFLOWS OF RESOURCES:	
2602	Deferred Inflows - Gain from Debt Refunding	\$ 671,520
2605	Deferred Inflows Related to Pension Liability	130,269
2606	Deferred Inflows Related to OPEB Liability	<u>1,157,503</u>
	Total Deferred Inflows of Resources	<u>\$ 1,959,292</u>
	NET POSITION:	
3200	Net Investment in Capital Assets	\$ 182,306,092
3850	Restricted for Debt Service	6,260,376
3860	Restricted for Capital Projects	9,149,936
3900	Unrestricted Net Position	<u>129,135,836</u>
3000	Total Net Position	<u>\$ 326,852,240</u>

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

WINK-LOVING INDEPENDENT SCHOOL DISTRICT

Exhibit B-1

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes	1	Program Revenues		Net (Expense)	
		3	4	Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Total Governmental Activities	
11	Instruction	\$ 8,373,132	\$	\$ 144,656	\$ (8,228,476)
12	Instructional Resources and Media Services	144,092		2,055	(142,037)
13	Curriculum and Staff Development	34,050			(34,050)
21	Instructional Leadership	274,630		85,368	(189,262)
23	School Leadership	627,889		(10,725)	(638,614)
31	Guidance, Counseling, and Evaluation Services	266,041		(443)	(266,484)
33	Health Services	139,549		2,178	(137,371)
34	Student Transportation	404,669		(374)	(405,043)
35	Food Services	742,353	17,622	(4,232)	(728,963)
36	Extracurricular Activities	1,882,551	121,570	(17,192)	(1,778,173)
41	General Administration	1,227,288		(12,292)	(1,239,580)
51	Plant Maintenance and Operations	2,758,139	126,730	284,898	(2,346,511)
52	Security and Monitoring Services	203,608		18,805	(184,803)
72	Debt Service - Interest	845,479		468	(845,011)
73	Bond Issuance Costs and Fees	609,379			(609,379)
91	Contracted Instructional Services Between Schools	122,628,143			(122,628,143)
99	Other Intergovernmental Charges	1,390,603			(1,390,603)
TP	Total Primary Government	\$ <u>142,551,595</u>	\$ <u>265,922</u>	\$ <u>493,170</u>	\$ <u>(141,792,503)</u>

Data Control Codes	General Revenues:		
MT	Property Taxes, Levied for General Purposes		\$ 158,829,490
DT	Property Taxes, Levied for Debt Service		25,821,601
SF	State Aid - Formula Grants		415,672
IE	Investment Earnings		11,112,681
MI	Miscellaneous Local and Intermediate Revenue		921,415
S1	Capital Assets Transferred		<u>(5,719,711)</u>
TR	Total General Revenues, Special Items, and Transfers		\$ <u>191,381,148</u>
CN	Change in Net Position		\$ 49,588,645
NB	Net Position - Beginning		<u>277,263,595</u>
NE	Net Position - Ending		\$ <u><u>326,852,240</u></u>

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

WINK-LOVING INDEPENDENT SCHOOL DISTRICT

Exhibit C-1

BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2025

Data Control Codes	Major Funds			Non-Major Governmental Funds	98 Total Governmental Funds
	10 General Fund	50 Debt Service Fund	60 Capital Projects Fund		
<b>ASSETS AND OTHER DEBITS:</b>					
1110	Cash and Temporary Investments	\$ 7,709,892	\$ 1,322,412	\$ 56,106	\$ 9,088,410
1120	Investments	123,569,319	4,686,877	71,493,907	199,750,103
1220	Property Taxes - Delinquent	2,746,040	497,698		3,243,738
1230	Allowance for Uncollectible Taxes	(39,226)	(2,093)		(41,319)
1240	Due from Other Governments			197,992	197,992
1250	Accrued Interest	35,559			35,559
1260	Due from Other Funds	454,371			454,371
1490	Other Current Assets	6,233			6,233
1000	Total Assets	<u>\$ 134,482,188</u>	<u>\$ 6,504,894</u>	<u>\$ 254,098</u>	<u>\$ 212,735,087</u>
<b>LIABILITIES:</b>					
2110	Accounts Payable	\$ 909,556	\$	\$ 5,116,771	\$ 6,026,327
2160	Accrued Wages Payable	426,944			426,944
2170	Due to Other Funds		244,518	197,992	442,510
2180	Due to Other Governments	117,656			117,656
2190	Due to Student Groups	3,520			3,520
2300	Unearned Revenues	564,072			564,072
2000	Total Liabilities	<u>\$ 2,021,748</u>	<u>\$ 244,518</u>	<u>\$ 197,992</u>	<u>\$ 7,581,029</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
2601	Unavailable Revenue - Property Taxes	\$ 2,706,814	\$ 495,605	\$ 0	\$ 3,202,419
2600	Total Deferred Inflows	<u>\$ 2,706,814</u>	<u>\$ 495,605</u>	<u>\$ 0</u>	<u>\$ 3,202,419</u>
<b>FUND BALANCES:</b>					
Restricted for:					
3470	Capital Acquisition and Contractual Obligations	\$	\$	\$ 66,377,136	\$ 66,377,136
3480	Retirement of Long-Term Debt		5,764,771		5,764,771
Committed for:					
3510	Construction	50,000,000			50,000,000
3530	Capital Expenditures for Equipment	1,000,000			1,000,000
3545	Other	30,500,000			30,500,000
Assigned for:					
3590	Campus Activity Funds			56,106	56,106
3600	Unassigned	48,253,626			48,253,626
3000	Total Fund Balances	<u>\$ 129,753,626</u>	<u>\$ 5,764,771</u>	<u>\$ 66,377,136</u>	<u>\$ 201,951,639</u>
4000	Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 134,482,188</u>	<u>\$ 6,504,894</u>	<u>\$ 254,098</u>	<u>\$ 212,735,087</u>

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

**WINK-LOVING INDEPENDENT SCHOOL DISTRICT**

**Exhibit C-2**

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

Data  
Control  
Codes

	Total Fund Balances - Governmental Funds (Exhibit C-1)	\$ 201,951,639
1	The District uses internal service funds to charge the costs of certain activities, such as 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.	195,863
2	General capital assets are not financial resources and are not reported in the fund financial statements. This amount is the cost, net of accumulated depreciation, of the District's general capital assets.	186,367,749
3	Long-term liabilities (e.g., bonds, compensated absences, etc.) do not require current financial resources and are not reported in the funds. This amount is the District's total long-term liabilities.	(58,731,552)
4	Governmental funds report the effect of debt premiums, discounts, and similar items when the debt is issued; these amounts are recorded as an asset in the Statement of Net Position and amortized over the life of the related debt. This amount is the net effect of these differences.	(2,060,927)
5	The District recognized a financial gain or loss when refunding of bonds for purposes of the government-wide financial statements. This balance of this net unamortized loss resulted in a decrease to net position.	(637,052)
6	A liability for accrued interest on long-term debt is not recognized on the fund financial statement, but it is included on the government-wide financial statement. The net effect of including this liability is to decrease net position.	(117,873)
8	Included in the items related to debt is the recognition of the District's proportionate share of the net pension liabilities required by GASB 68, a deferred resource inflow, and a deferred resource outflow. This amounted to a decrease in net position.	(1,465,744)
9	Included in the items related to debt is the recognition of the District's proportionate share of the net post employment obligation liabilities required by GASB 75, a deferred resource inflow, and a deferred resource outflow. This amounted to a decrease in net position.	(1,852,282)
10	Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue and eliminating interfund transactions. The net effect of these reclassifications and recognitions is to increase net position.	<u>3,202,419</u>
29	Total Net Position of Governmental Activities (Exhibit A-1)	<u>\$ 326,852,240</u>

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

WINK-LOVING INDEPENDENT SCHOOL DISTRICT

Exhibit C-3

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

Data Control Codes	Major Funds			Non-Major Governmental Funds	98 Total Governmental Funds	
	10 General Fund	50 Debt Service Fund	60 Capital Projects Fund			
Revenues:						
5700	Local and Intermediate Sources	\$ 168,417,105	\$ 26,706,052	\$ 1,943,552	\$ 48,713	\$ 197,115,422
5800	State Program Revenues	932,154	468		38,908	971,530
5900	Federal Program Revenues				211,988	211,988
5020	Total Revenues	\$ 169,349,259	\$ 26,706,520	\$ 1,943,552	\$ 299,609	\$ 198,298,940
Expenditures:						
0011	Instruction	\$ 6,093,847			\$ 137,750	\$ 6,231,597
0012	Instructional Resources and Media Services	104,720				104,720
0013	Curriculum and Staff Development	24,514				24,514
0021	Instructional Leadership	115,118			91,587	206,705
0023	School Leadership	469,756				469,756
0031	Guidance, Counseling, and Evaluation Services	195,795				195,795
0033	Health Services	102,759				102,759
0034	Student Transportation	565,953				565,953
0035	Food Services	534,354				534,354
0036	Extracurricular Activities	1,361,515			35,240	1,396,755
0041	General Administration	894,431		17,508		911,939
0051	Plant Maintenance and Operations	2,036,483				2,036,483
0052	Security and Monitoring Services	142,543			21,559	164,102
0071	Debt Service - Principal		1,575,000			1,575,000
0072	Debt Service - Interest		725,746			725,746
0073	Debt Service - Bond Issuance Cost and Fees		12,055	597,324		609,379
0081	Facilities Acquisition and Construction	9,314,140		50,376,665		59,690,805
0091	Contracted Instructional Services Between Public Schools	122,628,143				122,628,143
0099	Other Intergovernmental Charges	1,390,603				1,390,603
6030	Total Expenditures	\$ 145,974,674	\$ 2,312,801	\$ 50,991,497	\$ 286,136	\$ 199,565,108
1100	Excess (Deficiency) of Revenues Under Expenditures	\$ 23,374,585	\$ 24,393,719	\$ (49,047,945)	\$ 13,473	\$ (1,266,168)
Other Financing Sources (Uses):						
7911	Capital Related Debt Issued	\$	\$	\$ 58,530,000	\$	\$ 58,530,000
7916	Premium on Issuance of Bonds			2,067,324		2,067,324
8911	Transfers Out (Use)	(170,000)				(170,000)
8949	Other (Uses)	(344,624)	(25,990,589)			(26,335,213)
7080	Total Other Financing Sources (Uses)	\$ (514,624)	\$ (25,990,589)	\$ 60,597,324	\$ 0	\$ 34,092,111
1200	Net Change in Fund Balance	\$ 22,859,961	\$ (1,596,870)	\$ 11,549,379	\$ 13,473	\$ 32,825,943
0100	September 1 - Fund Balance	106,893,665	7,361,641	54,827,757	42,633	169,125,696
3000	August 31 - Fund Balance	\$ 129,753,626	\$ 5,764,771	\$ 66,377,136	\$ 56,106	\$ 201,951,639

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

WINK-LOVING INDEPENDENT SCHOOL DISTRICT

Exhibit C-4

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

Net Change in Fund Balance - Total Governmental Funds (Exhibit C-3) \$ 32,825,943

Amounts reported for governmental activities in the Statement of Activities (Exhibit B-1) are different because:

Internal service funds are used by management to charge the costs of certain activities, such as workers' compensation, to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities (Exhibit D-2). 82,730

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (net of transfers) exceeded depreciation in the current period. 49,996,431

Net gain or loss on retirement of fixed assets is not reported in governmental funds. The effect of including a net loss from retirement of fixed assets is to decrease net position. (163,281)

Property tax revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (143,813)

Bond proceeds and related premiums are recognized as other financing sources in the governmental funds. These are additions to long-term liabilities on the government-wide financial statement. The net effect of including these bond proceeds as a liability is to decrease the change in net position. (60,597,324)

A liability for accrued interest on long-term debt is not recognized on the fund financial statement, but it is included on the government-wide financial statement. The net effect of including the change in this liability is to decrease the change in net position. (60,878)

A liability for compensated absences is not recognized on the fund financial statement, but it is included on the government-wide financial statement. The net effect of including the change in this liability is to increase the change in net position. 1,758

Repayment of the bonds and other long-term debt principal of \$1,516,145 is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, amortizations of bond premiums and gain on refunding amounted to \$130,344 and (\$189,199), respectively. 1,516,145

In addition, the payment to escrow for the bond defeasance is recognized as an other financing use in the governmental funds, but reduces long-term liabilities in the Statement of Net Position. 25,990,589

GASB 68 and 75 required that certain expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of August 31, 2025 are recognized as deferred outflows. The District's share of the unrecognized deferred inflows and outflows as of the measurement date had to be amortized. The impact of these transactions is to decrease the change in net position. 140,345

Change in Net Position of Governmental Activities (Exhibit B-1) \$ 49,588,645

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

WINK-LOVING INDEPENDENT SCHOOL DISTRICT

Exhibit D-1

STATEMENT OF NET POSITION  
PROPRIETARY FUND  
AUGUST 31, 2025

	<u>Governmental Activities Internal Service Fund</u>
ASSETS:	
Cash and Temporary Investments	\$ <u>206,582</u>
Total Assets	\$ <u>206,582</u>
LIABILITIES:	
Due to Other Funds	\$ <u>10,719</u>
NET POSITION:	
Unrestricted Net Position	\$ <u><u>195,863</u></u>

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

WINK-LOVING INDEPENDENT SCHOOL DISTRICT

Exhibit D-2

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

	Governmental Activities <u>Internal Service Fund</u>
OPERATING REVENUES:	
Employer Contributions	\$ 878,309
Employee Contributions	208,011
Interest Income	472
Total Revenues	<u>\$ 1,086,792</u>
OPERATING EXPENSES:	
Fixed Costs and Insurance Premiums	\$ 1,164,275
Claims Paid	9,787
Total Expenses	<u>\$ 1,174,062</u>
Income (Loss) Before Transfers	\$ (87,270)
Transfers In	<u>170,000</u>
Change in Net Position	\$ 82,730
Net Position - September 1 (Beginning)	<u>113,133</u>
Net Position - August 31 (Ending)	<u><u>\$ 195,863</u></u>

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

WINK-LOVING INDEPENDENT SCHOOL DISTRICT

Exhibit D-3

STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED AUGUST 31, 2025

	<u>Governmental Activities Internal Service Fund</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	
Cash Flows from Operating Activities	
Cash Receipts from Charges to Other Funds	\$ 878,309
Cash Receipts from Transfers from Other Funds	170,000
Cash Receipts from Employees	208,011
Interest Income	472
Cash Payments to Suppliers for Services	<u>(1,174,062)</u>
Net Cash From Operating Activities	<u>\$ 82,730</u>
Net Change in Cash and Cash Equivalents	\$ 82,730
Cash and Cash Equivalents at Beginning of the Year	<u>123,852</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 206,582</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES	
Operating Income	<u>\$ 82,730</u>
Net Cash From Operating Activities	<u><u>\$ 82,730</u></u>

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

WINK-LOVING INDEPENDENT SCHOOL DISTRICT

Exhibit E-1

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
AUGUST 31, 2025

	<u>Private Purpose Trust Funds</u>	<u>Custodial Funds</u>
ASSETS:		
Cash and Temporary Investments	\$	\$ 108,199
Restricted Assets	<u>42,324</u>	<u>                    </u>
Total Assets	<u>\$ 42,324</u>	<u>\$ 108,199</u>
LIABILITIES:		
Accounts Payable	\$	\$ 2,255
Due to Other Funds	<u>                    </u>	<u>1,142</u>
Total Liabilities	<u>\$ 0</u>	<u>\$ 3,397</u>
NET POSITION:		
Restricted Net Position	<u>\$ 42,324</u>	<u>\$ 104,802</u>

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

WINK-LOVING INDEPENDENT SCHOOL DISTRICT

Exhibit E-2

STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION  
FIDUCIARY FUND  
AUGUST 31, 2025

	<u>Private Purpose Trust Funds</u>	<u>Custodial Funds</u>
ADDITIONS:		
Interest Income	\$ 694	\$
Fundraising Income		<u>67,746</u>
Total Additions	<u>\$ 694</u>	<u>\$ 67,746</u>
DEDUCTIONS:		
Student Activities	\$	<u>46,663</u>
Total Deductions	<u>\$ 0</u>	<u>\$ 46,663</u>
Change in Net Position	\$ 694	\$ 21,083
Net Position - September 1 (Beginning)	<u>41,630</u>	<u>83,719</u>
Net Position - August 31 (Ending)	<u><u>\$ 42,324</u></u>	<u><u>\$ 104,802</u></u>

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

**WINK-LOVING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. REPORTING ENTITY**

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

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

**B. BASIS OF ACCOUNTING AND PRESENTATION**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The Statement of Net Position and the Statement of Activities display information about the government-wide entity as a whole. These statements report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, state foundation funds, grants, and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support (i.e., internal service funds are considered governmental activities and not business-type activities). The District currently has no business-type activities.

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

**WINK-LOVING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

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

The Statement of Activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of the direct costs. The “charges for services” column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the District. Examples include tuition paid by students not residing in the District, school lunch charges, etc. The “grants and contributions” column includes amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. Examples include grants under the Elementary and Secondary Education Act. Some functions show a negative amount in the “grants and contributions” because of the effect of adjustments related to the other post-employment benefit liability. If a revenue is not a program revenue, it is a general revenue used to support all of the District’s functions. Taxes are always general revenues.

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

Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/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 funds and internal service funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to/due from on the government-wide Statement of Activities.

**FUND FINANCIAL STATEMENTS**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available.

**WINK-LOVING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

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

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

In the fund financial statements, governmental fund types recognize bond issue costs in the current period. The face amount of the debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The proprietary fund and the fiduciary fund financial statements were reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The District applies all GASB pronouncements, as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements.

Propriety funds distinguish operating revenues and expenses from non-operating items. Operating revenues result from providing goods and services in connection with a propriety fund's principal ongoing operations, they usually come from exchange or exchange-like transactions. Interest income earned on the operating cash account is considered to be operating revenue. All other revenues are non-operating.

Custodial Funds utilize the accrual basis of accounting.

**GOVERNMENTAL FUND TYPES**

The District reports the following major governmental funds:

**General Fund** – This fund is established to account for resources used for general operations. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. This is a budgeted fund and unassigned fund balances are considered resources available for current operations. The food service fund is included as a separate component of the general fund and has its own budget.

**WINK-LOVING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

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

**Capital Projects Fund** – This governmental fund is established to account for proceeds, on a modified accrual basis, from the sale of bonds and other resources to be used for the Board authorized acquisition, construction, or renovation, as well as, furnishing and equipping of major capital facilities. Upon completion of a project, any unused bond proceeds are transferred to the debt service fund and are used to retire related bond principal.

Additionally, the government reports the following governmental fund types:

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

**PROPRIETARY FUND TYPES**

**Internal Service Funds** – Internal service funds are used to account for revenues and expenses related to services provided to parties inside the District, specifically for the operation of the District's partially self-funded insurance plans for workers' compensation and medical insurance on a cost-reimbursement basis.

**FIDUCIARY FUND TYPES**

**Private Purpose Trust Fund** – The District accounts for donations for which the donor has stipulated may be used for purposes that benefit parties outside the District. The District's Private Purpose trust fund is a scholarship fund, with annual scholarships to be awarded to past students of the District in accordance with donor stipulations.

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

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

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

**WINK-LOVING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

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

Supplies and materials are debited as expenditures when purchased.

It is the District's policy to permit some employees to accumulate earned but unused vacation and sick leave benefits. The vacation leave is paid upon termination, but sick leave is not. The District has reevaluated the estimated liability resulting from their current leave policies to align with Government Accounting Standards Board Statement 101 - *Compensated Absences*. The District's estimated long-term liability related to compensated absences is recognized in the government-wide financial statements.

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.

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

In accordance with the FASRG, the District has adopted and installed an accounting system which exceeds the minimum requirements prescribed by the State Board of Education and approved by the State Auditor. Specifically, the District's accounting system uses codes and the code structure presented in the Accounting Code Section of the FASRG. Mandatory codes are utilized in the form provided in that section.

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

**D. BUDGETARY DATA**

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

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

- a. Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.

**WINK-LOVING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

- b. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least 10 days public notice of the meeting must be given.
- c. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board.

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

**E. ENCUMBRANCE ACCOUNTING**

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

**F. FUND EQUITY**

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

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

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

Assigned – Amounts that can be used for a specific purpose as expressed by the authorized administrator, the Superintendent.

Unassigned – Amounts not included in other spendable classifications.

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

**WINK-LOVING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

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

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

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

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

Restricted for Capital Projects – this component of net position represents additional funds in the Capital Projects Fund that consists of assets with legal constraints on their use.

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

**H. PENSIONS**

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

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

The fiduciary net position of the Texas Public School Retired Employees Group Insurance Program (TRS Care) 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 a pay-as-you-go plan and all cash is held in a cash account.

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

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

WINK-LOVING INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

**K. CASH AND CASH EQUIVALENTS – PROPRIETARY FUNDS**

For purposes of the Statement of Cash Flows for proprietary 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. DEPOSITS AND INVESTMENTS**

Legal and Contractual Provisions Governing Deposits and Investments

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

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

Policies Governing Deposits and Investments

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

- a. Custodial Credit Risk – Deposits and Investments: In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits and investments may not be returned to it. The District's policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits and investments, other than the following: The State of Texas requires that a financial institution secure deposits and investments made by state or local governments by pledging securities in excess of the highest cash balance of the government.

**WINK-LOVING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

The District is not exposed to custodial credit risk because its deposits are all covered by depository insurance and pledged securities held by a third party in the District’s name.

- b. Concentration of Credit Risk – The investment policy of the District contains no limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent five percent or more of the total entity investments represent a concentration risk. At August 31, 2025, all of the Districts investments are in external investment pools, and as such the District has no risk.
- c. Credit Risk – The risk that an issuer of other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At August 31, 2025, the District was not significantly exposed to credit risk.
- d. Interest Rate Risk – Not applicable
- e. Foreign Currency Risk – Not applicable

The carrying amount of the District’s cash and current investments at August 31, 2025, are recognized or approximate fair value and consist of the following:

	<u>Amount</u>	<u>Percent</u>	<u>Maturity in Less than 1 Year</u>	<u>Credit Rating</u>
Cash on Hand	\$ 3,300	0.0%	\$ 3,300	N/A
Cash in Bank	3,355,704	1.6%	3,355,704	N/A
Money Market	6,086,511	2.9%	6,086,511	N/A
TexPool Investments	<u>199,750,103</u>	<u>95.5%</u>	<u>199,750,103</u>	AAAm
	<u>\$ 209,195,618</u>	<u>100.0%</u>	<u>\$ 209,195,618</u>	

	<u>Cash</u>	<u>Investments</u>	<u>Total</u>
Statement of Net Position	\$ 9,294,992	\$ 199,750,103	\$ 209,045,095
Statement of Fiduciary Net Position:			
Custodial Funds	108,199		108,199
Restricted Cash	<u>42,324</u>		<u>42,324</u>
	<u>\$ 9,445,515</u>	<u>\$ 199,750,103</u>	<u>\$ 209,195,618</u>

Public Funds Investment Pools

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

**WINK-LOVING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) Have an advisory board composed of participants in the Pool and other persons who do not have a business relationship with the Pool and are qualified to advise the Pool; 2) Maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and, 3) Maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

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

**3. PROPERTY TAXES**

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

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. All property taxes remaining uncollected after ten years are provided for in the allowance for uncollectible taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas legislature.

**4. DUE FROM OTHER GOVERNMENTS**

The amount due from other governments consisted of \$197,992 due from state for various special revenue fund programs at August 31, 2025.

**5. INTERFUND RECEIVABLES AND PAYABLES**

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

<u>Due to Other Funds</u>	<u>Due from Other Funds General Fund</u>
Special Revenue Funds	\$ 197,992
Debt Service Fund	244,518
Internal Service Funds	10,719
Fiduciary Funds	1,142
	<u>\$ 454,371</u>

**WINK-LOVING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

Interfund transfers are defined as a flow of assets for non-exchange transactions that have not requirement of repayment. Transfers during the year ended August 31, 2025 were to fund the Medical Insurance Internal Service Fund.

<u>Transfer In</u>	
Internal Service Funds	\$ <u>170,000</u>
<u>Transfer Out</u>	
General Fund	\$ <u>170,000</u>

**6. CAPITAL ASSETS**

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

	<u>9/1/2024</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>8/31/2025</u>
Capital Assets:					
Land	\$ 1,478,212	\$ 150,140	\$	\$	\$ 1,628,352
Building	79,825,925	23,574	(1,012,112)	36,954,105	115,791,492
Equipment/Vehicles	5,930,685	550,142	(168,650)		6,312,177
Construction Work In Progress	<u>65,067,093</u>	<u>59,540,665</u>		<u>(42,329,192)</u>	<u>82,278,566</u>
	\$ <u>152,301,915</u>	\$ <u>60,264,521</u>	\$ <u>(1,180,762)</u>	\$ <u>(5,375,087)</u>	\$ <u>206,010,587</u>
Accumulated Depreciation:					
Buildings	\$ 13,756,705	\$ 4,123,831	\$ (848,831)	\$	\$ 17,031,705
Equipment/Vehicles	<u>2,010,611</u>	<u>769,172</u>	<u>(168,650)</u>		<u>2,611,133</u>
	\$ <u>15,767,316</u>	\$ <u>4,893,003</u>	\$ <u>(1,017,481)</u>	\$ <u>0</u>	\$ <u>19,642,838</u>
Total Net Value of Capital Assets	\$ <u>136,534,599</u>	\$ <u>55,371,518</u>	\$ <u>(163,281)</u>	\$ <u>(5,375,087)</u>	\$ <u>186,367,749</u>
Salvage			<u>20,500</u>		
Other Net Loss on Retirement			\$ <u>(142,781)</u>		

Net transfers out of construction work in progress represent completed construction projects on Winkler County property that was transferred to the county to maintain.

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

Buildings and Improvements	15 – 30 years
Furniture and Equipment	5 – 20 years
Vehicles	5 – 10 years

WINK-LOVING INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Depreciation expense and net loss on sale of fixed assets was charged to functions of the primary government as follows:

	<u>Depreciation</u>	<u>Net Loss</u>
Instruction	\$ 2,355,202	\$ 68,728
Instructional Resources and Media Services	39,581	1,155
Curriculum and Instructional Staff Development	9,266	270
Instructional Leadership	78,129	2,280
School Leadership	177,554	5,181
Guidance, Counseling, and Evaluation Services	74,168	2,164
Health Services	38,840	1,133
Student Transportation	213,914	6,242
Food Services	201,971	5,894
Extracurricular Activities	527,933	15,405
General Administration	344,687	10,058
Plant Maintenance and Operations	769,732	22,461
Security and Monitoring	62,026	1,810
	<u>\$ 4,893,003</u>	<u>\$ 142,781</u>

7. DUE TO OTHER GOVERNMENTS AND UNEARNED REVENUE

Amounts due to other governments include \$117,656 due to the state for Chapter 41 property tax recapture amounts owed as of August 31, 2025.

Unearned revenue as of August 31, 2025 includes \$564,072 that represents the foundation overpayments from the state.

8. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

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

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

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Property Taxes - Delinquent	\$ 2,746,040	\$ 497,698	\$ 3,243,738
Less: Allowance for Uncollectible Taxes	39,226	2,093	41,319
Total Unavailable Tax Revenues (Exhibit C-1)	<u>\$ 2,706,814</u>	<u>\$ 495,605</u>	<u>\$ 3,202,419</u>

**WINK-LOVING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

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

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Unamortized Gain/Loss on Bond Defeasance and Bond Refunding (See Note 9)	\$ 34,468	\$ 671,520
Pension Related (See Note 11)	370,294	130,269
OPEB Related (See Note 12)	<u>580,533</u>	<u>1,157,503</u>
Deferred Outflows/Inflows (Exhibit A-1)	<u>\$ 985,295</u>	<u>\$ 1,959,292</u>

**9. LONG-TERM LIABILITIES**

Accrued Leave Liability

A liability related to the unused vacation leave that is paid upon termination is recorded as a long-term liability on the Statement of Net Position. At August 31, 2025, this amounted to \$201,552.

Bonds Payable

A summary of general obligation bonds outstanding as of August 31, 2025, is as follows:

<u>Description</u>	<u>Interest Rates</u>	<u>Amounts Originally Issued</u>	<u>Interest Paid</u>	<u>Due within 1 Year</u>
2023 Unlimited Tax School Building Bonds	5.0-5.25%	\$ 39,985,000	\$ 0	\$ 0
2024 Unlimited Tax School Building Bonds	5.0%	19,950,000	676,971	0
2025 Unlimited Tax School Building Bonds	5.0%	58,530,000	<u>48,775</u>	<u>4,715,000</u>
Total Unlimited Tax Bonds			<u>\$ 725,746</u>	<u>\$ 4,715,000</u>

A summary of changes in bonds payable for the year ended August 31, 2025, is as follows:

<u>Description</u>	<u>Amounts Outstanding 9/1/2024</u>	<u>Increases Current Year</u>	<u>Retired Current Year</u>	<u>Defeased Current Year</u>	<u>Amount Outstanding 8/31/2025</u>
2023 Unlimited Tax School Building Bonds	\$ 7,000,000	\$	\$	\$ 7,000,000	\$ 0
2024 Unlimited Tax School Building Bonds	19,950,000		1,575,000	18,375,000	0
2025 Unlimited Tax School Building Bonds		<u>58,530,000</u>			<u>58,530,000</u>
Total Unlimited Tax Bonds	<u>\$ 26,950,000</u>	<u>\$ 58,530,000</u>	<u>\$ 1,575,000</u>	<u>\$ 25,375,000</u>	<u>\$ 58,530,000</u>

**WINK-LOVING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

Accrued interest payable at year end amounted to \$117,873 and is shown as a payable on the Statement of Net Position. As of August 31, 2025, the balance of the Unamortized Bond Premiums is \$2,060,927.

In September 2018, the District issued \$49,170,000 in Unlimited Tax School Building Bonds for capital improvements. During the year ended August 31, 2021, the District extinguished this debt through an in-substance defeasance. At August 31, 2025, \$29,265,000 of defeased bond principal remains in escrow and will be retired annually from 2026 through 2032.

In June 2021, the District issued \$19,465,000 in Unlimited Tax School Building Bonds for capital improvements. During the year ended August 31, 2023, the District extinguished all of this debt, with the exception of \$1,795,000 (which was paid during the year ended August 31, 2024), through an in-substance defeasance. At August 31, 2025, \$12,425,000 of defeased bond principal remains in escrow and will be retired annually from 2026 through 2031.

In June 2022, the District issued \$19,940,000 in Unlimited Tax School Building Bonds for capital improvements. During the year ended August 31, 2025, the District extinguished this debt through an in-substance defeasance. At August 31, 2025, \$14,965,000 of defeased bond principal remains in escrow and will be retired annually from 2026 through 2032.

In August 2023, the District issued \$39,985,000 in Unlimited Tax School Building Bonds with an average interest rate of 5.0-5.25% for capital improvements. During the year ended August 31, 2024, the District extinguished all of this debt, with the exception of \$7,000,000 (which was defeased during the year ended August 31, 2025), through an in-substance defeasance. At August 31, 2025, \$33,370,000 of defeased bond principal remains in escrow and will be retired annually from 2026 through 2033. This defeasance in fiscal year 2025 resulted in an economic loss of \$254,753 that will be amortized through 2033. The cash flow gain related to this refunding is \$2,872,500 related to interest savings.

In August 2024, the District issued \$19,950,000 in Unlimited Tax School Building Bonds with an average interest rate of 5.0% for capital improvements. During the year ended August 31, 2025, the District extinguished all of this debt through an in-substance defeasance. At August 31, 2025, \$18,375,000 of defeased bond principal remains in escrow and will be retired annually from 2026 through 2034. This defeasance resulted in an economic loss of \$104,811 that will be amortized through 2034. The cash flow gain related to this refunding is \$4,228,929 related to interest savings.

The net unamortized gain from bond defeasances and refunding is \$637,052 at August 31, 2025.

WINK-LOVING INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Debt service requirements are as follows:

Fiscal Year Ending August 31,	Principal	Interest	Total
2026	\$ 4,715,000	\$ 2,711,075	\$ 7,426,075
2027	4,855,000	2,569,375	7,424,375
2028	5,105,000	2,320,375	7,425,375
2029	5,365,000	2,058,625	7,423,625
2030	5,640,000	1,783,500	7,423,500
2031-2035	32,850,000	4,270,000	37,120,000
	<u>\$ 58,530,000</u>	<u>\$ 15,712,950</u>	<u>\$ 74,242,950</u>

10. REVENUES FROM LOCAL AND INTERMEDIATE SOURCES

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

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Property Taxes, Penalties, Interest, and Other Tax-Related Income	\$ 158,899,398		\$ 25,895,506		\$ 184,794,904
Food Sales	17,622				17,622
Interest Income	8,358,584		810,546	1,943,552	11,112,682
Co-Curricular Student Activities	55,235	48,713			103,948
Rental Income	126,730				126,730
Chapter 313 Revenue	693,674				693,674
Other	265,862				265,862
	<u>\$ 168,417,105</u>	<u>\$ 48,713</u>	<u>\$ 26,706,052</u>	<u>\$ 1,943,552</u>	<u>\$ 197,115,422</u>

11. DEFINED BENEFIT PENSION PLAN

Plan Description

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

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

WINK-LOVING INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Pension Plan Fiduciary Net Position

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

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

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

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3% (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with five years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with five years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic cost of living adjustments (COLA). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above. Accordingly, the 2023 Texas Legislature passed Senate Bill (SB) 10 and House Joint Resolution (HJR) 2 to provide eligible retirees with a one-time stipend and an ad hoc COLA.

One-Time Stipends – Stipends, regardless of annuity amount, were paid in September 2023 to annuitants who met the qualifying age requirement on or before August 31, 2023:

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

**WINK-LOVING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

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

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

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

**Contributions**

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

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

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

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

**WINK-LOVING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

	TRS Plan Year	
	2024	2025
Employer Contributions	\$ 156,024	\$ 173,851
Member Contributions	419,534	473,360
NECE On-Behalf Contributions	346,980	

	District Fiscal Year	
	2024	2025
Employer Contributions	\$ 156,024	\$ 173,851
Member Contributions	419,534	473,360

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

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

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.

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

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

**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.

**WINK-LOVING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

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

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

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

Valuation Date	August 31, 2023 rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-Term Expected Rate	7.00%
Municipal Bond Rate as of August 2024	3.87% - The source for the rate is the Bond Buyer's "20-Bond GO Index" which represents the estimated yield of a portfolio of 20 general obligation bonds maturing in 20 years based on a survey of municipal
Last year ending August 31 in Projection Period (100 years)	2123
Inflation	2.30%
Salary Increases	2.95% to 8.95% including inflation
Ad Hoc Post-Employment Benefit Changes	None

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

**Discount Rate**

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

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

**WINK-LOVING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

The long-term rate of return on pension plan investments is 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2024 are summarized below:

<u>Asset Class</u>	<u>Target Allocation % (b)</u>	<u>Long-Term Expected Geometric Real Rate of Return (c)</u>	<u>Expected Contribution to Long-Term Portfolio Returns</u>
<b>Global Equity</b>			
USA	18.00%	4.40%	1.00%
Non-U.S. Developed	13.00%	4.20%	0.80%
Emerging Markets	9.00%	5.20%	0.70%
Private Equity	14.00%	6.70%	1.20%
<b>Stable Value</b>			
Government Bonds	16.00%	1.90%	0.40%
Stable Value Hedge Funds	5.00%	3.00%	0.20%
Absolute Return (a)	0.00%	4.00%	0.00%
<b>Real Return</b>			
Real Estate	15.00%	6.60%	1.20%
Energy, Natural Resources, and Infrastructure	6.00%	5.60%	0.40%
Commodities	0.00%	2.50%	0.00%
<b>Risk Parity</b>	8.00%	4.00%	0.40%
<b>Asset Allocation Leverage Cash</b>			
Cash	2.00%	1.00%	0.00%
Asset Allocation Leverage	-6.00%	1.30%	-0.10%
Inflation Expectation			2.40%
Volatility Drag (d)			-0.70%
<b>Expected Return</b>	<u>100.00%</u>		<u>7.90%</u>

(a) - Absolute Return includes Credit Sensitive Investments

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

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

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

WINK-LOVING INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ 2,724,546	\$ 1,705,769	\$ 861,641

Pension Liabilities and Pension Expense

At August 31, 2025, the District reported a liability of \$1,705,769 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's Proportionate Share of the Collective Net Pension Liability	\$ 1,705,769
State's Proportionate Share that is Associated with the District	<u>3,761,072</u>
Total	<u>\$ 5,466,841</u>

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

At August 31, 2024 the employer's proportion of the collective net pension liability was 0.0027925% which was a decrease of 0.00022797% from its proportion measured as of August 31, 2023.

For the year ended August 31, 2025, the District recognized pension expense of \$449,611 and revenue of \$346,980 for support provided by the State.

Changes Since the Prior Actuarial Valuation

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

Benefit Terms – The Texas 2023 Legislature passed SB 10, which provided a stipend payment to certain retirees and variable ad hoc COLAs to certain retirees in early fiscal year 2024. Due to its timing, the legislation and payments were not reflected in the August 31, 2023 actuarial valuation. Under the roll forward method, and adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, August 31, 2024. SB 10 and HJR 2 of the 88<sup>th</sup> Regular Legislative Session appropriated payments of \$1.645 billion for one-time stipends and \$3.355 billion for COLAs.

WINK-LOVING INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

This appropriation is treated as a supplemental contribution and included in other additions. Since the Legislature appropriated funds for this one-time stipend and COLA, there was no impact on the Net Pension Liability of TRS.

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

At June 30, 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 Economic Experience	\$ 94,020	\$ 13,318
Changes in Actuarial Assumptions	88,073	11,808
Difference Between Projected and Actual Investment Earnings	10,369	
Changes in Proportion and Difference Between the Employer's Contributions and the Proportionate Share of Contributions	3,981	105,143
Contributions Paid to TRS Subsequent to the Measurement Date	<u>173,851</u>	
Total	<u>\$ 370,294</u>	<u>\$ 130,269</u>

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

	Pension Expense (Benefit) Amount
2026	\$ (15,548)
2027	158,808
2028	(4,163)
2029	(65,079)
2030	(7,844)
Thereafter	

12. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

Plan Description

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

**WINK-LOVING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

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 that includes financial statements and required supplementary information. That report may be obtained at <https://www.trs.texas.gov>; by writing to TRS at PO Box 149676, Austin, TX, 78714-0185; or by calling (800) 223-8778.

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

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

**Benefits Provided**

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

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

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

WINK-LOVING INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

The premium rates for retirees are presented below:

TRS-Care 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 participating employers based on active employee compensation. The TRS Board of Trustees does not have the authority to set or amend contribution rates.

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

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

	Contribution 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%

**WINK-LOVING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

	TRS Plan Year	
	2024	2025
Employer Contributions	\$ 38,183	\$ 44,023
Member Contributions	33,054	37,294
NECE On-Behalf Contributions	47,823	

	District Fiscal Year	
	2024	2025
Employer Contributions	\$ 38,183	\$ 44,023
Member Contributions	33,054	37,294

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.

**Actuarial Assumptions**

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

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

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

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

**WINK-LOVING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

Additional actuarial methods and assumptions were as follows:

Valuation Date	August 31, 2023 rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	3.87% as of August 31, 2024
Aging Factors	Based on the Society of Actuaries; 2013 Study "Health Care Costs - From Birth to Death".
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs
Salary Increases	2.95% to 8.95%, including inflation
Ad Hoc Post-Employment Benefit Changes	None

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

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

**Discount Rate**

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

**Discount Rate Sensitivity Analysis**

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

	1% Decrease in Discount Rate (2.87%)	Discount Rate (3.87%)	1% Increase in Discount Rate (4.87%)
District's Proportionate Share of the Net OPEB Liability	\$ <u>1,515,130</u>	\$ <u>1,275,312</u>	\$ <u>1,081,535</u>

WINK-LOVING INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Healthcare Cost Trend Rates Sensitivity Analysis

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's Proportionate Share of the Net OPEB Liability	\$ 1,038,552	\$ 1,275,312	\$ 1,583,834

OPEB Liabilities and OPEB Expense

At August 31, 2025, the District reported a liability of \$1,275,312 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's Proportionate Share of the Collective Net OPEB Liability	\$ 1,275,312
State's Proportionate Share that is Associated with the District	<u>1,597,949</u>
Total	<u>\$ 2,873,261</u>

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

At August 31, 2024, the employer's proportion of the collective net OPEB liability was 0.0042018% which was a decrease of 0.00019521% from its proportion measured as of August 31, 2023.

For the year ended August 31, 2025, the District recognized a credit to OPEB expense of (\$207,704) and revenue of \$47,823 for support provided by the State.

Changes Since the Prior Actuarial Valuation

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

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

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

**WINK-LOVING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

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

At June 30, 2025, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Actuarial Experience	\$ 244,435	\$ 636,450
Changes in Actuarial Assumptions	163,225	416,120
Difference Between Projected and Actual Investment Earnings		
Changes in Proportion and Difference Between the Employer's Contributions and the Proportionate Share of Contributions	128,850	3,571
Contributions Paid to TRS Subsequent to the Measurement Date	<u>44,023</u>	<u>101,362</u>
Total	<u>\$ 580,533</u>	<u>\$ 1,157,503</u>

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

	<u>Pension Expense (Benefit) Amount</u>
2026	\$ (172,236)
2027	(114,475)
2028	(135,900)
2029	(110,899)
2030	(57,103)
Thereafter	(30,380)

**13. SELF-INSURANCE – WORKMEN'S COMPENSATION**

The District participates in a public entity risk pool for Workmen's Compensation Insurance. Over 100 school districts participate in the pool administered by Claims Administrative Services, Inc. The agreement between the District and the pool is renewable annually on September 1. The District's maximum loss under the agreement for 2025 was set at \$57,085, excluding fixed costs of \$17,892.

The pool is protected against unanticipated catastrophic loss by stop-loss coverage provided through Midwest Employers Casualty Corporation. The stop-loss policy covers individual claims in excess of \$1,000,000 per incident. The District accounts for its costs associated with the pool through an internal service fund.

The claims administrator for the pool has estimated the District's share of unpaid claims as of August 31, 2025, to be \$56,619, including estimated claims incurred but not reported of \$23,789. The District has not recorded any claims payable as of August 31, 2025.

**WINK-LOVING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**14. HEALTH CARE COVERAGE**

Employees of the District are covered by a health insurance plan through TRS – Active Care Program administered by the Teacher Retirement System. The District contributes \$435 per month per employee to the health care plan and the employees, at their option, authorize payroll withholdings to pay premiums for dependents' health insurance coverage. Under this plan, the District is not liable for costs incurred beyond the premiums paid. The District accounts for its costs and employee contributions associated with this benefit through an internal service fund.

In addition, payments made on behalf of the District by the state for Medicare, Part D fringe benefits and salaries amounted to \$36,631 and \$28,068 for the years ended August 31, 2025 and 2024, respectively.

**15. RISK MANAGEMENT**

The District's risk management program includes coverage, through various third party insurance providers, to protect the District against losses related to torts, errors and omissions, theft and damage or destruction of property, employee health, and natural disasters. For the year ended August 31, 2025, there were no significant reductions in insurance coverage from the previous year.

**16. CHAPTER 313 AGREEMENTS**

The District has entered into agreements with Phoebe Energy Project, LLC (Phoebe Energy), Enterprise Products Operating, LLC (Enterprise), MarkWest Tornado GP, LLC (MarkWest), and ETC Pipeline, LTD (ETC). In order to qualify for a value limitation agreement, each applicant has been required to meet a series of capital investment, job creation, and wage requirements specified by state law. While these agreements reduce the amount of M&O tax value, they do not allow for limitation on the I&S tax value. In addition, there is a hold harmless provision that protects the District from any lost revenue as a result of the agreements.

Phoebe Energy Project, LLC: This agreement was for Phoebe Energy to invest capital of \$267,116,883 on a long-term basis for a valuation limitation of \$25,000,000. The valuation without limitation for the 2024-25 year was \$110,392,180. The valuation limitation on this agreement is in its sixth year. When calculated, the District forgoes collecting \$597,062 of M&O tax revenue in 2024-25. However, in addition to the hold harmless provision from the state, Phoebe Energy will pay the District \$50,000 annually during the agreement.

Enterprise Products Operating, LLC: This agreement was for Enterprise to invest capital of \$412,000,000 on a long-term basis for a valuation limitation of \$30,000,000. The valuation without limitation for the 2024-25 year was \$490,992,000. The valuation limitation on this agreement is in its fourth year. When calculated, the District forgoes collecting \$3,223,2556 of M&O tax revenue in 2024-25. However, in addition to the hold harmless provision from the state, Enterprise will pay the District \$50,000 annually during the agreement.

**WINK-LOVING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

MarkWest Tornado GP, LLC: This agreement was for MarkWest to invest capital of \$110,000,000 on a long-term basis for a valuation limitation of \$30,000,000. The valuation without limitation for the 2024-25 year was \$104,607,570. The valuation limitation on this agreement is in its third year. When calculated, the District forgoes collecting \$521,656 of M&O tax revenue in 2024-25. However, in addition to the hold harmless provision from the state, MarkWest will pay the District \$100,000 annually during the agreement.

ETC Pipeline, LTD: This agreement was for ETC to invest capital of \$110,000,000 on a long-term basis for a valuation limitation of \$30,000,000. The valuation without limitation for the 2024-25 year was \$102,007,500. The valuation limitation on this agreement is in its first year. When calculated, the District forgoes collecting \$503,476 of M&O tax revenue in 2024-25. However, in addition to the hold harmless provision from the state, ETC will pay the District \$100,000 annually during the agreement.

**17. LITIGATION**

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

**18. COMMITMENTS AND CONTINGENCIES**

Construction

The District has entered into contracts for engineering and construction of new facilities. At August 31, 2025 the District had contracts totaling approximately \$83.6 million, with approximately \$17 million remaining on the contracts.

Federal and State Funding

The District participates in numerous state and federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired.

In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

**REQUIRED SUPPLEMENTARY INFORMATION**

**EXHIBITS G-1 THROUGH G-5**

WINK-LOVING INDEPENDENT SCHOOL DISTRICT

Exhibit G-1

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

Data Control Codes	1 Budgeted Amounts		3	Variance With Final Budget Favorable (Unfavorable)	
	Original	Amended	Actual		
Revenues:					
5700	Local and Intermediate Sources	\$ 145,801,012	\$ 145,801,012	\$ 168,417,105	\$ 22,616,093
5800	State Program Revenues	439,027	439,027	932,154	493,127
5900	Federal Program Revenues	104,000	104,000		(104,000)
5020	Total Revenues	\$ 146,344,039	\$ 146,344,039	\$ 169,349,259	\$ 23,005,220
Expenditures:					
0011	Instruction	\$ 6,577,332	\$ 6,577,332	\$ 6,093,847	\$ 483,485
0012	Instructional Resources and Media Services	125,190	125,190	104,720	20,470
0013	Curriculum and Staff Development	82,483	82,483	24,514	57,969
0021	Instructional Leadership	299,122	299,122	115,118	184,004
0023	School Leadership	586,788	586,788	469,756	117,032
0031	Guidance, Counseling, and Evaluation Services	257,229	257,229	195,795	61,434
0033	Health Services	118,440	118,440	102,759	15,681
0034	Student Transportation	1,748,049	1,798,049	565,953	1,232,096
0035	Food Services	542,610	542,610	534,354	8,256
0036	Extracurricular Activities	1,365,332	1,365,332	1,361,515	3,817
0041	General Administration	1,063,936	1,063,936	894,431	169,505
0051	Plant Maintenance and Operations	2,218,467	2,168,467	2,036,483	131,984
0052	Security and Monitoring Services	183,040	183,040	142,543	40,497
0071	Debt Service - Principal	16,000	16,000		16,000
0081	Facilities Acquisition and Construction	520,000	8,634,219	9,314,140	(679,921)
0091	Contracted Instructional Services Between Schools	135,000,000	135,000,000	122,628,143	12,371,857
0099	Other Intergovernmental Charges	2,000,000	2,000,000	1,390,603	609,397
6030	Total Expenditures	\$ 152,704,018	\$ 160,818,237	\$ 145,974,674	\$ 14,843,563
1100	Excess of Revenues Over Expenditures	\$ (6,359,979)	\$ (14,474,198)	\$ 23,374,585	\$ 37,848,783
Other Financing Sources (Uses):					
8911	Transfers Out (Use)	\$ (250,000)	\$ (250,000)	\$ (170,000)	\$ 80,000
8949	Other Uses			(344,624)	(344,624)
7080	Total Other Financing Sources (Uses)	\$ (250,000)	\$ (250,000)	\$ (514,624)	\$ (264,624)
1200	Net Change in Fund Balance	\$ (6,609,979)	\$ (14,724,198)	\$ 22,859,961	\$ 37,584,159
0100	September 1 - Fund Balance	106,893,665	106,893,665	106,893,665	0
3000	August 31 - Fund Balance	\$ 100,283,686	\$ 92,169,467	\$ 129,753,626	\$ 37,584,159

WINK-LOVING INDEPENDENT SCHOOL DISTRICT

Exhibit G-2

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

	2025 Plan Yr 2024	2024 Plan Yr 2023	2023 Plan Yr 2022	2022 Plan Yr 2021	2021 Plan Yr 2020	2020 Plan Yr 2019	2019 Plan Yr 2018	2018 Plan Yr 2017	2017 Plan Yr 2016	2016 Plan Yr 2015
District's Proportion of the Net Pension Liability	0.0027925%	0.0030205%	0.0030250%	0.0030395%	0.0030258%	0.0030605%	0.0029857%	0.0030308%	0.0032111%	0.0032659%
District's Proportionate Share of Net Pension Liability	\$ 1,705,769	\$ 2,074,766	\$ 1,795,848	\$ 774,047	\$ 1,620,578	\$ 1,590,941	\$ 1,643,374	\$ 969,077	\$ 1,213,430	\$ 1,154,452
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>3,761,072</u>	<u>4,305,950</u>	<u>3,718,908</u>	<u>1,594,565</u>	<u>2,937,115</u>	<u>2,962,493</u>	<u>3,263,936</u>	<u>1,987,242</u>	<u>2,488,375</u>	<u>2,504,147</u>
Total	<u>\$ 5,466,841</u>	<u>\$ 6,380,716</u>	<u>\$ 5,514,756</u>	<u>\$ 2,368,612</u>	<u>\$ 4,557,693</u>	<u>\$ 4,553,434</u>	<u>\$ 4,907,310</u>	<u>\$ 2,956,319</u>	<u>\$ 3,701,805</u>	<u>\$ 3,658,599</u>
District's Covered Payroll	\$ 5,085,261	\$ 5,037,184	\$ 4,719,654	\$ 4,413,662	\$ 4,084,311	\$ 3,906,465	\$ 3,798,329	\$ 3,755,093	\$ 3,711,355	\$ 3,665,751
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	33.54%	41.19%	38.05%	17.54%	39.68%	40.73%	43.27%	25.81%	32.70%	31.49%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.51%	73.15%	75.62%	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%

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

WINK-LOVING INDEPENDENT SCHOOL DISTRICT

Exhibit G-3

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$ 173,851	\$ 156,024	\$ 156,369	\$ 141,278	\$ 128,524	\$ 107,121	\$ 100,579	\$ 99,331	\$ 102,025	\$ 96,704
Contribution in Relation to the Contractually Required Contribution	<u>(173,851)</u>	<u>(156,024)</u>	<u>(156,369)</u>	<u>(141,278)</u>	<u>(128,524)</u>	<u>(107,121)</u>	<u>(100,579)</u>	<u>(99,331)</u>	<u>(102,025)</u>	<u>(96,704)</u>
Contribution Deficiency (Excess)	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
District's Covered Payroll	\$ 5,737,697	\$ 5,085,261	\$ 5,037,184	\$ 4,719,654	\$ 4,413,662	\$ 4,084,311	\$ 3,906,465	\$ 3,798,329	\$ 3,755,093	\$ 3,711,355
Contributions as a Percentage of Covered Payroll	3.03%	3.07%	3.10%	2.99%	2.91%	2.62%	2.57%	2.62%	2.72%	2.61%

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

WINK-LOVING INDEPENDENT SCHOOL DISTRICT

Exhibit G-4

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

	<u>2025</u> <u>Plan Yr 2024</u>	<u>2024</u> <u>Plan Yr 2023</u>	<u>2023</u> <u>Plan Yr 2022</u>	<u>2022</u> <u>Plan Yr 2021</u>	<u>2021</u> <u>Plan Yr 2020</u>	<u>2020</u> <u>Plan Yr 2019</u>	<u>2019</u> <u>Plan Yr 2018</u>	<u>2018</u> <u>Plan Yr 2017</u>
District's Proportion of the Net OPEB Liability	0.0042018%	0.0043970%	0.0043855%	0.0042684%	0.0040741%	0.0041220%	0.0041114%	0.0040581%
District's Proportionate Share of Net OPEB Liability	\$ 1,275,312	\$ 973,425	\$ 1,050,067	\$ 1,646,518	\$ 1,548,749	\$ 1,949,359	\$ 2,052,875	\$ 1,764,706
State's Proportionate Share of the Net OPEB Liability Associated with the District	<u>1,597,949</u>	<u>1,174,587</u>	<u>1,280,917</u>	<u>2,205,967</u>	<u>2,081,147</u>	<u>2,590,261</u>	<u>3,363,858</u>	<u>3,086,865</u>
Total	<u>\$ 2,873,261</u>	<u>\$ 2,148,012</u>	<u>\$ 2,330,984</u>	<u>\$ 3,852,485</u>	<u>\$ 3,629,896</u>	<u>\$ 4,539,620</u>	<u>\$ 5,416,733</u>	<u>\$ 4,851,571</u>
District's Covered Payroll	\$ 5,085,261	\$ 5,037,184	\$ 4,719,654	\$ 4,413,662	\$ 4,084,311	\$ 3,906,465	\$ 3,798,329	\$ 3,755,093
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	25.08%	19.32%	22.25%	37.31%	37.92%	49.90%	54.05%	47.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	13.70%	14.94%	11.52%	6.18%	4.99%	2.66%	1.57%	0.91%

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

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

WINK-LOVING INDEPENDENT SCHOOL DISTRICT

Exhibit G-5

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

	2025	2024	2023	2022	2021	2020	2019	2018
Contractually Required Contribution	\$ 44,023	\$ 38,183	\$ 38,159	\$ 36,034	\$ 33,348	\$ 30,633	\$ 28,642	\$ 28,081
Contribution in Relation to the Contractually Required Contribution	(44,023)	(38,183)	(38,159)	(36,034)	(33,348)	(30,633)	(28,642)	(28,081)
Contribution Deficiency (Excess)	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
District's Covered Payroll	\$ 5,737,697	\$ 5,085,261	\$ 5,037,184	\$ 4,719,654	\$ 4,413,662	\$ 4,084,311	\$ 3,906,465	\$ 3,798,329
Contributions as a Percentage of Covered Payroll	0.77%	0.75%	0.76%	0.76%	0.76%	0.75%	0.73%	0.74%

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

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

**WINK-LOVING INDEPENDENT SCHOOL DISTRICT**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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

*Changes of Assumptions*

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

*Changes of Benefit Terms*

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

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

*Changes of Assumptions*

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

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

*Changes of Benefit Terms*

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

**SUPPLEMENTARY INFORMATION**  
**EXHIBITS H-1 THROUGH H-5**

WINK-LOVING INDEPENDENT SCHOOL DISTRICT

Exhibit H-1

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

	Special Revenue Funds									
	211	224	225	255	270	289	410	429	461	Total
	ESEA Title I Part A Improving Basic Programs	IDEA, Part B Formula	IDEA, Part B Preschool	ESEA II, A Training and Recruiting	ESEA VI, B Rural & Low Income	ESEA Title IV Part A Subpart 1	State Textbook Fund	School Safety	Campus Activity Funds	Non-Major Governmental Funds
<b>ASSETS:</b>										
Cash and Temporary Investments Due from Other Governments	\$ 60,288	\$ 91,587	\$ 3,616	\$ 10,942	\$	\$ 10,000	\$	\$ 21,559	\$ 56,106	\$ 197,992
<b>Total Assets</b>	<u>\$ 60,288</u>	<u>\$ 91,587</u>	<u>\$ 3,616</u>	<u>\$ 10,942</u>	<u>\$ 0</u>	<u>\$ 10,000</u>	<u>\$ 0</u>	<u>\$ 21,559</u>	<u>\$ 56,106</u>	<u>\$ 254,098</u>
<b>LIABILITIES</b>										
Due to Other Funds	\$ 60,288	\$ 91,587	\$ 3,616	\$ 10,942	\$	\$ 10,000	\$	\$ 21,559	\$	\$ 197,992
<b>Total Liabilities</b>	<u>\$ 60,288</u>	<u>\$ 91,587</u>	<u>\$ 3,616</u>	<u>\$ 10,942</u>	<u>\$ 0</u>	<u>\$ 10,000</u>	<u>\$ 0</u>	<u>\$ 21,559</u>	<u>\$ 0</u>	<u>\$ 197,992</u>
<b>FUND BALANCES</b>										
Assigned For:										
Campus Activity Fund	\$	\$	\$	\$	\$	\$	\$	\$	\$ 56,106	\$ 56,106
<b>Total Fund Balance</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 56,106</u>	<u>\$ 56,106</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<u>\$ 60,288</u>	<u>\$ 91,587</u>	<u>\$ 3,616</u>	<u>\$ 10,942</u>	<u>\$ 0</u>	<u>\$ 10,000</u>	<u>\$ 0</u>	<u>\$ 21,559</u>	<u>\$ 56,106</u>	<u>\$ 254,098</u>

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WINK-LOVING INDEPENDENT SCHOOL DISTRICT

Exhibit H-2

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

	Special Revenue Funds									Total
	211	224	225	255	270	289	410	429	461	Non-Major
	ESEA I, A	IDEA, Part B	National	ESEA II, A	ESEA VI, B	ESEA Title IV	State	School	Campus	Governmental
	Improving	Formula	Breakfast and	Training and	Rural & Low	Part A	Textbook	Safety	Activity	Funds
	Basic Programs		Lunch Program	Recruiting	Income	Subpart 1	Fund		Funds	Funds
<b>REVENUES:</b>										
Local and Intermediate Sources	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
State Program Revenues							17,349	21,559	48,713	48,713
Federal Program Revenues	60,288	91,587	3,616	10,942	35,555	10,000				211,988
<b>Total Revenues</b>	<b>\$ 60,288</b>	<b>\$ 91,587</b>	<b>\$ 3,616</b>	<b>\$ 10,942</b>	<b>\$ 35,555</b>	<b>\$ 10,000</b>	<b>\$ 17,349</b>	<b>\$ 21,559</b>	<b>\$ 48,713</b>	<b>\$ 299,609</b>
<b>EXPENDITURES:</b>										
Instruction	\$ 60,288		\$ 3,616	\$ 10,942	\$ 35,555	\$ 10,000	\$ 17,349	\$	\$	\$ 137,750
Instructional Leadership		91,587								91,587
Extracurricular Activities									35,240	35,240
Security and Monitoring Services								21,559		21,559
<b>Total Expenditures</b>	<b>\$ 60,288</b>	<b>\$ 91,587</b>	<b>\$ 3,616</b>	<b>\$ 10,942</b>	<b>\$ 35,555</b>	<b>\$ 10,000</b>	<b>\$ 17,349</b>	<b>\$ 21,559</b>	<b>\$ 35,240</b>	<b>\$ 286,136</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,473	\$ 13,473
Fund Balance - September 1 (Beginning)	0	0	0	0	0	0	0	0	42,633	42,633
Fund Balance - August 31 (Ending)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 56,106	\$ 56,106

WINK-LOVING INDEPENDENT SCHOOL DISTRICT

Exhibit H-3

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
AUGUST 31, 2025

	Internal Service Funds		Total
	753	756	Internal
	Medical	Self-Insured	Service
	Insurance	Workers'	Funds
		Compensation	
ASSETS:			
Cash and Temporary Investments	\$ 196,095	\$ 10,487	\$ 206,582
Total Assets	\$ 196,095	\$ 10,487	\$ 206,582
LIABILITIES AND NET POSITION:			
Liabilities:			
Due to Other Funds	\$ 10,719	\$ 0	\$ 10,719
Net Position:			
Unrestricted Net Position	\$ 185,376	\$ 10,487	\$ 195,863

WINK-LOVING INDEPENDENT SCHOOL DISTRICT

Exhibit H-4

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
AUGUST 31, 2025

	Internal Service Funds		Total Internal Service Funds
	753	756	
	Medical Insurance	Self-Insured Workers' Compensation	
OPERATING REVENUES:			
Employer Contributions	\$ 878,309	\$	\$ 878,309
Employee Contributions	208,011		208,011
Interest Income	418	54	472
Total Operating Revenues	\$ 1,086,738	\$ 54	\$ 1,086,792
OPERATING EXPENSES:			
Fixed Costs and Insurance Premiums	\$ 1,146,384	\$ 17,891	\$ 1,164,275
Claims Paid		9,787	9,787
Total Operating Expenses	\$ 1,146,384	\$ 27,678	\$ 1,174,062
Income (Loss) Before Transfers	\$ (59,646)	\$ (27,624)	\$ (87,270)
Transfers In	150,000	20,000	170,000
Change in Net Position	\$ 90,354	\$ (7,624)	\$ 82,730
Net Position - September 1 (Beginning)	95,022	18,111	113,133
Net Position - August 31 (Ending)	\$ 185,376	\$ 10,487	\$ 195,863

WINK-LOVING INDEPENDENT SCHOOL DISTRICT

Exhibit H-5

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
AUGUST 31, 2025

	Internal Service Funds		Total Internal Service Funds
	753 Self-Insured Medical Insurance	756 Self-Insured Workers' Compensation	
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash Flows from Operating Activities			
Cash Receipts from Charges to Other Funds	\$ 878,309	\$	\$ 878,309
Cash Receipts from Transfers from Other Funds	150,000	20,000	170,000
Cash Receipts from Employees	208,011		208,011
Interest Income	418	54	472
Cash Payments to Suppliers for Services	(1,146,384)	(27,678)	(1,174,062)
Net Cash from Operating Activities	\$ 90,354	\$ (7,624)	\$ 82,730
Net Change in Cash and Cash Equivalents	\$ 90,354	\$ (7,624)	\$ 82,730
Cash and Cash Equivalents at Beginning of the Year	105,741	18,111	123,852
Cash and Cash Equivalents at End of Year	\$ 196,095	\$ 10,487	\$ 206,582
RECONCILIATION OF OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES			
Operating Loss	\$ 90,354	\$ (7,624)	\$ 82,730
Net Cash From Operating Activities	\$ 90,354	\$ (7,624)	\$ 82,730

**OTHER INFORMATION  
REQUIRED TEA SCHEDULES  
EXHIBITS J-1 THROUGH J-4**

WINK-LOVING INDEPENDENT SCHOOL DISTRICT

Exhibit J-1

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

Last Ten Years Ended August 31	1		2	3	10	20	31	32	40	50	99
	Tax Rates		Assessed/ Appraised Value for School Tax Purposes	Beginning Balance 9/1/2024	Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance 8/31/2025	Taxes Refunded Under Sec 26.1115(c)	
	Maintenance	Debt Service									
2016 and Prior Years	Various	Various	\$ Various	\$ 76,591	\$	\$ 5,354	\$ 1,358	\$ (93)	\$ 69,786		
2017	1.04000	0.28000	1,726,734,777	31,799		1,717	462		29,620		
2018	1.04000	0.28000	2,790,772,877	51,077		6,782	1,826	(4)	42,465		
2019	1.04000	0.28000	4,444,392,592	64,592		3,462	932	(4)	60,194		
2020	0.97000	0.35000	9,719,557,966	369,989		9,864	3,558	(7,863)	348,704		
2021	0.90950	0.12500	10,559,026,826	395,071		14,095	1,937		379,039		
2022	0.93950	0.09500	9,464,890,916	314,856		24,280	2,455	(477)	287,644		
2023	0.88460	0.14990	20,329,643,295	378,951		65,111	11,028	(579)	302,233		
2024	0.66920	0.14990	23,220,374,227	1,700,443		3,453,885	850,735	3,064,170	459,993		
2025 (School Year Under Audit)	0.69920	0.11000	22,372,894,967 *		<u>181,876,503</u>	<u>154,493,756</u>	<u>24,929,831</u>	<u>(1,188,856)</u>	<u>1,264,060</u>		
1000 TOTALS				\$ <u>3,383,369</u>	\$ <u>181,876,503</u>	\$ <u>158,078,306</u>	\$ <u>25,804,122</u>	\$ <u>1,866,294</u>	\$ <u>3,243,738</u>		
8000 Total Taxes Refunded Under Section 26.1115(c), Tax Code										\$ <u>167,073</u>	
Tax Collection Summary:	Gen. Fund (M&O)	Debt Serv. Fund	Total								
Base Tax Collections	\$ 158,078,306	\$ 25,804,122	\$ 183,882,428								
Penalty and Interest	<u>608,784</u>	<u>104,977</u>	<u>713,761</u>								
Total	\$ <u>158,687,090</u>	\$ <u>25,909,099</u>	\$ <u>184,596,189</u>								

\*Assessed values for prior years reflect the M&O assessment after any limitations. The District has entered into a series of value limitation agreements and the M&O taxable value has been reduced to \$115,000,000 total for those entities. The unlimited taxable value related to these agreements for 2025 was \$807,999,250 making the total valuation for the 2025 I&S levy \$23,065,894,217.

WINK-LOVING INDEPENDENT SCHOOL DISTRICT

Exhibit J-2

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

Data Control Codes	1		2	3	Variance With Final Budget Favorable (Unfavorable)
	Budgeted Amounts		Amended	Actual	
	Original				
Revenues:					
5700	Local and Intermediate	\$ 22,820,616	\$ 22,820,616	\$ 26,706,052	\$ 3,885,436
5800	State Program Revenues			468	468
5020	Total Revenues	\$ 22,820,616	\$ 22,820,616	\$ 26,706,520	\$ 3,885,904
Expenditures:					
0071	Debt Service - Principal	\$ 1,575,000	\$ 1,584,411	\$ 1,575,000	\$ 9,411
0072	Debt Service - Interest	1,500,000	1,500,000	725,746	774,254
0073	Debt Service - Fees	2,000	2,000	12,055	(10,055)
6030	Total Expenditures	\$ 3,077,000	\$ 3,086,411	\$ 2,312,801	\$ 773,610
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 19,743,616	\$ 19,734,205	\$ 24,393,719	\$ 4,659,514
8949	Other (Uses)	\$ (8,000,000)	\$ (25,990,589)	\$ (25,990,589)	\$ 0
7080	Total Other Financing Sources (Uses)	\$ (8,000,000)	\$ (25,990,589)	\$ (25,990,589)	\$ 0
1200	Net Change in Fund Balance	\$ 11,743,616	\$ (6,256,384)	\$ (1,596,870)	\$ 4,659,514
0100	September 1 - Fund Balance	7,361,641	7,361,641	7,361,641	0
3000	August 31 - Fund Balance	\$ 19,105,257	\$ 1,105,257	\$ 5,764,771	\$ 4,659,514

WINK-LOVING INDEPENDENT SCHOOL DISTRICT

Exhibit J-4

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

**Section A: Compensatory Education Programs**

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AP 1	Did the District expend any state compensatory education program state allotment funds during the District's fiscal year?	Yes
AP 2	Does the District have written policies and procedures for its state compensatory education program?	Yes
AP 3	List the total state allotment funds received for state compensatory education programs during the District's fiscal year.	\$ 186,195
AP 4	List the actual direct program expenditures for state compensatory education programs during the District's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$ 180,124

**Section B: Bilingual Education Programs**

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AP 5	Did the District expend any bilingual education program state allotment funds during the District's fiscal year?	Yes
AP 6	Does the District have written policies and procedures for its bilingual education program?	Yes
AP 7	List the total state allotment funds received for bilingual education programs during the District's fiscal year.	\$ 12,210
AP 8	List the actual direct program expenditures for bilingual education programs during the District's fiscal year. (PICs 25, 35)	\$ 8,948

**OVERALL COMPLIANCE AND INTERNAL CONTROL SECTION**

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

CERTIFIED PUBLIC ACCOUNTANTS

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8215 NASHVILLE AVENUE

LUBBOCK, TEXAS 79423-1954

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

Board of School Trustees  
Wink-Loving Independent School District  
Wink, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wink-Loving Independent School District (the District) as of and for the year ended August 31, 2025, and related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 24, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

*Bolinger, Segars, Gilbert & Moss LLP*

Certified Public Accountants

Lubbock, Texas

October 24, 2025

**WINK-LOVING INDEPENDENT SCHOOL DISTRICT**

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

**Current Year Findings –**

None

**Status of Prior Year Findings –**

None