

**WAXAHACHIE INDEPENDENT
SCHOOL DISTRICT**

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2025

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CERTIFICATE OF BOARD

Waxahachie Independent School District
Name of School District

Ellis
County

070-912
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 9th day of February 2026.



Signature of Board Secretary



Signature of Board President

Members:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC
ACCOUNTANTS
TEXAS SOCIETY OF CERTIFIED
PUBLIC ACCOUNTANTS

**HANKINS, EASTUP, DEATON,
TONN, SEAY & SCARBOROUGH**

A Limited Liability Company

CERTIFIED PUBLIC ACCOUNTANTS

902 NORTH LOCUST
P.O. BOX 977
DENTON, TX 76202-0977

TEL. (940) 387-8563
FAX (940) 383-4746

Independent Auditor's Report

Board of School Trustees
Waxahachie Independent School District
Waxahachie, Texas

Opinion

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Waxahachie 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 the District as of August 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Financials section of our report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Change in Accounting Principle Pertaining to Compensated Absences

As discussed in the notes to the financial statements, the District has changed its accounting for compensated absences, which was required by Governmental Accounting Standards Board (GASB) Statement No. 101, which became effective for fiscal years beginning after December 15, 2023. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2024, on our consideration of the District's internal control over financial reporting and on our tests of 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.

A handwritten signature in black ink that reads "Hankins Eastup Deaton Tonn Seay & Scarborough". The signature is written in a cursive, flowing style.

Hankins, Eastup, Deaton, Tonn, Seay & Scarborough, LLC
Denton, Texas
February 9, 2026

**WAXAHACHIE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2025
(UNAUDITED)**

As management of Waxahachie Independent School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended August 31, 2025. Please read this narrative in conjunction with the independent auditors' report and the District's Basic Financial Statements.

FINANCIAL HIGHLIGHTS

- Total assets and deferred outflows of resources of the District's governmental activities exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$39,341,832 (*net position*).
- The District's total net position increased by \$9,605,786 during the current fiscal year from the result of the current year's operations.
- The District's governmental funds reported total fund balances of \$345,804,185. Approximately 8.85% of this total amount, \$30,602,469, is unassigned and available for use within the District's fund balance policies.
- The District's general fund balance was \$30,889,245; the unassigned portion of the general fund balance is \$29,784,408, or 96% is available for use within the District's fund balance policies.
- The District's business type activities are modest as compared to its governmental activities. Business type assets total \$7,356,616 at the end of the fiscal year. Revenues and expenses during the fiscal year totaled \$7,386,673 and \$7,322,699, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. 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 financial statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services are 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 appropriation budgets. For proprietary activities, fund financial statements show how goods or services of the District are provided to departments within the District or to external customers and whether the revenues covered the expenses for those goods or services. The remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as a trustee or agents on behalf of those outside of the District.

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

The combining statements for nonmajor funds contain even more information about the District's individual funds. The sections labeled TEA Required Schedules and Federal Awards Section contain data used by TEA and regulatory agencies to monitor compliance with funding requirements.

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

The presentation of the District's overall financial condition and operations is shown on the Statement of Net Position and the Statement of Activities. Their primary purpose is to show whether the District is better or worse off as a result of the year's activities. The Statement of Net Position includes all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the end of the year while the Statement of Activities includes all revenues and expenses generated by the District's operations during the year. These statements use the accrual basis of accounting (the basis used by private sector companies).

All current year revenues and expenses of the District are included in the government-wide financial statements regardless of when cash is received or paid. The District's revenues are reported separately for revenues provided by outside parties who share the costs of some programs, such as user charges or grants provided by the U.S. Department of Education to assist children with disabilities or from disadvantaged backgrounds (program revenues), and for general revenues provided by taxpayers or the TEA through equalization funding processes. All District assets and deferred inflows of resources are reported whether they serve the current year or future years. Liabilities and deferred outflows of resources are included 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 net position. The District's net position provides 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 the District's 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, its property tax base, and the condition of the District's facilities.

In the Statement of Net Position and the Statement of Activities, we divide the District into two kinds of activities:

- *Governmental activities.* Most of the District's basic services are reported here, including 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.
- *Business-type activities.* The District has programs that charge a fee to "customers" to help cover all or most of the cost of services provided by the programs.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds of the District—not the District as a whole. Laws and contracts require the District to establish funds, such as funds for grants received from the U.S. Department of Education. The District's administration establishes other funds to help identify, manage, and control money for particular purposes (like campus activities). The District's three types of funds – governmental, proprietary, and fiduciary – use different accounting approaches.

- *Governmental funds*—most of the District's basic services are reported in governmental funds. These funds use modified accrual accounting (a method that focuses on current financial resources) and report balances that are available for current spending. The governmental fund statements provide a 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 that are included in these financial statements.
- *Proprietary funds*—the District reports the activities for which it charges users (whether outside customers

• Proprietary funds—the District reports the activities for which it charges users (whether outside customers or users within the District) in proprietary funds using the same accounting methods employed in the Statement of Net Position and the Statement of Activities. Enterprise funds provide services to outside customers; internal service funds provide services to internal users.

• Fiduciary funds—the District is the custodian for money raised by student activities. The District's custodial activity is reported separately in a Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. We exclude these resources in the government-wide financial statements because the District cannot use these assets to finance its own operations. The District is only responsible for ensuring that these assets are reported in fiduciary funds and are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The analysis below presents both current and prior year financial information and discusses significant changes in the accounts. Our analysis focuses on the District's net position (Table I) and changes in net position (Table II) of the District's governmental and business type activities.

Net position of the District's governmental activities increased from \$29,800,020 to \$39,341,832. 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 – was (\$334,090,599) at August 31, 2025.

**Table I
NET POSITION**

	Governmental Activities		Business-type Activities		Total	
	August 31 2025	August 31 2024	August 31 2025	August 31 2024	August 31 2025	August 31 2024
Current and other assets	\$ 374,609,851	\$ 372,548,986	\$ 6,932,047	\$ 6,607,595	\$ 381,541,898	\$ 379,156,580
Capital assets, net	464,810,347	359,763,778	424,569	596,461	465,234,916	360,360,239
Total assets	839,420,198	732,312,763	7,356,616	7,204,056	846,776,814	739,516,819
Deferred outflows of resources	23,326,587	36,502,221	474,509	798,641	23,801,096	37,300,862
Total assets and deferred outflows of resources	862,746,786	768,814,984	7,831,125	8,002,697	870,577,910	776,817,681
Current liabilities	40,124,979	35,592,252	409,175	446,855	40,534,154	36,039,107
Long-term liabilities	758,182,247	674,856,721	1,604,498	1,695,398	759,786,745	676,552,119
Total liabilities	798,307,226	710,448,973	2,013,673	2,142,253	800,320,899	712,591,226
Deferred inflows of resources	25,077,727	28,565,991	616,732	723,698	25,714,499	29,289,689
Total liabilities and deferred inflows of resources	823,384,953	739,014,964	2,630,405	2,865,951	826,035,398	741,880,915
Net position:						
Net investments in capital assets	48,159,912	46,617,202	424,569	596,461	48,584,481	47,213,663
Restricted	325,272,519	332,838,662	4,776,151	4,540,285	330,048,670	337,378,947
Unrestricted	(334,090,599)	(349,655,814)	-	-	(334,090,999)	(349,655,844)
Total net position	\$ 39,341,832	\$ 29,800,020	\$ 5,200,720	\$ 5,136,746	\$ 44,542,552	\$ 31,936,766

At the end of the fiscal year, the District reports positive balances in net investment in capital assets and restricted net position for its governmental activities. Unrestricted net position is negative. The District's total net position increased by \$9,605,786 during the fiscal year.

**Table II
CHANGES IN NET POSITION**

	Governmental Activities		Business Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Program revenues:						
Charges for services	\$ 537,821	\$ 369,404	\$ 3,357,617	\$ 3,002,936	\$ 3,895,438	\$ 4,002,340
Operating grants and contributions	13,705,343	8,999,096	4,029,066	3,863,134	17,734,399	12,862,230
General revenues:						
Property taxes	96,151,904	94,269,260	-	-	96,151,904	94,269,260
State aid - formula grants	60,278,063	63,977,813	-	-	60,278,063	63,977,813
Investment earnings	16,787,179	2,005,438	-	-	16,787,179	2,005,438
Other	3,030,573	2,210,598	-	-	3,030,573	2,210,598
Total revenues	190,490,883	171,821,609	7,386,683	7,496,070	197,877,556	179,317,679
Expenses:						
Instruction	86,303,654	80,758,034	-	-	86,303,654	80,758,034
Instructional resources and media services	1,561,311	1,486,280	-	-	1,561,311	1,486,280
Curriculum and instructional staff development	4,671,198	3,104,541	-	-	4,671,198	3,104,541
Instructional leadership	3,753,384	3,547,527	-	-	3,753,384	3,547,527
School leadership	7,796,080	6,975,769	-	-	7,796,080	6,975,769
Guidance, counseling, and evaluation services	6,080,430	5,387,908	-	-	6,080,430	5,387,908
Health services	1,657,404	1,469,329	-	-	1,657,404	1,469,329
Student transportation	5,186,059	4,713,421	-	-	5,186,059	4,713,421
Food services	1,157,913	921,665	6,722,248	6,033,506	7,880,161	6,955,170
Extracurricular activities	6,831,526	5,862,643	-	-	6,831,526	5,862,643
General administration	3,222,426	3,596,212	-	-	3,222,426	3,596,212
Facilities maintenance and operations	16,008,101	12,112,792	-	-	16,008,101	12,112,792
Security and monitoring services	3,057,041	2,989,282	-	-	3,057,041	2,989,282
Data processing services	2,147,952	1,985,667	-	-	2,147,952	1,985,667
Community services	286,235	244,964	-	-	286,235	244,964
Interest on long-term debt	27,574,379	17,861,751	-	-	27,574,379	17,861,751
Debt issuance costs and fees	2,064,352	1,544,447	-	-	2,064,352	1,544,447
Payments to Juvenile Justice	44,695	48,300	-	-	44,695	48,300
Other intergovernmental charges	904,535	891,476	600,451	613,844	1,504,986	1,505,320
Total expenses	190,308,695	155,902,008	7,322,699	6,647,349	187,631,394	162,149,357
Change in net position	10,182,188	16,319,601	663,974	848,721	10,246,162	17,168,322
Net position - beginning of period	29,800,020	13,480,419	5,136,746	4,288,026	34,936,766	17,768,444
Restatement per GASB 101	(640,376)	-	-	-	(640,376)	-
Net position - end of period	\$ 39,341,832	\$ 29,800,020	\$ 5,200,720	\$ 5,136,746	\$ 44,542,552	\$ 34,936,766

Total revenues increased from \$179,317,679 to \$197,877,556. Local tax revenues increased due to higher taxable values and new property additions to the taxable rolls. State Foundation revenue decreased as a result of the increased taxable values. Other items that affected the District's fiscal 2025 activities were:

- Student enrollment increased from 11,052 in 2023-2024 to 11,196 2024-2025. The state of Texas funds districts based on students' weighted average daily attendance (WADA). The district's WADA decreased by 11.673 students, from 14,674.513 in 2023-2024 to 14,662.840 in 2024-2025. This decrease in WADA led to reduced revenues from the state.
- Student transportation costs increased primarily due to increased operating costs (fuel, parts, labor) and the cost of new equipment.
- Facilities maintenance and operations increased due to the opening of two new elementary campuses in the 2024-2025 school year, increased property insurance, and increased utility consumption and rates.

- Interest on long term debt increased as a result of issuing additional debt to support ongoing construction projects, namely the construction of Waxahachie Creek High School, with bond proceeds.

The cost of all governmental activities for the current fiscal year was \$180,308,695 as compared to \$155,502,008 for the previous year.

During the 2024-2025 fiscal year, the following measures were taken to enable the District to maintain a sound financial position.

- The District's average daily attendance (ADA) decreased by 11.673, or approximately 0.08%. Total state aid decreased by 5.78% due to changes in student enrollment and an increased taxable property values.
- The District's General Fund expenditures increased by 3.72% due primarily to increases in personnel costs due to increased positions required by higher enrollment, salary increases and an increase in maintenance and operation costs.
- The District's maintenance and operations (M&O) tax rate remained at \$0.7575 per \$100 in valuation, as well as the interest and sinking (I&S) tax rate at 0.4129 per \$100 in valuation. The District's taxable property valuation increased approximately 9%, net of an increase in the homestead exemption from \$40,000 to \$100,000.

As shown in the Statement of Activities, the amount that our taxpayers ultimately financed for these activities through District taxes was \$96,151,904 because some of the costs were paid by those who directly benefited from the programs (\$537,821) or by other governments and organizations that subsidized certain programs with grants and contributions (\$13,705,343).

THE DISTRICT'S FUNDS

As of the end of the current fiscal year, the District's governmental funds, reported a combined fund balance of \$345,805,241, which is \$2,452,542 less than last year's total of \$348,257,783. Included in this year's total change in fund balance is an increase of \$1,840,339 in the General fund, a (\$216,646) decrease in the Debt Service Fund, and a \$4,126,325 decrease in the Capital Project fund as a result of the ongoing construction activity.

Over the course of the year, the Board of Trustees revised the District's budget several times. These budget amendments fall into three categories. The first category includes amendments and supplemental appropriations that were approved shortly after the beginning of the year and reflect the actual beginning balances. The second category includes changes that the Board made during the year to reflect new information regarding revenue sources and expenditure needs. These included increases in personnel costs and maintenance costs throughout the year. The third category involves amendments moving funds from programs that did not need all the resources originally appropriated to them to programs with resource needs.

The District's General Fund balance of \$30,889,245 reported on pages 16 and 20 differs from the General Fund's budgetary fund balance of \$29,048,906 reported in the budgetary comparison schedule on page 23. This is principally due to increased state revenues and reduced expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At August 31, 2025, the District's governmental activities had \$464,810,347 invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. This amount represents a net increase of \$105,046,569 from the prior year.

Debt Administration

At year-end, the District had \$711,558,290 in bonds payable outstanding (including accreted interest on capital appreciation bonds) versus \$625,216,389 in the prior year, an increase of \$86,341,901. The District's general obligation bond rating is AAA (as a result of guarantees of the Texas Permanent School Fund) according to national rating agencies. Additional information about the District's capital assets and long-term liabilities is presented in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Total state aid is expected to remain relatively flat due to flat enrollment in the fall 2025 semester, provided that student attendance is better than the forecasted attendance rate of 94.50%.

Expenditures are projected to rise approximately 3.09% due to higher personnel costs from salary increases as mandated by the state of Texas and approved by the Board of Trustees along with inflationary pressure across all departments.

The Maintenance and Operations (M&O) tax rate decreased from \$0.7575 per \$100 in valuation to \$0.7552 per \$100 in valuation as a result in legislative action. The adopted debt service (I&S) tax rate remained unchanged.

The 2025-2026 general fund budget has revenues of \$128,473,862 and expenditures of \$128,473,862, which should leave fund balance unchanged.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the District's business office at Waxahachie Independent School District, 411 N Gibson Street, Waxahachie, Texas 75165, or at (972) 923-4631.

BASIC FINANCIAL STATEMENTS

WAXAHACHIE ISD
STATEMENT OF NET POSITION
AUGUST 31, 2025

EXHIBIT A-1

Data Control Codes	1	2 Primary Government	3
	Governmental Activities	Business Type Activities	Total
ASSETS			
1110 Cash and Cash Equivalents	\$ 361,678,162	\$ 6,360,243	\$ 368,038,405
1220 Property Taxes - Delinquent	2,489,174	-	2,489,174
1230 Allowance for Uncollectible Taxes	(49,783)	-	(49,783)
1240 Due from Other Governments	6,416,508	281,589	6,698,097
1260 Due from Custodial Funds	515,328	-	515,328
1290 Other Receivables, Net	125,625	-	125,625
1300 Inventories	-	290,215	290,215
1410 Prepayments	1,104,837	-	1,104,837
Capital Assets:			
1510 Land	15,762,929	-	15,762,929
1520 Buildings, Net	332,428,677	-	332,428,677
1530 Furniture and Equipment, Net	6,964,637	424,569	7,389,206
1580 Construction in Progress	109,654,104	-	109,654,104
1800 Restricted Assets	2,330,000	-	2,330,000
1000 Total Assets	<u>839,420,198</u>	<u>7,356,616</u>	<u>846,776,814</u>
DEFERRED OUTFLOWS OF RESOURCES			
1701 Deferred Charge for Refunding	2,531,546	-	2,531,546
1705 Deferred Outflow Related to TRS Pension	6,719,871	104,511	6,824,382
1706 Deferred Outflow Related to TRS OPEB	14,075,170	369,998	14,445,168
1700 Total Deferred Outflows of Resources	<u>23,326,587</u>	<u>474,509</u>	<u>23,801,096</u>
LIABILITIES			
2110 Accounts Payable	12,750,661	19,718	12,770,379
2140 Interest Payable	1,436,201	-	1,436,201
2150 Payroll Deductions and Withholdings	381,558	-	381,558
2160 Accrued Wages Payable	6,701,483	276,671	6,978,154
2300 Unearned Revenue	6,347,804	112,786	6,460,590
Noncurrent Liabilities:			
2501 Due Within One Year: Loans, Note, Leases, etc.	12,507,272	-	12,507,272
Due in More than One Year:			
2502 Bonds, Notes, Loans, Leases, etc.	699,051,018	-	699,051,018
2540 Net Pension Liability (District's Share)	35,452,127	953,027	36,405,154
2545 Net OPEB Liability (District's Share)	23,679,102	651,471	24,330,573
2000 Total Liabilities	<u>798,307,226</u>	<u>2,013,673</u>	<u>800,320,899</u>
DEFERRED INFLOWS OF RESOURCES			
2605 Deferred Inflow Related to TRS Pension	2,805,972	78,740	2,884,712
2606 Deferred Inflow Related to TRS OPEB	22,291,755	537,992	22,829,747
2600 Total Deferred Inflows of Resources	<u>25,097,727</u>	<u>616,732</u>	<u>25,714,459</u>
NET POSITION			
3200 Net Investment in Capital Assets and Right-to-Use Lease	48,159,912	424,569	48,584,481
Restricted:			
3820 Restricted for Federal and State Programs	-	4,776,151	4,776,151
3850 Restricted for Debt Service	15,842,465	-	15,842,465
3860 Restricted for Capital Projects	309,430,054	-	309,430,054
3900 Unrestricted	(334,090,599)	-	(334,090,599)
3000 Total Net Position	<u>\$ 39,341,832</u>	<u>\$ 5,200,720</u>	<u>\$ 44,542,552</u>

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

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

Data Control Codes	1	Program Revenues	
		3	4
	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
11 Instruction	\$ 86,303,654	\$ 95,161	\$ 6,585,292
12 Instructional Resources and Media Services	1,561,311	-	119,132
13 Curriculum and Instructional Staff Development	4,671,198	-	356,511
21 Instructional Leadership	3,753,384	-	286,392
23 School Leadership	7,796,080	-	594,821
31 Guidance, Counseling, and Evaluation Services	6,080,450	-	463,944
33 Health Services	1,657,404	126,673	126,456
34 Student (Pupil) Transportation	5,186,059	-	395,729
35 Food Services	1,157,913	-	88,260
36 Extracurricular Activities	6,831,526	222,496	521,344
41 General Administration	3,222,426	-	245,899
51 Facilities Maintenance and Operations	16,008,101	93,491	1,221,725
52 Security and Monitoring Services	3,057,041	-	233,292
53 Data Processing Services	2,147,952	-	163,923
61 Community Services	286,235	-	21,816
72 Debt Service - Interest on Long-Term Debt	27,574,379	-	2,050,751
73 Debt Service - Bond Issuance Cost and Fees	2,064,352	-	157,592
95 Payments to Juvenile Justice Alternative Ed. Prg.	44,695	-	3,412
99 Other Intergovernmental Charges	904,535	-	69,052
[TG] Total Governmental Activities:	180,308,695	537,821	13,705,343
BUSINESSTYPE ACTIVITIES:			
35 National School Breakfast&Lunch	6,722,248	2,752,818	4,029,056
01 WISD Childcare Center	599,115	599,578	-
02 Lighthouse for Learning	1,335	5,221	-
[TB] Total Business-Type Activities:	7,322,698	3,357,617	4,029,056
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 187,631,393	\$ 3,895,438	\$ 17,734,399

Data	
Control	General Revenues:
Codes	Taxes:
MT	Property Taxes, Levied for General Purposes
DT	Property Taxes, Levied for Debt Service
SF	State Aid - Formula Grants
IE	Investment Earnings
MI	Miscellaneous Local and Intermediate Revenue
TR	Total General Revenues
CN	Change in Net Position
NB	Net Position - Beginning
PA	Adjustments and Restatements
NE	Net Position - Ending

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

Net (Expense) Revenue and Changes in Net Position		
6	7	8
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (79,623,201)	\$ -	\$ (79,623,201)
(1,442,179)	-	(1,442,179)
(4,314,687)	-	(4,314,687)
(3,466,992)	-	(3,466,992)
(7,201,259)	-	(7,201,259)
(5,616,506)	-	(5,616,506)
(1,404,275)	-	(1,404,275)
(4,790,330)	-	(4,790,330)
(1,069,653)	-	(1,069,653)
(6,087,686)	-	(6,087,686)
(2,976,527)	-	(2,976,527)
(14,692,885)	-	(14,692,885)
(2,823,749)	-	(2,823,749)
(1,984,029)	-	(1,984,029)
(264,419)	-	(264,419)
(25,523,628)	-	(25,523,628)
(1,906,760)	-	(1,906,760)
(41,283)	-	(41,283)
(835,483)	-	(835,483)
(166,065,531)	-	(166,065,531)
-	59,626	59,626
-	463	463
-	3,886	3,886
-	63,975	63,975
(166,065,531)	63,975	(166,001,556)
62,179,893	-	62,179,893
33,972,011	-	33,972,011
60,278,063	-	60,278,063
16,787,179	-	16,787,179
3,030,573	-	3,030,573
176,247,719	-	176,247,719
10,182,188	63,975	10,246,163
29,800,020	5,136,746	34,936,766
(640,376)	-	(640,376)
\$ 39,341,832	\$ 5,200,721	\$ 44,542,553

WAXAHACHIE ISD
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2025

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
ASSETS			
1110 Cash and Cash Equivalents	\$ 37,748,218	\$ 13,640,553	\$ 309,430,054
1220 Property Taxes - Delinquent	1,720,202	768,972	-
1230 Allowance for Uncollectible Taxes	(34,404)	(15,379)	-
1240 Due from Other Governments	5,256,004	-	-
1260 Due from Other Funds	1,637,123	-	-
1290 Other Receivables	70,000	55,625	-
1410 Prepayments	1,104,837	-	-
1800 Restricted Assets	-	2,330,000	-
1000 Total Assets	<u>\$ 47,501,980</u>	<u>\$ 16,779,771</u>	<u>\$ 309,430,054</u>
LIABILITIES			
2110 Accounts Payable	\$ 1,494,788	\$ -	\$ 11,174,584
2140 Interest Payable - Current	-	183,713	-
2150 Payroll Deductions and Withholdings Payable	380,927	-	-
2160 Accrued Wages Payable	6,701,483	-	-
2170 Due to Other Funds	1,935	-	-
2300 Unearned Revenue	6,347,804	-	-
2000 Total Liabilities	<u>14,926,937</u>	<u>183,713</u>	<u>11,174,584</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable Revenue - Property Taxes	1,685,798	753,593	-
2600 Total Deferred Inflows of Resources	<u>1,685,798</u>	<u>753,593</u>	<u>-</u>
FUND BALANCES			
Nonspendable Fund Balance:			
3430 Prepaid Items	1,104,837	-	-
Restricted Fund Balance:			
3470 Capital Acquisition and Contractual Obligation	-	-	298,255,470
3480 Retirement of Long-Term Debt	-	15,842,465	-
3600 Unassigned Fund Balance	29,784,408	-	-
3000 Total Fund Balances	<u>30,889,245</u>	<u>15,842,465</u>	<u>298,255,470</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 47,501,980</u>	<u>\$ 16,779,771</u>	<u>\$ 309,430,054</u>

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

Other Funds	Total Governmental Funds
\$ 859,337	\$ 361,678,162
-	2,489,174
-	(49,783)
1,160,504	6,416,508
936	1,638,059
-	125,625
-	1,104,837
-	2,330,000
<u>\$ 2,020,777</u>	<u>\$ 375,732,582</u>
\$ 80,233	\$ 12,749,605
-	183,713
631	381,558
-	6,701,483
1,121,852	1,123,787
-	6,347,804
<u>1,202,716</u>	<u>27,487,950</u>
-	2,439,391
-	2,439,391
-	1,104,837
-	298,255,470
-	15,842,465
818,061	30,602,469
<u>818,061</u>	<u>345,805,241</u>
<u>\$ 2,020,777</u>	<u>\$ 375,732,582</u>

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

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$ 345,805,241
1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.	
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. Total cost of these assets was \$620,981,996 and the accumulated depreciation was (\$156,171,649). The net effect of including these balances in the governmental activities is to increase net position by \$.	464,810,347
3 Bonds payable have not been included in the fund financial statements.	(710,850,642)
4 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. At the beginning of the year, the net position related to TRS was a Deferred Resource Outflow in the amount of \$6,719,8716, a Deferred Resource Inflow in the amount of (\$2,805,972) and a net pension liability in the amount of (\$35,452,127). The impact of this on Net Position is (\$31,538,227).	(31,538,227)
5 The District participates in the TRS-Care plan for retirees through TRS. The District's share of the TRS plan resulted in a net OPEB liability of \$23,679,102, a deferred outflow of \$14,075,170 and a deferred inflow of \$22,291,755. This resulted in a decrease in net position of (\$31,895,688).	(31,895,688)
6 Property tax revenue reported as unavailable revenue in the fund financial statements is recognized as revenue in the government-wide financial statements.	2,439,391
7 Deferred charge on bund refundings is not recorded in the fund financial statements.	2,531,546
8 Interest on outstanding debt is accrued in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.	(1,252,488)
9 Compensated absences balance is not recorded in the fund financial statements.	(707,648)
10	
29 Net Position of Governmental Activities	\$ 39,341,832

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

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 66,288,228	\$ 36,566,456	\$ 12,608,403
5800 State Program Revenues	58,610,470	4,362,230	-
5900 Federal Program Revenues	212,225	158,440	-
5020 Total Revenues	<u>125,110,923</u>	<u>41,087,126</u>	<u>12,608,403</u>
EXPENDITURES:			
Current:			
0011 Instruction	71,946,497	-	1,195,665
0012 Instructional Resources and Media Services	1,397,349	-	56,255
0013 Curriculum and Instructional Staff Development	1,740,356	-	-
0021 Instructional Leadership	3,041,236	-	-
0023 School Leadership	7,281,146	-	-
0031 Guidance, Counseling, and Evaluation Services	3,629,700	-	-
0033 Health Services	1,549,595	-	-
0034 Student (Pupil) Transportation	4,954,223	-	-
0035 Food Services	4,489	-	15,928
0036 Extracurricular Activities	5,035,100	-	-
0041 General Administration	2,929,489	-	-
0051 Facilities Maintenance and Operations	13,547,172	-	339,334
0052 Security and Monitoring Services	2,740,585	-	-
0053 Data Processing Services	2,114,055	-	-
0061 Community Services	241,934	-	-
Debt Service:			
0071 Principal on Long-Term Liabilities	-	56,025,720	-
0072 Interest on Long-Term Liabilities	-	31,210,023	27,349
0073 Bond Issuance Cost and Fees	-	1,368,620	695,732
Capital Outlay:			
0081 Facilities Acquisition and Construction	185,337	-	115,127,549
Intergovernmental:			
0095 Payments to Juvenile Justice Alternative Ed. Prg.	44,695	-	-
0099 Other Intergovernmental Charges	904,535	-	-
6030 Total Expenditures	<u>123,287,493</u>	<u>88,604,363</u>	<u>117,457,812</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,823,430</u>	<u>(47,517,237)</u>	<u>(104,849,409)</u>
OTHER FINANCING SOURCES (USES):			
7911 Capital Related Debt Issued	-	43,195,000	98,830,000
7912 Sale of Real and Personal Property	16,909	-	-
7916 Premium or Discount on Issuance of Bonds	-	4,105,591	1,893,084
7080 Total Other Financing Sources (Uses)	<u>16,909</u>	<u>47,300,591</u>	<u>100,723,084</u>
1200 Net Change in Fund Balances	1,840,339	(216,646)	(4,126,325)
0100 Fund Balance - September 1 (Beginning)	29,048,906	16,059,111	302,381,795
3000 Fund Balance - August 31 (Ending)	<u>\$ 30,889,245</u>	<u>\$ 15,842,465</u>	<u>\$ 298,255,470</u>

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

	Other Funds	Total Governmental Funds
\$	971,175	\$ 116,434,262
	2,702,298	65,674,998
	4,014,210	4,384,875
	<u>7,687,683</u>	<u>186,494,135</u>
	2,355,965	75,498,127
	63,293	1,516,897
	2,785,268	4,525,624
	40,730	3,081,966
	12,208	7,293,354
	1,932,787	5,562,487
	-	1,549,595
	-	4,954,223
	-	20,417
	252,011	5,287,111
	59,678	2,989,167
	-	13,886,506
	135,654	2,876,239
	-	2,114,055
	-	241,934
	-	56,025,720
	-	31,237,372
	-	2,064,352
	-	115,312,886
	-	44,695
	-	904,535
	<u>7,637,594</u>	<u>336,987,262</u>
	50,089	(150,493,127)
	-	142,025,000
	-	16,909
	-	5,998,675
	-	148,040,584
	50,089	(2,452,543)
	767,972	348,257,784
\$	<u>818,061</u>	<u>\$ 345,805,241</u>

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

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$ (2,452,543)
<p>The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to increase(decrease) net position.</p>	
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the current year capital outlays and debt principal payments is to decrease the change net position.	171,722,924
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position.	(10,650,635)
Current year amount of bond issuance plus related premiums represent revenues in the fund financial statements but are shown as additions in long term debt in the government wide financial statements.	(148,023,675)
Current year amortization of the premium/discount on bonds payable are not amortized in the fund financial statements, but are reported net of amortization in the government-wide financial statements.	4,745,170
Current year interest accretion on capital appreciation bonds of \$400,749 plus retirement of \$2,019,280 is not reflected in the fund financial statements, but is shown as an increase in long-term liabilities in the government-wide financial statements.	1,618,531
Interest expense on outstanding debt is accrued in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due. The current year decrease in accrued interest payable increases net position in the government-wide financial statements.	(5,342)
Current year amortization of the deferred charge on bond refundings is not recognized in the fund financial statements, but is shown as a reduction of the deferred charge in the government-wide financial statements.	(2,695,365)
Current year decrease in invested sick leave benefits payable is not recorded in the fund financial statements, but is shown as a decrease in long-term debt in the government-wide financial statements.	(67,272)
Revenues from property taxes are shown as unavailable in the fund financial statements until they are considered available to finance current expenditures, but such revenues are recognized when assessed, net of an allowance for uncollectible accounts, in the government-wide financial statements.	63,297
Current year changes due to GASB 68 increased revenues in the amount of \$72,818 but also increased expenditures in the amount of \$5,741,927. The net effect on the change in the ending net position was a decrease in the amount of \$5,669,109.	(5,669,109)
Current year changes due to GASB 75 increased revenues in the amount of \$3,843,723 but also increased expenditures in the amount of \$2,247,516. The net effect on the change in the ending net position was an increase in the amount of \$1,596,207.	1,596,207
Change in Net Position of Governmental Activities	\$ 10,182,188

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

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

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 70,114,500	\$ 65,627,530	\$ 66,288,228	\$ 660,698
5800 State Program Revenues	52,688,875	56,300,972	58,610,470	2,309,498
5900 Federal Program Revenues	1,000,000	1,000,000	212,225	(787,775)
5020 Total Revenues	123,803,375	122,928,502	125,110,923	2,182,421
EXPENDITURES:				
Current:				
0011 Instruction	71,971,467	71,965,188	71,946,497	18,691
0012 Instructional Resources and Media Services	1,456,066	1,404,490	1,397,349	7,141
0013 Curriculum and Instructional Staff Development	1,816,094	1,766,237	1,740,356	25,881
0021 Instructional Leadership	3,373,731	3,045,929	3,041,236	4,693
0023 School Leadership	7,412,791	7,309,969	7,281,146	28,823
0031 Guidance, Counseling, and Evaluation Services	3,728,833	3,644,219	3,629,700	14,519
0033 Health Services	1,652,780	1,555,365	1,549,595	5,770
0034 Student (Pupil) Transportation	4,444,482	5,099,658	4,954,223	145,435
0035 Food Services	-	5,000	4,489	511
0036 Extracurricular Activities	5,226,836	5,144,802	5,035,100	109,702
0041 General Administration	3,339,074	3,185,121	2,929,489	255,632
0051 Facilities Maintenance and Operations	12,464,326	13,901,868	13,547,172	354,696
0052 Security and Monitoring Services	2,221,432	2,928,171	2,740,585	187,586
0053 Data Processing Services	1,960,159	2,361,828	2,114,055	247,773
0061 Community Services	250,304	255,060	241,934	13,126
Capital Outlay:				
0081 Facilities Acquisition and Construction	700,000	302,000	185,337	116,663
Intergovernmental:				
0091 Contracted Instructional Services Between Schools	820,000	820,000	-	820,000
0095 Payments to Juvenile Justice Alternative Ed. Prg.	40,000	50,000	44,695	5,305
0099 Other Intergovernmental Charges	925,000	925,000	904,535	20,465
6030 Total Expenditures	123,803,375	125,669,905	123,287,493	2,382,412
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(2,741,403)	1,823,430	4,564,833
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	16,909	16,909
1200 Net Change in Fund Balances	-	(2,741,403)	1,840,339	4,581,742
0100 Fund Balance - September 1 (Beginning)	29,048,906	29,048,906	29,048,906	-
3000 Fund Balance - August 31 (Ending)	\$ 29,048,906	\$ 26,307,503	\$ 30,889,245	\$ 4,581,742

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

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

	BusinessType Activities - Enterprise Funds		
	Child Nutrition Program	Nonmajor Enterprise Funds	Total Enterprise Funds
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 5,680,980	\$ 679,263	\$ 6,360,243
Due from Other Governments	281,589	-	281,589
Inventories	290,215	-	290,215
Total Current Assets	<u>6,252,784</u>	<u>679,263</u>	<u>6,932,047</u>
Noncurrent Assets:			
Capital Assets:			
Furniture and Equipment, Net	386,588	37,981	424,569
Total Noncurrent Assets	<u>386,588</u>	<u>37,981</u>	<u>424,569</u>
Total Assets	<u>6,639,372</u>	<u>717,244</u>	<u>7,356,616</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflow Related to TRS Pensions	104,511	-	104,511
Deferred Outflow Related to TRS OPEB	369,998	-	369,998
Total Deferred Outflows of Resources	<u>474,509</u>	<u>-</u>	<u>474,509</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	19,291	427	19,718
Accrued Wages Payable	217,865	58,806	276,671
Unearned Revenues	110,795	1,991	112,786
Total Current Liabilities	<u>347,951</u>	<u>61,224</u>	<u>409,175</u>
NonCurrent Liabilities:			
Net Pension Liability	953,027	-	953,027
Net OPEB Liability	651,471	-	651,471
Total Noncurrent Liabilities	<u>1,604,498</u>	<u>-</u>	<u>1,604,498</u>
Total Liabilities	<u>1,952,449</u>	<u>61,224</u>	<u>2,013,673</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflow Related to TRS Pensions	78,740	-	78,740
Deferred Inflow Related to TRS OPEB	537,992	-	537,992
Total Deferred Inflows of Resources	<u>616,732</u>	<u>-</u>	<u>616,732</u>
NET POSITION			
Net Investment in Capital Assets	386,588	37,981	424,569
Restricted for Federal and State Programs	4,158,112	618,039	4,776,151
Total Net Position	<u>\$ 4,544,700</u>	<u>\$ 656,020</u>	<u>\$ 5,200,720</u>

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

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

	Business-Type Activities - Enterprise Funds		
	Child Nutrition Program	Nonmajor Enterprise Funds	Total Enterprise Funds
OPERATING REVENUES:			
Local and Intermediate Sources	\$ 2,446,819	\$ 563,886	\$ 3,010,705
State Program Revenues	305,999	40,913	346,912
Total Operating Revenues	<u>2,752,818</u>	<u>604,799</u>	<u>3,357,617</u>
OPERATING EXPENSES:			
Payroll Costs	3,197,910	530,290	3,728,200
Professional and Contracted Services	113,026	8,830	121,856
Supplies and Materials	3,259,302	34,745	3,294,047
Other Operating Costs	5,902	801	6,703
Depreciation Expense	146,108	25,784	171,892
Total Operating Expenses	<u>6,722,248</u>	<u>600,450</u>	<u>7,322,698</u>
Operating Income (Loss)	<u>(3,969,430)</u>	<u>4,349</u>	<u>(3,965,081)</u>
NONOPERATING REVENUES (EXPENSES):			
National School Breakfast Program	819,432	-	819,432
National School Lunch Program	2,865,139	-	2,865,139
Donated Commodities (USDA)	344,484	-	344,484
Total Nonoperating Revenues (Expenses)	<u>4,029,055</u>	<u>-</u>	<u>4,029,055</u>
Change in Net Position	59,625	4,349	63,974
Total Net Position - September 1 (Beginning)	4,485,075	651,671	5,136,746
Total Net Position - August 31 (Ending)	<u>\$ 4,544,700</u>	<u>\$ 656,020</u>	<u>\$ 5,200,720</u>

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

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

EXHIBIT D-3

	Business-Type Activities		
	Child Nutrition Program	Nonmajor Enterprise Funds	Total Enterprise Funds
Cash Flows from Operating Activities:			
Cash Received from User Charges	\$ 2,446,819	\$ 563,886	\$ 3,010,705
Cash Received from State	297,350	40,913	338,263
Cash Payments to Employees	(3,075,297)	(528,573)	(3,603,870)
Cash Payments for Suppliers	(3,408,499)	(43,148)	(3,451,647)
Cash Payments for Other Operating Expenses	(5,902)	(801)	(6,703)
Net Cash Provided by (Used for) Operating Activities	<u>(3,745,529)</u>	<u>32,277</u>	<u>(3,713,252)</u>
Cash Flows from Non-Capital Financing Activities:			
Cash Received from Federal Programs	4,029,055	-	4,029,055
Net Increase in Cash and Cash Equivalents	283,526	32,277	315,803
Cash and Cash Equivalents at Beginning of Year	5,397,454	646,986	6,044,440
Cash and Cash Equivalents at End of Year	<u>\$ 5,680,980</u>	<u>\$ 679,263</u>	<u>\$ 6,360,243</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss):	\$ (3,969,430)	\$ 4,349	\$ (3,965,081)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used For) Operating Activities:			
Depreciation	146,108	25,784	171,892
Effect of Increases and Decreases in Current Assets and Liabilities:			
Decrease (increase) in Receivables	(8,649)	-	(8,649)
Increase (decrease) in Accounts Payable	(36,171)	427	(35,744)
Increase (decrease) in Accrued Wages Payable	(3,653)	1,717	(1,936)
Increase (decrease) in Pension	(4,651)	-	(4,651)
Increase (decrease) in OPEB	130,917	-	130,917
Net Cash Provided by (Used for) Operating Activities	<u>\$ (3,745,529)</u>	<u>\$ 32,277</u>	<u>\$ (3,713,252)</u>

The accompanying notes are an integral part of this statement.

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

	Private Purpose Trust Fund	Total Custodial Funds
ASSETS		
Cash and Cash Equivalents	\$ 1,000,071	\$ 806,530
Total Assets	<u>1,000,071</u>	<u>\$ 806,530</u>
LIABILITIES		
Accounts Payable	-	5,831
Payroll Deductions and Withholdings Payable	-	56,231
Due to Other Funds	-	515,327
Due to Student Groups	-	6,112
Total Liabilities	<u>-</u>	<u>583,501</u>
NET POSITION		
Unrestricted Net Position	<u>1,000,071</u>	<u>223,029</u>
Total Net Position	<u>\$ 1,000,071</u>	<u>\$ 223,029</u>

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

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

	Private Purpose Trust Fund	Total Custodial Funds
ADDITIONS:		
Earnings from Temporary Deposits	\$ 45,705	\$ -
Contributions, Gifts and Donations	16,000	-
Miscellaneous Additions	3	348,885
Total Additions	<u>61,708</u>	<u>348,885</u>
DEDUCTIONS:		
Other Deductions	<u>44,500</u>	<u>327,083</u>
Total Deductions	<u>44,500</u>	<u>327,083</u>
Change in Fiduciary Net Position	17,208	21,802
Total Net Position - September 1 (Beginning)	<u>982,863</u>	<u>201,228</u>
Total Net Position - August 31 (Ending)	<u><u>\$ 1,000,071</u></u>	<u><u>\$ 223,030</u></u>

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

WAXAHACHIE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

The Board is elected by the public and has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the GASB in Statement No.14, "The Financial Reporting Entity", as amended by Statements No. 39, "Determining Whether Certain Organizations are Component Units", and No. 61, "The Financial Reporting Entity: Omnibus – An Amendment of GASBS Statements No. 14 and No. 34". There are no component units within the reporting entity.

B. BASIS OF PRESENTATION

The government-wide financial statements (the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. The District had no business-type activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Program revenues include 1) charges for services or privileges provided, and 2) capital grants and contributions. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

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

Governmental Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities, deferred inflows and outflows of resources, and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses) of accounting, revenues are recognized when earned and expenses are recognized at the time the liability is incurred.

WAXAHACHIE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

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.

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

The revenues susceptible to accrual are property taxes, charges for services, interest income and intergovernmental revenues. All other Governmental Fund Type revenues are recognized when received.

Revenues from state and federal grants are recognized as earned when the related program expenditures are incurred. Funds received but unearned are reflected as deferred revenues, and funds expended but not yet received are shown as receivables.

Revenue from investments, including governmental external investment pool, is based upon fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Most investments are reported at amortized cost when the investments have remaining maturities of one year or less at time of purchase. External investment pools are permitted to report short-term debt investments at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer, or other factors. For that purpose, a pool's short-term investments are those with remaining maturities of up to ninety days.

In accordance with the FAR, 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 FAR.

**WAXAHACHIE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025**

D. BUDGETARY CONTROL

Formal budgetary accounting is employed for all required Governmental Fund Types, as outlined in TEA's FAR module, and is presented on the modified accrual basis of accounting consistent with generally accepted accounting principles. The budget is prepared and controlled at the function level within each organization to which responsibility for controlling operations is assigned.

The official school budget is prepared for adoption for required Governmental Fund Types prior to August 20 of the preceding fiscal year for the subsequent fiscal year beginning September 1. The budget is formally adopted by the Board of Trustees at a public meeting held at least ten days after public notice has been given. The budget is prepared by fund, function, object, and organization. The budget is controlled at the organizational level by the appropriate department head or campus principal within Board allocations. Therefore, organizations may transfer appropriations as necessary without the approval of the board unless the intent is to cross fund, function or increase the overall budget allocations. Control of appropriations by the Board of Trustees is maintained within Fund Groups at the function code level and revenue object code level.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, the Food Service Fund, and the Debt Service Fund. The special revenue funds adopt project-length budgets which do not correspond to the District's fiscal year. Each annual budget is presented on the modified accrual basis of accounting. The budget is amended throughout the year by the Board of Trustees. Such amendments are reflected in the official minutes of the Board.

A reconciliation of fund balances for both appropriated budget and nonappropriated budget special revenue funds is as follows:

	August 31, 2025 <u>Fund Balance</u>
Appropriated Budget Funds	\$ -
Nonappropriated Budget Funds	<u>818,061</u>
All Special Revenue Funds	<u>\$818,061</u>

E. ENCUMBRANCE ACCOUNTING

The District employs encumbrance accounting, whereby encumbrances for goods or purchased services are documented by purchase orders and contracts. An encumbrance represents a commitment of Board appropriation related to unperformed contracts for goods and services. The issuance of a purchase order or the signing of a contract creates an encumbrance but does not represent an expenditure for the period, only a commitment to expend resources. Appropriations lapse at August 31 and encumbrances outstanding at that time are either canceled or appropriately provided for in the subsequent year's budget. The District had no material encumbrances outstanding at August 31, 2025.

F. INVENTORIES

The District records purchases of supplies as expenditures in the Governmental Funds. In the proprietary fund-types, the consumption method is used to account for inventories of food and other supplies. Under this method, these items are carried in an inventory account of the respective fund at cost, using the first-in, first-out method of accounting, and are subsequently charged to expenditures when consumed.

WAXAHACHIE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025

G. PREPAID ITEMS

Prepaid balances are for payments made by the District in the current year to provide services occurring in the subsequent fiscal year, and the nonspendable fund balance has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

H. INTERFUND RECEIVABLES AND PAYABLES

Short-term amounts owed between funds are classified as "Due to/from other funds". Interfund loans are classified as "Advances to/from other funds" and are offset by a fund balance reserve account. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances" and "internal advances".

I. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the governmental activities columns in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment. Assets capitalized have an original cost of \$5,000 or more and over one-year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings & Improvements	15-50 Years
Furniture and Equipment	3-15 Years

J. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows and inflows of resources are reported in the statement of financial position as described below:

A deferred outflow of resources is a consumption of a government's net assets (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The District has three items that qualify for reporting in this category:

Deferred outflows of resources for refunding - Reported in the government-wide statement of net position, the deferred charge on bond refundings results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The amount of deferred outflows reported in the governmental activities for the deferred charge on bond refundings at August 31, 2025 was \$2,531,546.

Deferred outflows of resources for pensions - Reported in the government-wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results of differences between expected and actual actuarial experiences. The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The other pension related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan which is currently approximately 5.6705 years.

**WAXAHACHIE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025**

The total amount of deferred outflows reported in the government-wide financial statement for deferred pension expenses at August 31, 2025 was \$6,824,382.

Deferred outflows of resources for OPEB- Reported in the government-wide financial statement of net position, this deferred outflow results from OPEB plan contributions made after the measurement date of the net OPEB liability and the results of differences between expected and actual investment earnings and changes in proportionate share. The deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year.

The other OPEB related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with OPEB through the OPEB plan which is currently approximately 9.2215 years. The total amount of deferred outflows reported for deferred OPEB expense at August 31, 2025 was \$14,445,168.

A deferred inflow of resources is an acquisition of a government's net assets (an increase in assets in excess of any related increase in liabilities or a decrease in liabilities in excess of any related decrease in assets) by the government that is applicable to a future reporting period. The District has three items that qualify for reporting in this category:

Deferred inflows of resources for unavailable revenues - Reported only in the governmental funds balance sheet, unavailable revenues from property taxes arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District reported property taxes that are unavailable as deferred inflows of resources in the fund financial statements. The amount of deferred inflows of resources reported in the governmental funds at August 31, 2025 was \$2,439,391.

Deferred inflows of resources for pensions - Reported in the government-wide financial statement of net position, these deferred inflows result primarily from differences between projected and actual earnings on pension plan investments and other actuarial and other assumption differences. These amounts will be amortized over a closed 5-year period. In fiscal year 2025, the District reported total deferred inflows of resources for pensions in the amount of \$2,884,712.

Deferred inflows of resources for OPEB - Reported in the government-wide financial statement of net position, these deferred inflows result primarily from differences between expected and actual experience and from changes in assumptions. These amounts will be amortized over the average expected remaining service life (AERSL) of all members (9.2215 years for the 2023 measurement year). In fiscal year 2025, the District reported total deferred inflows of resources for OPEB in the amount of \$22,829,747.

K. COMPENSATED ABSENCES

A liability for compensated absences that employees have earned and carry-forward to future fiscal years has been accrued in the government-wide financial statements in accordance with GASB Statement No. 101, "Compensated Absences," which was effective for fiscal years beginning after December 15, 2023. The measurement of the liability includes salary-related payments that are directly and incrementally associated with the leave.

L. NET POSITION

Net position represents the difference between assets and deferred outflows of resources; less liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the

WAXAHACHIE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025

enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

When both restricted and unrestricted net position is available, restricted net position is expended before unrestricted net position if such use is consistent with the restricted purpose.

M. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

O. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2025, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

P. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Q. DATA CONTROL CODES

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

NOTE 2. FUND BALANCE AND NET POSITION

Net position on the government-wide *Statement of Net Position* includes the following:

Net Investment in Capital Assets reports the difference between capital assets, net of accumulated depreciation, and the outstanding balance of debt, excluding unspent bond proceeds that is directly attributable to the acquisition, construction or improvement of those capital assets.

Restricted for Federal and State Grant Programs is the component of net position restricted to be spent for specific purposes prescribed by federal and state granting agencies.

Restricted for Debt Service is the component of net position that is restricted for payment of debt service by constraints established by the bond covenants.

WAXAHACHIE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025

Unrestricted Net Position is the residual difference between assets, deferred outflows, liabilities and deferred inflows that is not invested in capital assets or restricted for specific purposes.

It is the District's policy to spend funds available from restricted sources prior to unrestricted sources.

Fund Balance Classification: The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.
- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the District's bonded debt and are restricted through debt covenants. Food Service fund balance and Scholarship fund balance are restricted because the use is restricted pursuant to the mandates of the respective grants and donors.
- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District's Board of Trustees. The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This can also be done through adoption and amendment of the budget. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Board of Trustees have committed resources as of August 31, 2025 for campus activities.
- Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Trustees or through the Board of Trustees delegating this responsibility to other individuals in the District. Under the District's adopted policy, only the Board of Trustees may assign amounts for specific purposes. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The Board of Trustees has no assigned fund balance as of August 31, 2025.
- Unassigned: This classification includes all amounts not included in other spendable classifications, including the residual fund balance/deficit for the General Fund.

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

NOTE 3. DEPOSITS AND INVESTMENTS

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

WAXAHACHIE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025

1. Cash Deposits:

At August 31, 2025, the carrying amount of the District's deposits (checking accounts and interest-bearing demand accounts) was \$368,038,405 and the bank balance was \$384,606,340. The District's cash deposits at August 31, 2025 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

2. Investments:

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

In compliance with the Public Funds Investment Act, the District has adopted a deposit and investment policy. That policy addresses the following risks:

- a. Custodial Credit Risk – Deposits: In the case of deposits, this is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. As of August 31, 2025, the District's cash deposits totaled \$368,038,405. This entire amount was either collateralized with securities held by the District's agent or covered by FDIC insurance. Thus, the District's deposits were not exposed to custodial credit risk as of August 31, 2025.
- b. Custodial Credit Risk - Investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At August 31, 2025, the District held investments in two public funds investment pools. The District is not exposed to custodial credit risk for its certificates of deposit as they are collateralized by securities held by the District's agent or covered by FDIC insurance. Investments in external investment pools are considered unclassified as to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.
- c. Credit Risk: This is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligations. The rating of securities by nationally recognized rating agencies is designed to give an indication of credit risk. The credit quality rating for Lone Star Investment Pool at year-end was AAAM (Standard & Poor's). The credit quality rating for TexPool Investment Pool at year-end was AAAM (Standard & Poor's).
- d. Interest Rate Risk: This is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year from the time of purchase. The weighted average maturity for the District's investment in

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external investment pools is less than 90 days. Additionally, all investments in bank certificates of deposit are covered by the District's depository pledge or FDIC insurance.

- e. **Foreign Currency Risk:** This is the risk that exchange rates will adversely affect the fair value of an investment. At August 31, 2025, the District was not exposed to foreign currency risk.
- f. **Concentration of Credit Risk:** This is the risk of loss attributed to the magnitude of the District's investment in a single issuer (i.e., lack of diversification). Concentration risk is defined as positions of 5 percent or more in the securities of a single issuer. Investment pools are excluded from the 5 percent disclosure requirement.

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition 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 investments 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.

The District's investments at August 31, 2025, are shown below:

Description	Carrying Amount	Fair Value
Lone Star Investment Pool	\$ 247,080,114	\$ 247,080,114
TexPool Investment Pool	23,899,074	23,899,074
	<u>\$ 270,979,188</u>	<u>\$ 270,979,188</u>

NOTE 4. DUE FROM OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation Program and Available School Fund.

Total receivables due from other governments for the District's governmental activities and business-type activities as of August 31, 2025 are as follows:

Fund	State Entitlements	Federal Grants	Total
General	\$ 5,256,004	\$ -	\$ 5,256,004
Special Revenue	-	1,160,504	1,160,504
Child Nutrition Programs	281,589	-	281,589
Total	<u>\$ 5,537,593</u>	<u>\$ 1,160,504</u>	<u>\$ 6,698,097</u>

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NOTE 5. INTERFUND TRANSACTIONS

Inter-fund balances at August 31, 2025 consisted of the following individual fund receivables and payables:

Receivable Fund	Payable Fund	Amount
General	Custodial Fund	\$ 515,327
General	Special Revenue Funds	1,121,852
		\$ 1,637,179

All interfund balances represent transactions between the General Fund and other funds. These amounts are short-term advances and are expected to be repaid in less than one year.

NOTE 6. CAPITAL ASSETS

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

	Beginning Balances	Additions	Retirements	Reclassifications	Ending Balances
Business-type Activities:					
Furniture & Equipment	\$ 2,809,135	\$ -	\$ -	\$ -	\$ 2,809,135
Less accumulated depreciation	(2,212,674)	(171,892)	-	-	(2,384,566)
Total Capital Assets for Business-type Activities capital assets, net:	\$ 596,461	\$ (171,892)	\$ -	\$ -	\$ 424,569
 Governmental Activities:					
Capital assets not being depreciated					
Land	\$ 15,762,929	\$ -	\$ -	\$ -	\$ 15,762,929
Construction in Progress	65,141,858	114,931,593	-	(70,419,348)	109,654,103
	80,904,787	114,931,593	-	(70,419,348)	125,417,032
Capital assets being depreciated					
Buildings & Improvements	397,099,467	90,397	-	70,419,348	467,609,212
Furniture & Equipment	27,280,538	675,214	-	-	27,955,752
	424,380,005	765,611	-	70,419,348	495,564,964
Less accumulated depreciation for:					
Buildings & Improvements	(126,281,566)	(8,898,968)	-	-	(135,180,534)
Furniture & Equipment	(19,239,448)	(1,751,667)	-	-	(20,991,115)
	(145,521,014)	(10,650,635)	-	-	(156,171,649)
Total Capital Assets for Governmental Activities, net	\$ 359,763,778	\$ 105,046,569	\$ -	\$ -	\$ 464,810,347

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Depreciation expense was charged as direct expense to programs of the District as follows:

	Governmental Activities
Instruction	\$ 7,210,434
Instructional Leadership	439,842
Student transportation	483,486
Food services	879,682
Extracurricular activities	1,243,132
General Administration	74,543
Facilities Maintenance and Operations	250,637
Security and Monitoring Services	67,842
Community Services	1,037
Total depreciation expense	\$ 10,650,635

Construction Commitments

At August 31, 2025, the District was obligated under major contracts for construction of new facilities and renovations or repairs of various existing facilities. A summary of the status of these projects and the related binding contracts with contractors is as follows:

Project	Costs Incurred	Budgeted Costs
Franklino Jett Elementary	1,696,850	41,841,867
Hancock Expansion	28,428,033	29,420,520
Hancock Track & Field	1,130,948	2,000,000
Finley Jr High	15,400,926	16,400,000
Howard Jr High	7,418,695	7,400,000
Creek High School	55,276,477	290,000,000

NOTE 7. LONG-TERM DEBT

The following is a summary of the changes in the District's Long-term Debt for the year ended August 31, 2025:

Issuance	Original Issue	Interest Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2011 Ref Bonds	\$ 28,621,701	2.00-5.00%	\$ 4,966,701	\$ -	\$ 2,565,720	\$ 2,400,981	\$ 2,400,981
2011 SCB Bonds *	2,500,000	4.45%	2,500,000	-	-	2,500,000	170,000
2013 Ref Bonds	5,915,000	2.00-3.50%	5,840,000	-	-	5,840,000	-
2014 Ref Bonds	8,595,000	2.00-3.60%	8,435,000	-	8,435,000	-	-
2015 Ref Bonds	40,990,000	4.00-5.50%	36,905,000	-	36,905,000	-	-
2015 Building Bonds	75,000,000	3.00-5.00%	70,265,000	-	630,000	69,635,000	660,000
2016 Building Bonds	46,545,000	2.00-5.00%	41,965,000	-	745,000	41,220,000	775,000
2018 Building Bonds	21,005,000	3.00-5.00%	18,620,000	-	440,000	18,180,000	465,000
2020 Ref Bonds	18,825,000	3.00-5.00%	15,715,000	-	880,000	14,835,000	925,000
2021 Ref Bonds	17,625,000	2.00-3.00%	11,610,000	-	-	11,610,000	-
2023 Building Bonds	190,640,000	4.00-5.00%	177,990,000	-	1,640,000	176,350,000	1,720,000
2024 Building Bonds	197,410,000	5.00%	197,410,000	-	2,945,000	194,465,000	-
			-	43,195,000	840,000	42,355,000	305,000
			-	98,830,000	-	98,830,000	2,485,000
			\$ 592,221,701	\$ 142,025,000	\$ 56,025,720	\$ 678,220,981	\$ 9,905,981
Bond Premium			28,402,069	5,998,675	4,745,171	29,655,573	
Accreted Interest			4,592,619	400,749	2,019,280	2,974,088	2,184,019
Compensated Absences			-	707,648	-	707,648	417,272
			\$ 625,216,389	\$ 148,424,424	\$ 62,790,171	\$ 711,558,290	\$ 12,507,272

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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General Obligation Bonds are direct obligations issued on a pledge of the general taxing power for the payment of the debt obligations of the District. General Obligation Bonds require the District to compute, at the time taxes are levied, the rate of tax required to provide (in each year bonds are outstanding) a fund to pay interest and principal at maturity. The District is in compliance with this requirement.

There are a number of limitations and restrictions contained in the various general obligation bonds indentures. The District is in compliance with all significant limitations and restrictions at August 31, 2025.

The District's Unlimited Tax Qualified School Construction Bonds-Series 2011 require the District to make sinking fund deposits into a sinking fund restricted to payment of the bond principal when the bonds become due in 2026. Sinking fund deposits of \$170,000 are required in fiscal years 2022 through 2026. The balance in the sinking fund account as of August 31, 2025 was \$2,330,000 and is shown in the financial statements as restricted cash in the Debt Service Fund.

The District has two (2) bond series that include capital appreciation bonds (CAB), which are bonds bearing no interest that is sold at a significant discount but matures at a stated value. Accreted interest is the obligation associated with CABs and reflects period increases in the obligation to reflect the bond at stated value at maturity. CAB premiums represent premium received on the issuance of these bonds which must also be paid back at maturity. The current year accreted interest expense recognized in the government-wide financial statements was \$400,749, and \$2,019,280 of outstanding accreted interest was paid off during the year. Total accreted interest on CABs at August 31, 2025 is \$2,974,088, which is reported as long-term liabilities in the government-wide financial statements.

Presented below is a summary of general obligation bond requirements to maturity:

Year Ending August 31,	Principal	Interest	Total Requirements
2026	12,235,981	32,174,135	44,410,116
2027	11,550,000	29,655,150	41,205,150
2028	13,225,000	29,149,375	42,374,375
2029	14,930,000	28,536,400	43,466,400
2030	15,595,000	27,867,875	43,462,875
2031-2035	89,295,000	128,019,781	217,314,781
2036-2040	112,510,000	105,139,125	217,649,125
2041-2045	141,685,000	76,177,475	217,862,475
2046-2050	156,170,000	41,951,438	198,121,438
2051-2053	111,025,000	7,374,225	118,399,225
	<u>678,220,981</u>	<u>506,044,979</u>	<u>1,184,265,960</u>

NOTE 8. PROPERTY TAXES

Property taxes are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The District levies its taxes on October 1 on the assessed (appraised) 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 upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. The assessed value of the property tax roll upon which the levy for the 2024-2025 fiscal year was based was \$8,830,343,440. Taxes are delinquent if not paid by June 30. Delinquent taxes are subject to both penalty and interest charges plus 15 % delinquent collection fees for attorney costs.

The tax rates assessed for the year ended August 31, 2025 to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$0.7552 and \$0.4129 per \$100 valuation, respectively, for a total of \$1.1681 per \$ 100 valuation.

WAXAHACHIE INDEPENDENT SCHOOL DISTRICT
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Current tax collections for the year ended August 31, 2025 were 97.54% of the year-end adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based on historical experience in collecting 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. As of August 31, 2025, property taxes receivable, net of allowances for uncollectible taxes, totaled \$1,685,798 and \$753,593 for the General and Debt Service Funds, respectively.

Property taxes are recorded as receivable and unavailable revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected.

NOTE 9. REVENUES FROM LOCAL AND INTERMEDIATE SOURCES

Revenues from local and intermediate sources for the year ended August 31, 2025 consisted of the following:

	General Fund	Capital Project Funds	Debt Service Fund	Other Funds	Total
Property Taxes	\$ 62,138,970	\$ -	\$ 33,949,637	\$ -	\$ 96,088,607
Investment income	2,017,161	12,494,665	2,205,298	45,705	16,762,829
Tax Related Income	550,311	-	227,808	-	778,119
Co-curricular Student Activities	89,905	-	-	-	89,905
Other	1,491,881	113,738.00	183,713	925,470	2,714,802
Total	<u>66,288,228</u>	<u>\$ 12,608,403</u>	<u>\$ 36,566,456</u>	<u>\$ 971,175</u>	<u>\$ 116,434,262</u>

NOTE 10. DEFINED BENEFIT PENSION PLAN

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

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

Pension Plan Fiduciary Net Position. Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://trs.texas.gov/pages/aboutpublications.aspx>, by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512)542-6592.

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

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

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

Contributions. Contribution requirements are established or amended pursuant to Article 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 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2019 thru 2025.

<u>Contribution Rates</u>	<u>2024</u>	<u>2025</u>
Member	8.25%	8.25%
Non-Employer Contributing Entity (State)	8.25%	8.25%
Employers	8.25%	8.25%
Waxahachie ISD FY2025 Employer Contributions		\$ 3,555,445
Waxahachie ISD FY2025 Member Contributions		\$ 7,486,576
Waxahachie ISD FY2025 NECE On-Behalf Contributions		\$ 5,500,413

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 the 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, 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, including public 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 source or a privately sponsored source, from non-educational and general, or local funds.
- All public schools must contribute 1.8 percent of the member's salary beginning in fiscal year 2023, gradually increasing to 2 percent in fiscal year 2025.

**WAXAHACHIE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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In addition to the employer contributions listed above, there are additional surcharges an employer is subject to.

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

Actuarial Assumptions. The total pension liability in the August 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2022 rolled forward to August 31, 2023
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term expected Investment Rate of Return	7.00%
Municipal Bond Rate as of August 2023	4.13%
Inflation	2.30%
Salary Increases Including Inflation	2.95% to 8.95%
Benefit Changes During the Year	None
Ad hoc Post Employment Benefit Changes	None

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

Discount Rate. A single discount rate of 7.00 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00 percent.

The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 9.56 percent in fiscal year 2025 and thereafter. This includes all employer and state contributions for active and rehired retirees.

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

The long-term 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-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2025 are summarized below:

Asset Class	Target Allocation ¹	Long-Term Expected Arithmetic Real Rate of Return ²	Expected Contribution To Long-Term Portfolio Returns
Global Equity			
U.S.	18%	4.4%	1.0%
Non-U.S. Developed	13%	4.2%	0.8%
Emerging Markets	9%	5.2%	0.7%
Private Equity	14%	6.7%	1.2%
Stable Value			
Government Bonds	16%	1.9%	0.4%
Absolute Return ⁴	0%	4.0%	0.0%
Stable Value Hedge Funds	5%	3.0%	0.2%
Real Return			
Real Estate	15%	6.6%	1.2%
Energy, Natural Resources	6%	5.6%	0.4%
Commodities	0%	2.5%	0.0%
Risk Parity			
Risk Parity	8%	4.0%	0.4%
Leverage			
Cash	2%	1.0%	0.0%
Asset Allocation Leverage	-6%	1.3%	-0.1%
Inflation Expectation	-		2.4%
Volatility Drag ³	-		-0.7%
Total	<u>100%</u>		<u>8.0%</u>

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

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Waxahachie ISD's proportionate share of the net pension liability:	\$58,148,256	\$36,405,154	\$18,389,449

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At August 31, 2025, Waxahachie Independent School District reported a liability of \$36,405,154 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to Waxahachie Independent School District. The amount recognized by Waxahachie Independent School 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 Waxahachie Independent School District were as follows:

District's Proportionate share of the collective net pension liability	\$ 36,405,154
State's proportionate share that is associated with the District	<u>55,751,669</u>
Total	<u>\$92,156,823</u>

¹ Target allocations are based on the FY24 policy model.

² Capital Market Assumptions come from 2024 SAA Study SMA Survey (as of 12/31/2023).

³ The volatility drag results from the conversion between arithmetic and geometric mean returns.

⁴ Absolute Return includes credit sensitive investments.

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The net pension liability was measured as of August 31, 2023 and rolled forward to August 31, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2023 thru August 31, 2024. At August 31, 2025 the employer's proportion of the collective net pension liability was 0.0595983387%, a decrease of -5.5% from its proportionate share of 0.0650693631% at August 31, 2024.

Changes in Assumptions and Benefits Since the Prior Actuarial Valuation.

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

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

The amount of pension expense recognized in the reporting period was \$12,507,878. Additionally, the District recognized pension expense of \$6,663,256 and revenue of \$6,663,256 for support by the State during the year ended August 31, 2025.

The District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (The amounts shown below will be the cumulative layers from the current and prior years combined.):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 2,006,602	\$ 284,234
Changes in actuarial assumptions	1,879,676	252,000
Difference between projected and actual investment earnings	221,295	
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions		
Contributions paid to TRS subsequent to the measurement date	2,716,809	2,348,478
Total	\$ 6,824,382	\$ 2,884,712

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

Year ended June 30:	Pension Expense Amount	Balance of Deferred Outflows (Deferred Inflows)
2025	\$ 663,079	\$ 3,276,589
2026	4,294,176	(1,017,587)
2027	486,803	(1,504,390)
2028	(1,300,841)	(203,549)
2029	(203,549)	-
Thereafter	-	-

WAXAHACHIE INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED AUGUST 31, 2025

NOTE 11. 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 with a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature.

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

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 on the Internet at <http://www.trs.texas.gov/pages/aboutpublications.aspx>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

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

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

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

TRS-Care Monthly for Retirees		
	Medicare	Non-Medicare
Retiree*	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree* and Children	468	408
Retiree and Family	1,020	999

* or surviving spouse

Contributions. Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon 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 .65% of salary. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act, which is 0.75 percent of each active employee’s pay for fiscal year 2023. The following table shows contributions to the TRS-Care plan by type of contributor.

**WAXAHACHIE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025**

	<u>Contribution Rates</u>	
	<u>2024</u>	<u>2025</u>
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private Funding remitted by Employers	1.25%	1.25%
Waxahachie ISD FY25 Employer Contributions	\$764,684	
Waxahachie ISD FY25 Member Contributions	\$588,851	
Waxahachie ISD FY25 NECE On-behalf Contributions	\$1,733,391	

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 to TRS Care, a monthly surcharge of \$535 per retiree.

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

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

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 the mortality projection scale MP-2021.

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2023 rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	3.87%
Aging Factors	Based on specific plan experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the

WAXAHACHIE INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED AUGUST 31, 2025

Projected Salary Increases	age-adjusted claim costs
Election Rates	2.95% to 8.95%, including inflation
Ad hoc post-employment benefit changes	Normal Retirement: 62% participation prior to age 65 and 25% participation after age 65
	None

Discount Rate. A single discount rate of 3.87% was used to measure the total OPEB liability. There was an increase of 0.22 percent in the discount rate since the previous year. Because the investments are held in cash and there is no intentional objective to advance fund the benefits, the single discount rate is equal to the prevailing municipal bond rate.

The source of the municipal bond rate is the Fidelity “20-year Municipal GO AA Index” as of August 31, 2024, using the fixed-income market data/yield curve/data municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.87%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (2.87%)	Current Single Discount Rate (3.87%)	1% Increase in Discount Rate (4.87%)
District’s proportionate share of the Net OPEB Liability:	\$28,905,858	\$24,330,573	\$20,633,674

Healthcare Cost Trend Rates Sensitivity Analysis - The following schedule shows the impact of the net OPEB liability if a healthcare trend rate that is one-percentage less than or one-percentage point greater than the health trend rates is assumed.

	1% Decrease in Healthcare Trend Rate	Current Single Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
District’s proportionate share of the Net OPEB Liability:	\$19,813,639	\$24,330,573	\$30,216,588

OPEB Liabilities, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At August 31, 2025, the District reported a liability of \$24,330,573 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	\$ 24,330,573
State’s proportionate share that is associated with the District	<u>\$ 30,485,877</u>
Total	<u>\$ 54,816,450</u>

**WAXAHACHIE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025**

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

At August 31, 2024 the employer's proportion of the collective Net OPEB Liability was 0.0801625841%, an increase of -6.94% compared to the August 31, 2023 proportionate share of 0.0861373780%.

Changes Since the Prior Actuarial Valuation – The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period:

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

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

For the year ended August 31, 2024, the amount of OPEB recognized in the reporting period was \$2,317,067. Additionally, the District recognized OPEB expense of \$(3,962,601) and revenue of \$(3,962,601) for support provided by the State.

At August 31, 2025, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits related to OPEB from the following sources (the amounts shown below will be the cumulative layers for the current and prior years combined.):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 4,663,354	\$ 12,142,275
Changes in actuarial assumptions	3,114,026	7,938,784
Difference between projected and actual investment earnings	-	62,434
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	6,667,788	2,686,254
Contributions paid to TRS subsequent to the measurement date	-	-
Total	\$14,445,168	\$ 22,829,747

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 OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	OPEB Expense Amount	Balance of Deferred Outflows (Deferred Inflows)
2025	\$ (2,278,837)	\$ (6,111,443)
2026	(1,176,873)	(4,934,570)
2027	(1,824,693)	(3,109,877)
2028	(1,666,127)	(1,443,750)
2029	(921,958)	(521,792)
Thereafter	(521,792)	-

**WAXAHACHIE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025**

NOTE 12. HEALTH CARE

During the year ended August 31, 2025, employees of Waxahachie Independent School District were covered by a health insurance plan (the Plan). The District contributed \$245 per month per employee to the Plan and employees, at their option, authorized payroll withholdings to pay any additional contributions. All contributions were paid to a fully insured plan (TRS ActiveCare).

NOTE 13. SCHOOL DISTRICT RETIREE HEALTH PLAN

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. These on-behalf payments are recognized as equal revenues and expenditures/expenses by the District. For the year ended August 31, 2025, the subsidy payments received by TRS-Care on behalf of the District were \$644,620, \$497,369 and \$462,156, respectively.

NOTE 14. WORKERS' COMPENSATION

During the year ended August 31, 2025, the District met its statutory workers' compensation obligations through participation in the Texas Political Subdivisions (TPS) Joint Self-Insurance Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 79I of the Texas Government Code. The Fund's workers' compensation program is authorized by Chapter 504, Texas Labor Code. All districts participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties. The Fund provides statutory worker's compensation benefits to its members and their injured employees.

The Fund and its members are protected against higher-than-expected claims costs through the purchase of reinsurance. The Fund uses the services of an independent actuary to determine reserve adequacy and fully fund those reserves. As of December 31, 2024, the Fund carries a discounted reserve of \$5,078,782 for future development on reported claims and claims that have been incurred but not yet reported. For the year ended December 31, 2024, the Fund anticipates no additional liability to members beyond their contractual obligations for payment of contributions.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on December 31st. The audit is accepted by the Fund's Board of Trustees in June of the following year. The Fund's audited financial statements as of December 31, 2024, are available by request through the Fund's website

NOTE 15. SHARED SERVICE ARRANGEMENTS

The District is the fiscal agent for Shared Services Arrangements ("SSA'S") which provide deaf education to member districts. In addition to the District, other member districts include Milford, Maypearl, and Italy Independent School Districts.

All services are provided by the fiscal agent. According to guidance provided in TEA's Resource Guide, the District has accounted for the fiscal agent's activities of the SSA'S in Special Revenues Funds.

**WAXAHACHIE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025**

Expenditures of the SSA'S are summarized below:

	Fund 315	Fund 435
Waxahachie	\$ 20,079	\$ 70,132
Palmer	2,008	7,013
Milford	2,008	7,013
Maypearl	2,008	7,013
Italy	1,004	3,597
	\$ 27,107	\$ 94,768

NOTE 16. LITIGATION AND CONTINGENCIES

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, if any, refunds of any money received may be required and the collectability of any related receivable at August 31, 2025 may be impaired. In the opinion of the District's management, 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.

NOTE 17. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

In May 2020, GASB issued Statement No. 96 – Subscription-Based Information Technology Arrangements (SBITA). This statement increases the usefulness of government's financial statements by requiring recognition of certain right-to-use subscription assets and corresponding subscription liabilities for SBITA's that were previously recognized as outflows of resources based on the payment provisions of the contract. The Statement is effective for years beginning after June 15, 2022.

Per review of the information technology arrangements identified by the District as potential SBITA's, the arrangements were determined to either not meet the definition of a SBITA or were immaterial to the financial statements.

NOTE 18. CHANGE IN ACCOUNTING PRINCIPLE – COMPENSATED ABSENCES

In June 2022, GASB issued new accounting pronouncement, GASB Statement No. 101, "Compensated Absences," which was effective for fiscal years beginning after December 15, 2023. In compliance with this new accounting pronouncement, a liability has been recognized in the District's statements of net position for carry-forward compensated absences more likely than not (a likelihood of more than 50%) to be used by or paid to employees in future periods. The measurement of the liability includes salary-related payments that are directly and incrementally associated with the leave. Texas state law provides a state minimum personal leave program consisting of five days per year personal leave with no limit on accumulation and transferability among Texas school districts; school districts can provide additional personal leave beyond this minimum. The liability for compensated absences in governmental fund financial statements is the amount, if material, that is to be liquidated with expendable available financial resources. This new accounting pronouncement does not apply to holiday leave or projected effects on defined benefit postemployment liabilities. Under previous accounting rules, a liability for compensated absences would have been recorded only if accumulated benefits were to be paid upon employee termination or retirement.

Upon retirement, the District pays the employee for accumulated state and local leave based on years of service. For fewer than ten years of service, the District pays 50% of the daily rate for a certified substitute. For more than ten years of service, the District pays 100% of the daily rate for a certified substitute. In either case, payment to an employee shall not exceed 10% of the employee's annual salary.

**WAXAHACHIE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025**

The implementation of this new accounting standard resulted in restating beginning net position in the District's governmental activities as follows:

Governmental Activities	
Net position as of 8/31/2024 as previously reported	\$ 29,800,020
Restatement - change in accounting principle to record a liability for compensated absences	<u>(640,376)</u>
Net position as of 8/31/2024 as restated	<u>\$ 29,159,644</u>

NOTE 19. SUBSEQUENT EVENTS

The District's management has reviewed events subsequent to August 31, 2025 through February 6, 2026, which is the date the financial statements were available to be issued. On December 1st, 2025, the District ~~issued~~ unlimited tax refunding bonds, Series 2025, in the amount of \$31,580,000.

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

	FY 2025 Plan Year 2024	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022
District's Proportion of the Net Pension Liability (Asset)	0.059598339%	0.0651%	0.0625%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 36,405,154	\$ 44,696,374	\$ 37,102,038
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	55,751,669	61,532,998	54,229,701
Total	<u>\$ 92,156,823</u>	<u>\$ 106,229,372</u>	<u>\$ 91,331,739</u>
District's Covered Payroll	\$ 90,746,381	\$ 88,014,706	\$ 85,111,576
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	41.37%	50.78%	43.59%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.51%	73.15%	75.62%

Note: GASB Codification, Vol. 2, P20.183 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2024 for year 2025, August 31, 2023 for year 2024, August 31, 2022 for year 2023, August 31, 2021 for year 2022, August 31, 2020 for year 2021, August 31, 2019 for year 2020, August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, and August 31, 2015 for year 2016.

<u>FY 2022</u> <u>Plan Year 2021</u>	<u>FY 2021</u> <u>Plan Year 2020</u>	<u>FY 2020</u> <u>Plan Year 2019</u>	<u>FY 2019</u> <u>Plan Year 2018</u>	<u>FY 2018</u> <u>Plan Year 2017</u>	<u>FY 2017</u> <u>Plan Year 2016</u>	<u>FY 2016</u> <u>Plan Year 2015</u>
0.056322076%	0.053039324%	0.0523144%	0.0498397%	0.0459862%	0.0441213%	0.0450521%
\$ 14,343,240	\$ 28,406,780	\$ 27,194,675	\$ 27,432,958	\$ 14,703,907	\$ 16,672,778	\$ 15,925,318
25,160,957	51,136,922	45,308,051	44,810,363	26,646,736	31,513,766	28,595,115
<u>\$ 39,504,197</u>	<u>\$ 79,543,702</u>	<u>\$ 72,502,726</u>	<u>\$ 72,243,321</u>	<u>\$ 41,350,643</u>	<u>\$ 48,186,544</u>	<u>\$ 44,520,433</u>
\$ 79,427,936	\$ 69,059,529	\$ 61,492,949	\$ 55,658,471	\$ 52,352,753	\$ 49,822,143	\$ 46,306,390
18.07%	41.13%	44.22%	49.29%	28.09%	33.46%	34.39%
88.79%	75.54%	75.24%	73.74%	82.17%	78.43%	78.43%

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

	2025	2024	2023
Contractually Required Contribution	\$ 3,555,445	\$ 3,358,397	\$ 3,344,028
Contribution in Relation to the Contractually Required Contribution	(3,555,445)	(3,358,397)	(3,344,028)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 90,746,381	\$ 88,014,706	\$ 85,111,576
Contributions as a Percentage of Covered Payroll	3.92%	3.82%	3.93%

Note: GASB Codification, Vol. 2, P20.183 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.

	2022	2021	2020	2019	2018	2017	2016
\$	2,916,270	\$ 2,403,017	\$ 2,147,911	\$ 1,831,806	\$ 1,678,999	\$ 1,506,070	\$ 1,406,647
	(2,916,270)	(2,403,017)	(2,147,911)	(1,831,806)	(1,678,999)	(1,506,070)	(1,406,647)
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	79,427,936	\$ 74,627,359	\$ 69,059,529	\$ 61,492,949	\$ 55,655,595	\$ 52,352,753	\$ 49,822,143
	3.67%	3.22%	3.11%	2.98%	3.02%	2.88%	2.82%

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

	FY 2025 Plan Year 2024	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.080162584%	0.086137%	0.08373%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 24,330,573	\$ 19,069,356	\$ 20,050,191
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	30,485,877	23,010,109	24,458,083
Total	<u>\$ 54,816,450</u>	<u>\$ 42,079,465</u>	<u>\$ 44,508,274</u>
District's Covered Payroll	\$ 87,997,364	\$ 88,014,706	\$ 85,111,576
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	27.65%	21.67%	23.56%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	13.70%	14.94%	11.52%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. For example, the amounts for FY 2025 are for the measurement date of August 31, 2024, etc.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
0.079195661%	0.075857368%	0.0723712%	0.067525%	
\$ 30,549,307	\$ 28,836,811	\$ 34,225,213	\$ 33,715,852	\$ -
40,929,263	38,749,762	45,477,654	47,367,980	
\$ 71,478,570	\$ 67,586,573	\$ 79,702,867	\$ 81,083,832	\$ -
\$ 79,427,936	\$ 69,059,529	\$ 61,492,949	\$ 55,658,471	\$ -
38.46%	41.76%	55.66%	60.58%	
6.18%	4.99%	2.66%	1.57%	

WAXAHACHIE ISD
 SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
 TEACHER RETIREMENT SYSTEM OF TEXAS
 FOR THE YEAR ENDED AUGUST 31, 2025

	2025	2024	2023
Contractually Required Contribution	\$ 764,684	\$ 728,115	\$ 742,885
Contribution in Relation to the Contractually Required Contribution	(764,684)	(728,115)	(742,885)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 90,746,381	\$ 88,014,706	\$ 85,111,576
Contributions as a Percentage of Covered Payroll	0.84%	0.83%	3.93%

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.

Information in this schedule should be provided only for the years where data is available. Eventually 10 years of data should be presented.

	2022	2021	2020	2019	2018
\$	595,712	\$ 618,698	\$ 569,073	\$ 513,826	\$ 459,947
	(595,712)	(618,698)	(569,073)	(513,826)	(459,947)
\$	-	\$ -	\$ -	\$ -	\$ -
\$	79,427,936	\$ 74,627,359	\$ 69,059,529	\$ 61,492,949	\$ 55,655,595
	0.75%	0.83%	0.82%	0.84%	0.83%

WAXAHACHIE INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2025

PENSION LIABILITY:

Changes of benefit terms:

The Texas 2023 Legislature passed legislation that provides a one-time stipend to certain retired teachers. The stipend was paid to retirees beginning in September of 2023. The Legislature appropriated funds to pay for this one-time stipend so there will be no impact on the net pension liability of TRS. In addition, the Legislature also provided for a cost-of-living adjustment (COLA) to retirees that was approved during the November 2023 elections, which will be paid in January 2024.

Changes of assumptions:

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

OPEB LIABILITY:

Changes of benefit terms:

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

Changes of assumptions:

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

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

COMBINING SCHEDULES

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

Data Control Codes	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
ASSETS			
1110 Cash and Cash Equivalents	\$ -	\$ -	\$ -
1240 Due from Other Governments	186,135	250,495	3,364
1260 Due from Other Funds	-	-	936
1000 Total Assets	<u>\$ 186,135</u>	<u>\$ 250,495</u>	<u>\$ 4,300</u>
LIABILITIES			
2110 Accounts Payable	\$ 5,108	\$ -	\$ -
2150 Payroll Deductions and Withholdings Payable	257	345	5
2170 Due to Other Funds	180,770	250,150	4,295
2000 Total Liabilities	<u>186,135</u>	<u>250,495</u>	<u>4,300</u>
FUND BALANCES			
Committed Fund Balance:			
3545 Other Committed Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ 186,135</u>	<u>\$ 250,495</u>	<u>\$ 4,300</u>

EXHIBIT H-1 (Cont'd)

244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	289 Other Federal Special Revenue Funds	315 SSA IDEA, Part B Discretionary	397 Advanced Placement Incentives	410 State Instructional Materials	429 Other State Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,044	\$ -	\$ 32,237
6,102	7,649	58,347	2,951	19,342	-	152,123	446,176
-	-	-	-	-	-	-	-
<u>\$ 6,102</u>	<u>\$ 7,649</u>	<u>\$ 58,347</u>	<u>\$ 2,951</u>	<u>\$ 19,342</u>	<u>\$ 5,044</u>	<u>\$ 152,123</u>	<u>\$ 478,413</u>
\$ -	\$ -	\$ 527	\$ 700	\$ 151	\$ -	\$ 39,163	\$ 25,545
-	-	18	-	-	-	-	-
6,102	7,649	57,802	2,251	19,191	-	112,960	452,868
<u>6,102</u>	<u>7,649</u>	<u>58,347</u>	<u>2,951</u>	<u>19,342</u>	<u>-</u>	<u>152,123</u>	<u>478,413</u>
-	-	-	-	-	5,044	-	-
-	-	-	-	-	5,044	-	-
<u>\$ 6,102</u>	<u>\$ 7,649</u>	<u>\$ 58,347</u>	<u>\$ 2,951</u>	<u>\$ 19,342</u>	<u>\$ 5,044</u>	<u>\$ 152,123</u>	<u>\$ 478,413</u>

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

Data Control Codes	435 SSA Regional Day School - Deaf	461 Campus Activity Funds	462 Metro League UIL	463 Vog Ag
ASSETS				
1110 Cash and Cash Equivalents	\$ -	\$ 792,033	\$ 3,557	\$ 5,105
1240 Due from Other Governments	27,820	-	-	-
1260 Due from Other Funds	-	-	-	-
1000 Total Assets	<u>\$ 27,820</u>	<u>\$ 792,033</u>	<u>\$ 3,557</u>	<u>\$ 5,105</u>
LIABILITIES				
2110 Accounts Payable	\$ -	\$ 9,039	\$ -	\$ -
2150 Payroll Deductions and Withholdings Payable	6	-	-	-
2170 Due to Other Funds	27,814	-	-	-
2000 Total Liabilities	<u>27,820</u>	<u>9,039</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Committed Fund Balance:				
3545 Other Committed Fund Balance	-	782,994	3,557	5,105
3000 Total Fund Balances	<u>-</u>	<u>782,994</u>	<u>3,557</u>	<u>5,105</u>
4000 Total Liabilities and Fund Balances	<u>\$ 27,820</u>	<u>\$ 792,033</u>	<u>\$ 3,557</u>	<u>\$ 5,105</u>

464 Voc Ag II	Total Nonmajor Governmental Funds
\$ 21,361	\$ 859,337
-	1,160,504
-	936
<u>\$ 21,361</u>	<u>\$ 2,020,777</u>
\$ -	\$ 80,233
-	631
-	1,121,852
<u>-</u>	<u>1,202,716</u>
21,361	818,061
<u>21,361</u>	<u>818,061</u>
<u>\$ 21,361</u>	<u>\$ 2,020,777</u>

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

Data Control Codes	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
REVENUES:			
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-
5900 Federal Program Revenues	1,315,479	1,926,622	25,722
5020 Total Revenues	<u>1,315,479</u>	<u>1,926,622</u>	<u>25,722</u>
EXPENDITURES:			
Current:			
0011 Instruction	1,073,472	74,346	-
0012 Instructional Resources and Media Services	-	-	-
0013 Curriculum and Instructional Staff Development	184,883	-	-
0021 Instructional Leadership	40,730	-	-
0023 School Leadership	10,427	-	-
0031 Guidance, Counseling, and Evaluation Services	5,967	1,852,276	25,722
0036 Extracurricular Activities	-	-	-
0041 General Administration	-	-	-
0052 Security and Monitoring Services	-	-	-
6030 Total Expenditures	<u>1,315,479</u>	<u>1,926,622</u>	<u>25,722</u>
1200 Net Change in Fund Balance	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	289 Other Federal Special Revenue Funds	315 SSA IDEA, Part B Discretionary	397 Advanced Placement Incentives	410 State Instructional Materials	429 Other State Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	152,123	2,486,292
203,288	300,091	124,161	91,740	27,107	-	-	-
203,288	300,091	124,161	91,740	27,107	-	152,123	2,486,292
135,989	45,841	100,844	24,498	26,071	-	152,123	116,672
-	-	-	-	-	-	-	-
18,477	252,469	23,317	67,242	1,036	-	-	2,233,966
-	-	-	-	-	-	-	-
-	1,781	-	-	-	-	-	-
48,822	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	135,654
203,288	300,091	124,161	91,740	27,107	-	152,123	2,486,292
-	-	-	-	-	-	-	-
-	-	-	-	-	5,044	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,044	\$ -	\$ -

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

Data Control Codes	435 SSA Regional Day School - Deaf	461 Campus Activity Funds	462 Metro League UIL	463 Vog Ag
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 30,795	\$ 876,327	\$ 15,828	\$ -
5800 State Program Revenues	63,883	-	-	-
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	<u>94,678</u>	<u>876,327</u>	<u>15,828</u>	<u>-</u>
EXPENDITURES:				
Current:				
0011 Instruction	90,800	515,309	-	-
0012 Instructional Resources and Media Services	-	63,293	-	-
0013 Curriculum and Instructional Staff Development	3,878	-	-	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	-	-	-
0036 Extracurricular Activities	-	186,565	19,578	-
0041 General Administration	-	59,678	-	-
0052 Security and Monitoring Services	-	-	-	-
6030 Total Expenditures	<u>94,678</u>	<u>824,845</u>	<u>19,578</u>	<u>-</u>
1200 Net Change in Fund Balance	-	51,482	(3,750)	-
0100 Fund Balance - September 1 (Beginning)	-	731,515	7,304	5,105
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ 782,997</u>	<u>\$ 3,554</u>	<u>\$ 5,105</u>

	464 Voc Ag II	Total Nonmajor Governmental Funds
\$	48,225	\$ 971,175
	-	2,702,298
	-	4,014,210
	<u>48,225</u>	<u>7,687,683</u>
	-	2,355,965
	-	63,293
	-	2,785,268
	-	40,730
	-	12,208
	-	1,932,787
	45,868	252,011
	-	59,678
	-	135,654
	<u>45,868</u>	<u>7,637,594</u>
	2,357	50,089
	19,004	767,972
\$	<u>21,361</u>	<u>\$ 818,061</u>

WAXAHACHIE ISD
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 AUGUST 31, 2025

	711 Child Care Center	720 Lighthouse for Learning	Total Nonmajor Enterprise Funds
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 582,726	\$ 96,537	\$ 679,263
Total Current Assets	<u>582,726</u>	<u>96,537</u>	<u>679,263</u>
Noncurrent Assets:			
Capital Assets:			
Furniture and Equipment, Net	37,981	-	37,981
Total Noncurrent Assets	<u>37,981</u>	<u>-</u>	<u>37,981</u>
Total Assets	<u>620,707</u>	<u>96,537</u>	<u>717,244</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	427	-	427
Accrued Wages Payable	58,806	-	58,806
Unearned Revenues	-	1,991	1,991
Total Liabilities	<u>59,233</u>	<u>1,991</u>	<u>61,224</u>
NET POSITION			
Net Investment in Capital Assets	37,981	-	37,981
Restricted for Federal and State Programs	523,493	94,546	618,039
Total Net Position	<u>\$ 561,474</u>	<u>\$ 94,546</u>	<u>\$ 656,020</u>

WAXAHACHIE ISD
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2025

	711 Child Care Center	720 Lighthouse for Learning	Total Nonmajor Enterprise Funds
OPERATING REVENUES:			
Local and Intermediate Sources	\$ 558,670	\$ 5,216	\$ 563,886
State Program Revenues	40,908	5	40,913
Total Operating Revenues	<u>599,578</u>	<u>5,221</u>	<u>604,799</u>
OPERATING EXPENSES:			
Payroll Costs	530,281	9	530,290
Professional and Contracted Services	7,731	1,099	8,830
Supplies and Materials	34,745	-	34,745
Other Operating Costs	574	227	801
Depreciation Expense	25,784	-	25,784
Total Operating Expenses	<u>599,115</u>	<u>1,335</u>	<u>600,450</u>
Operating Income	463	3,886	4,349
Total Net Position - Sept. 1 (Beginning)	651,671	-	651,671
Total Net Position - August 31 (Ending)	<u>\$ 652,134</u>	<u>\$ 3,886</u>	<u>\$ 656,020</u>

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

	863 Payroll Clearing Account	865 Custodial Fund Student Activity Acct	899 Employee Sunshine Fund	Total Custodial Funds
ASSETS				
Cash and Cash Equivalents	\$ 571,558	\$ 228,785	\$ 6,187	\$ 806,530
Total Assets	<u>571,558</u>	<u>228,785</u>	<u>6,187</u>	<u>806,530</u>
LIABILITIES				
Accounts Payable	-	5,831	-	5,831
Payroll Deductions and Withholdings Payable	56,231	-	-	56,231
Due to Other Funds	515,327	-	-	515,327
Due to Student Groups	-	(75)	6,187	6,112
Total Liabilities	<u>571,558</u>	<u>5,756</u>	<u>6,187</u>	<u>583,501</u>
NET POSITION				
Unrestricted Net Position	-	223,029	-	223,029
Total Net Position	<u>\$ -</u>	<u>\$ 223,029</u>	<u>\$ -</u>	<u>\$ 223,029</u>

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

	863 Payroll Clearing Account	865 Custodial Fund Student Activity Acct	899 Employee Sunshine Fund	Total Total Custodial Funds
ADDITIONS:				
Miscellaneous Additions	\$ -	\$ 348,885	\$ -	\$ 348,885
Total Additions	-	348,885	-	348,885
DEDUCTIONS:				
Other Deductions	-	327,084	-	327,084
Total Deductions	-	327,084	-	327,084
Change in Net Position	-	21,801	-	21,801
Net Position - September 1 (Beginning)	-	201,228	-	201,228
Net Position - August 31 (Ending)	\$ -	\$ 223,029	\$ -	\$ 223,029

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REQUIRED T.E.A. SCHEDULES

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

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2016 and prior years	Various	Various	\$ Various
2017	1.170000	0.383900	3,423,459,544
2018	1.170000	0.383900	3,758,297,257
2019	1.170000	0.383900	3,758,297,257
2020	1.068300	0.383900	4,539,370,056
2021	0.981500	0.383900	5,277,393,299
2022	0.960300	0.383900	5,926,096,060
2023	0.942900	0.383900	7,279,064,190
2024	0.757500	0.412900	8,114,223,294
2025 (School year under audit)	0.755200	0.412900	8,830,343,440
1000 TOTALS			
8000 Total Taxes Refunded Under Section 26.1115, Tax Code			

(10) Beginning Balance 9/1/2024	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2025	(99) Taxes Refunded Under Section 26.1115c
\$ 207,750	\$	\$ 2,829	\$ 825	\$ (1,697)	\$ 202,399	
36,438		1,227	403	(932)	33,876	
46,057		955	313	(932)	43,857	
55,943		2,716	891	(1,574)	50,762	
77,310		16,671	5,991	10,561	65,209	
171,686		72,150	28,221	12,904	84,219	
229,144		27,229	10,885	(47,613)	143,417	
581,551		29,499	12,011	(224,752)	315,289	
1,018,709		72,484	39,509	(583,184)	323,532	
	98,508,618	61,913,210	33,850,590	(1,518,202)	1,226,616	
<u>\$ 2,424,588</u>	<u>\$ 98,508,618</u>	<u>\$ 62,138,970</u>	<u>\$ 33,949,639</u>	<u>\$ (2,355,421)</u>	<u>\$ 2,489,176</u>	

\$ 82,114

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

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 1,858,000	\$ 2,195,500	\$ 2,446,819	\$ 251,319
5800 State Program Revenues	449,459	201,426	184,869	(16,557)
5020 Total Revenues	2,307,459	2,396,926	2,631,688	234,762
EXPENDITURES:				
Current:				
0035 Food Services	5,575,062	6,297,258	6,248,554	48,704
0051 Plant Maintenance and Operations	82,397	82,397	80,190	2,207
6030 Total Expenditures	5,657,459	6,379,655	6,328,744	50,911
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,350,000)	(3,982,729)	(3,697,056)	285,673
OTHER FINANCING SOURCES (USES):				
7952 National School Breakfast Program	675,000	759,000	819,432	60,432
7953 National School Lunch Program	2,675,000	2,644,000	2,865,139	221,139
7954 Donated Commodities (USDA)	-	-	344,484	344,484
7080 Total Other Financing Sources (Uses)	3,350,000	3,403,000	4,029,055	626,055
1200 Net Change in Fund Balances	-	(579,729)	331,999	911,728
0100 Fund Balance - September 1 (Beginning)	4,171,333	4,171,333	4,171,333	-
3000 Total Net Position - August 31 (Ending)	\$ 4,171,333	\$ 3,591,604	\$ 4,503,332	\$ 911,728

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

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intennediate Sources	\$ 39,029,122	\$ 35,654,014	\$ 36,566,456	\$ 912,442
5800 State Program Revenues	3,326,966	4,362,966	4,362,230	(736)
5900 Federal Program Revenues	100,000	100,000	158,440	58,440
5020 Total Revenues	42,456,088	40,116,980	41,087,126	970,146
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Liabilities	11,738,202	56,722,701	56,025,720	696,981
0072 Interest on Long-Term Liabilities	30,717,886	30,717,886	31,210,023	(492,137)
0073 Bond Issuance Cost and Fees	-	6,500	1,368,620	(1,362,120)
6030 Total Expenditures	42,456,088	87,447,087	88,604,363	(1,157,276)
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(47,330,107)	(47,517,237)	(187,130)
OTHER FINANCING SOURCES (USES):				
7911 Capital Related Debt Issued	-	46,712,000	43,195,000	(3,517,000)
7916 Premium or Discount on Issuance of Bonds	-	-	4,105,591	4,105,591
7080 Total Other Financing Sources (Uses)	-	46,712,000	47,300,591	588,591
1200 Net Change in Fund Balances	-	(618,107)	(216,646)	401,461
•100 Fund Balance - September 1 (Beginning)	16,059,111	16,059,111	16,059,111	-
3000 Fund Balance - August 31 (Ending)	\$ 16,059,111	\$ 15,441,004	\$ 15,842,465	\$ 401,461

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

Section A: Compensatory Education Programs

AP1	Did your district expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the district have written policies and procedures for its state compensatory education program?	Yes
AP3	Total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$8,111,710
AP4	Actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24,26,28,29,30)	\$3,610,576

Section B: Bilingual Education Programs

AP5	Did your district expend any bilingual education program state allotment funds during the district's fiscal year?	Yes
AP6	Does the district have written policies and procedures for its bilingual education program?	Yes
AP7	Total state allotment funds received for bilingual education programs during the district's fiscal year.	\$781,183
AP8	Actual direct program expenditures for bilingual education programs during the district's fiscal year. (PIC 25)	\$1,003,581

FEDERAL AWARDS SECTION

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P.O. BOX 977
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees
Waxahachie Independent School District
Waxahachie, 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 Waxahachie Independent School District, as of and for the year ended August 31, 2025, and the related notes to the financial statements, which collectively comprise Waxahachie Independent School District's basic financial statements, and have issued our report dated February 9, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine 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 that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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.

A handwritten signature in black ink that reads "Hankins Eastup Deaton Tonn Seay & Scarborough". The signature is written in a cursive, flowing style.

Hankins, Eastup, Deaton, Tonn, Seay & Scarborough, LLC
Denton, Texas
February 9, 2026

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CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Trustees
Waxahachie Independent School District
Waxahachie, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Waxahachie Independent School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Waxahachie Independent School District's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control over Compliance

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

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

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

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



Hankins, Eastup, Deaton, Tonn, Seay & Scarborough, LLC
Denton, Texas
February 9, 2026

**WAXAHACHIE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2025**

I. Summary of Auditor's Results

1. Type of auditor's report issued on the financial statements: Unmodified.
2. Internal control over financial reporting:
Material weakness(es) identified: None
Significant deficiency(ies) identified that are not considered to be material weaknesses: None reported
3. Noncompliance which is material to the financial statements: None
4. Internal controls over major federal programs:
Material weakness(es) identified: None
Significant deficiency(ies) identified that are not considered to be material weaknesses: None reported
5. Type of auditor's report on compliance for major federal programs: Unmodified.
6. Did the audit disclose findings which are required to be reported in accordance with 2 CFR 200.516(a)?: No
7. Major programs include:

FALN 84.027	IDEA B, Formula
FALN 84.027	IDEA B, Discretionary
FALN 84.027	IDEA B, Preschool
8. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.
9. Low risk auditee: Yes

II. Findings Related to the Financial Statements

None

III. Findings and Questioned Costs Related to Federal Awards

None

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

There were no prior year findings.

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

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed Through Texas Education Agency			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	24610101070912	\$ 136,073
ESEA, Title I, Part A - Improving Basic Programs	84.010A	25610101070912	1,179,406
Total Assistance Listing Number 84.010			<u>1,315,479</u>
IDEA - Part B, Formula	84.027	246600010709126000	162,506
IDEA - Part B, Formula	84.027	256600110709126000	1,764,116
*SSA - IDEA - Part B, Discretionary	84.027	256600110709126000	27,107
Total Assistance Listing Number 84.027			<u>1,953,729</u>
*IDEA - Part B, Preschool	84.173	246610010709126000	2,103
*IDEA - Part B, Preschool	84.173	256610010709126000	23,619
Total Assistance Listing Number 84.173			<u>25,722</u>
Total Special Education Cluster (IDEA)			<u>1,979,451</u>
Career and Technical - Basic Grant	84.048A	25420006070912	96,956
	84.048A	254200317110020	106,332
Total Assistance Listing Number 84.048			<u>203,288</u>
Title III, Part A - English Language Acquisition	84.365A	25671001057950	124,161
ESEA, Title II, Part A, Teacher Principal Training	84.367A	24694501070912	18,050
	84.367A	25694501070912	282,041
Total Assistance Listing Number 84.367			<u>300,091</u>
Title IV, Part A, Subpart I	84.424A	24680101070912	184
Title IV, Part A, Subpart I	84.424A	25680101070912	91,556
Total Assistance Listing Number 84.424			<u>91,740</u>
Total Passed Through Texas Education Agency			<u>4,014,210</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>4,014,210</u>
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through the Texas Department of Agriculture			
*School Breakfast Program	10.553	71402501	819,432
*National School Lunch Program - Cash Assistance	10.555	71302501	2,865,139
*National School Lunch Prog. - Non-Cash Assistance	10.555	71302501	344,484
Total Assistance Listing Number 10.555			<u>3,209,623</u>
Total Child Nutrition Cluster			<u>4,029,055</u>
Total Passed Through the Texas Department of Agriculture			<u>4,029,055</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>4,029,055</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 8,043,265</u>
*Clustered Programs			

WAXAHACHIE INDEPENDENT SCHOOL DISTRICT
NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2025

- For all Federal programs, the District uses the fund types specified in Texas Education Agency's *Financial Accountability System Resource Guide*.
 - **General Fund** - is used to account for among other things, revenues from School Health and Related Services (SHARS) and indirect cost reimbursements.
 - **Special Revenue Funds** - are used to account for resources restricted to or designated for specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.
- The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in a Special Revenue Fund or, in some instances, in the General Fund which are Governmental Fund type funds.

With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used in the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned.

- The period of performance for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 90 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Performance of Federal Funds, 3 CFR Section 200.343 (b).
- ALN numbers for commodity assistance are the ALN numbers of the programs under which USDA donated the commodities.
- The District also received \$126,673 of School Health and Related Services (SHARS) payments and \$85,552 of security services recorded in the General Fund and \$158,440 of IRS reimbursements recorded in the Debt Service Fund. These payments are not considered Federal awards for purposes of The Schedule of Expenditures of Federal Awards but are included in federal revenue on Exhibit C-3.

SCHOOLS FIRST QUESTIONNAIRE

Exhibit L-1

WAXAHACHIE INDEPENDENT SCHOOL DISTRICT

Fiscal Year 2025

SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year-end?	No
SF3	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If payments were not made or warrant hold not cleared within 30 days of when due, then payments are NOT timely.)	Yes
SF4	Was the school district issued a warrant hold? (Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, answer is still YES.)	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state or federal funds and/or substantial doubt about the district's ability to continue as a going concern?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school district's administration and school board members discuss any changes and/or impact to local, state, and federal funding at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year end.	\$ 2,974,088