SABINE
INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT
JUNE 30, 2025

Sabine ISD

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SABINE INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025

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CERTIFICATE OF BOARD

Sabine Independent School District	Gregg	092-906
Name of School District	County	Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) _____ approved _____ disapproved for the year ended June 30, 2025 at a meeting of the Board of Trustees of such school district on the _____ day of November 2025.

_____ Signature of Board Secretary

_____ Signature of Board President

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

UNMODIFIED OPINION ON BASIC FINANCIAL STATEMENTS ACCOMPANIED BY REQUIRED SUPPLEMENTARY INFORMATION AND OTHER SUPPLEMENTARY INFORMATION INCLUDING THE SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Independent Auditors' Report

Board of Trustees
Sabine Independent School District
5424 FM 1252 W
Gladewater, TX 75647

Members of the Board:

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sabine Independent School District (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Sabine Independent School District as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter — Change in Accounting Principle

As discussed in Note U to the financial statements, during the year ended June 30, 2025, the District implemented Governmental Accounting Standards Board GASB **Statement No. 101, *Compensated Absences***. As a result, beginning net position was restated to recognize compensated absences in accordance with the new standard. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 on pages 5-11, budgetary comparison information on page 48, schedule of the District's proportionate share of the net pension liability (TRS) on pages 49-50, schedule of District contributions to TRS on pages 51-52, schedule of the District's proportionate share of the OPEB liability (TRS) on pages 53-54, and schedule of District contributions to TRS OPEB plan on pages 55-56 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 Sabine Independent School District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises of reports required from Texas Education Agency identified in the Table of Contents as J-1 through J-4, and L-1. The other information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated November 6, 2025, on our consideration of the Sabine Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Sabine Independent School 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 Sabine Independent School District's internal control over financial reporting and compliance.

Wilf & Henderson, P.C.

WILF & HENDERSON, P.C.
Certified Public Accountants
Texarkana, Texas

November 6, 2025

SABINE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the Annual Financial and Compliance Report, we, the managers of Sabine Independent School District, (the "District") discuss and analyze the District's financial performance for the fiscal year ended June 30, 2025. Please read it in conjunction with our independent auditors' report and the District's Basic Financial Statements, which follow this section.

USING THIS ANNUAL REPORT

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 statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. The fiduciary statements provide information about activities for which the District acts solely as a trustee or agent for the benefits 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 or the fund financial statements.

The combining statements for nonmajor funds contain even more information about the District's individual funds. These are not required by TEA. The sections labeled TEA Required Schedules and Federal Awards Section contain data used by monitoring or regulatory agencies for assurance that the District is using funds supplied in compliance with the terms of grants.

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

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

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

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

In the Statement of Net Position and the Statement of Activities, the District has one kind of activity:

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

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds–not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received under the No Child Left Behind Act from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes (like campus activities). The District's two kinds of funds – governmental and fiduciary – use different accounting approaches.

* Governmental funds–Most of the District's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

* Fiduciary Funds – This fund accounts for resources held for the benefit of parties outside the government. The District acts as a trustee, or fiduciary, for money raised by student activities and scholarship programs. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purposes

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Net position of the District's governmental activities increased from previously reported $12,385,651 to $12,766,719. 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 ($2,543,085) deficit at June 30, 2025 due to TRS net pension and OPEB liabilities.

Table I
Sabine Independent School District
NET POSITION

	Governmental Activities 2025	Governmental Activities 2024	Total % Change
Current and other assets	$ 12,816,460	$ 13,078,503	-2.00%
Capital assets	26,669,434	26,846,048	-0.66%
Total Assets	39,485,894	39,924,551	-1.10%
Deferred outflows of resources	4,422,537	4,859,672	-9.00%
Other liabilities	1,667,101	1,687,197	-1.19%
Long term liabilities	17,189,561	17,652,314	-2.62%
TRS net pension liability	4,581,862	5,363,016	-14.57%
TRS net OPEB liability	3,803,583	2,882,836	31.94%
Total Liabilities	27,242,107	27,585,363	-1.24%
Deferred inflow of resources	3,899,605	4,813,209	-18.98%
Net investment in capital assets	10,978,176	10,530,475	4.25%
Restricted	4,331,628	3,805,588	13.82%
Unrestricted	(2,543,085)	(1,950,412)	-30.39%
Total Net Position	$ 12,766,719	$ 12,385,651	3.08%

Table II
Sabine Independent School District
CHANGES IN NET POSITION

	Governmental Activities 2025	Governmental Activities 2024	Total % Change
Revenues:			
Program Revenues:			
Charges for services	$ 2,014,333	$ 1,931,940	4.26%
Operating grants and contributions	2,955,872	2,722,355	8.58%
Capital grants and contributions	93,746	818,014	-88.54%
General Revenues:			
Maintenance and operations taxes	3,387,600	3,102,452	9.19%
Debt service taxes	1,311,360	1,215,541	7.88%
State-aid - formula grants	12,004,598	12,044,337	-0.33%
Investment earnings	437,698	494,258	-11.44%
Miscellaneous and other	475,928	386,748	23.06%
Total Revenues	22,681,135	22,715,645	-0.15%
Expenses:			
Instruction, curriculum and media services	11,422,457	11,163,695	2.32%
Instructional and school leadership	1,563,138	1,568,038	-0.31%
Student support services	2,141,939	2,002,471	6.96%
Food Services	1,237,355	1,160,174	6.65%
Extracurricular activities	1,469,482	1,561,675	-5.90%
General administration	653,207	749,123	-12.80%
Facilities maintenance and data processing	2,041,347	1,902,104	7.32%
Security and monitoring services	268,192	305,218	-12.13%
Data processing services	135,567	113,889	19.03%
Community services	323	6,342	-94.91%
Debt service	419,340	415,200	1.00%
Payments to fiscal agent	673,733	527,445	27.74%
Other intergovernmental charges	86,423	77,187	11.97%
Total Expenses	22,112,503	21,552,561	2.60%
Increase (Decrease) in Net Position	568,632	1,163,084	-51.11%
Net Position - Beginning of Year	12,385,651	11,222,567	10.36%
Prior Period Adjustment	(187,564)	-	-100.00%
Net Position - End of Year	$ 12,766,719	$ 12,385,651	3.08%

THE DISTRICT'S FUNDS

Our analysis focuses on the net changes in fund balances (Table III) of the District's governmental funds.

Table III
Sabine Independent School District
NET CHANGES IN FUND BALANCES

	Governmental Funds 2025	Governmental Funds 2024	Total $ Change	Total % Change
Revenues:				
Local and Intermediate Sources	$ 7,591,445	$ 7,175,923	$ 415,522	5.8%
State Program Revenues	13,248,696	13,135,587	113,109	0.9%
Federal Program Revenues	2,271,052	2,661,017	(389,965)	-14.7%
Total Revenues	23,111,193	22,972,527	138,666	0.6%
Expenditures:				
Instruction	11,001,442	10,317,289	684,153	6.6%
Instructional resources & media services	214,855	315,399	(100,544)	-31.9%
Curriculum and Instructional Staff Development	91,258	121,225	(29,967)	-24.7%
Instructional leadership	504,315	490,806	13,509	2.8%
School leadership	1,044,211	1,019,938	24,273	2.4%
Guidance, counseling & evaluation services	1,448,686	1,294,774	153,912	11.9%
Health services and student (pupil) transportation	686,395	883,479	(197,084)	-22.3%
Food service	1,321,766	1,642,377	(320,611)	-19.5%
Extracurricular activities	1,446,593	1,518,533	(71,940)	-4.7%
General administration	639,123	716,728	(77,605)	-10.8%
Facilities maintenance & operations	1,980,811	1,846,994	133,817	7.2%
Security & monitoring services	367,375	378,022	(10,647)	-2.8%
Data processing services	132,927	109,168	23,759	21.8%
Community services	-	6,029	(6,029)	-100.0%
Debt service	1,041,731	1,039,237	2,494	0.2%
Capital outlay	705,046	959,710	(254,664)	-26.5%
Payments to fiscal agent/member districts of SSA	673,733	527,445	146,288	27.7%
Other intergovernmental charges	86,423	77,187	9,236	12.0%
Total Expenditures	23,386,690	23,264,340	122,350	0.5%
Excess (Deficiency) of Revenues Over (Under) Expenditures	(275,497)	(291,813)	16,316	5.6%
Fund Balance - Beginning of Year	11,069,894	11,361,707	(291,813)	-2.6%
Fund Balance - End of Year	$ 10,794,397	$ 11,069,894	$ (275,497)	-2.5%

As the District completed the year, its governmental funds reported a combined fund balance of $10,794,397, which is a decrease of (2.5%) from 2024. Revenue from local sources was up 5.8%. State program revenue was up 0.9%. Our federal program revenues were down (14.7%). Overall, our total revenue for the year was up $138,666. Our overall expenses for the year increased by 0.5%. The combination of all of these factors caused the District to decrease ($275,497) fund balance this year.

Over the course of the year, the Board of Trustees revised the District's budget several times.

General Fund:	
(Decrease) in revenues - Local and Intermediate Sources	(288,742)
Increase in revenues - State Program Revenues	72,290
(Decrease) in revenues - Federal Program Revenues	(112,000)
Decrease in expenditures Function 11 - Instruction	121,019
Decrease in expenditures Function 21 - Instructional Leadership	3,500
Decrease in expenditures Function 23 - School Leadership	4,000
(Increase) in expenditures Function 31 - Guidance, Counseling, and Eval Services	(12,000)
(Increase) in expenditures Function 33 - Health Services	(2,500)
(Increase) in expenditures Function 35 - Food Services	(3,000)
(Increase) in expenditures Function 36 - Extracurricular Activities	(1,200)
Decrease in expenditures Function 41 - General Administration	76,822
(Increase) in expenditures Function 51 - Facilities Maintenance & Operation	(335,498)
(Increase) in expenditures Function 53 - Data Processing Services	(22,761)
Decrease in expenditures Function 61 - Community Services	12,000
Decrease in expenditures Function 72 - Interest on Long-Term Liabilities	2,500
(Increase) in expenditures Function 81 - Facilities Acquisition and Construction	(575,230)
(Increase) in expenditures Function 93 - Fiscal Agent	(30,940)
(Increase) in expenditures Function 99 - Other Intergovernmental Charges	(2,000)
	(1,093,740)
Food Service Fund	
Increase in revenues - Federal Program Revenues	14,000
(Increase) in expenditures Function 35 - Food Service	(271,516)
	(257,516)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2025, the District had $26,669,434 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 ($176,614) from last year, consisting of $1,000,214 of additions and ($1,176,828) of depreciation expense.

In fiscal year 2023, the District began the renovation and redesign of the intermediate campus with various construction projects. The total costs associated with this project in the prior year is reflected in Construction in Progress of $573,309.During fiscal year 2024, the District signed a construction contract with HLH Design & Build for the redesign and renovation of the intermediate campus for a total of $381,437. The District incurred $381,437 related to this contract in fiscal year 2024. The District also incurred $5,718 in architect fees and $461,997 in other costs related to the project. In fiscal year 2025 the District incurred various costs related to this project in the amount of $198,803. The project was completed in fiscal year 2025 and reclassified to buildings and improvements.

The District purchased various food service equipment, telescopic bleachers, a communication system, and several other pieces of equipment during fiscal year 2025.

Several fully depreciated food service assets were disposed of during the year.

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

Debt

At June 30, 2025, the District had $17,189,561 in outstanding bonds and notes payable versus $17,652,314 last year.

More detailed information about the District's long-term liabilities is presented in Notes H, I, and J to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's elected officials and administration considered many factors when setting the 2026 fiscal year budgets and tax rates. The factors included student enrollment, student daily attendance rates, property values and debt service obligations.

The amount available for appropriation general fund budget for fiscal year 2026 is $16,827,776. This budget represents 5.88% decrease over the 2025 approved budget of $17,306,300. The 89th Texas Legislature passed House Bill 2 which was signed into law in June 2025. The bill included several changes that significantly impacted school finance. The District will propose budget amendments to account for the changes related to House Bill 2 including, but limited to, the Teacher Retention Allotment, Support Staff Retention Allotment and Basic Allotment.

The debt service fund appropriation increased by 1.53% from the prior year. The bond payment of $1,013,534 that will be paid from the debt service fund.

The District continues to monitor revenues, expenditures, fund balances, enrollment, staffing needs, and student programs and will implement efficient operating procedures in order to maximize available funds for direct student instruction.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

EXHIBIT A-1

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

Data Control Codes		Primary Government Governmental Activities
ASSETS		
1110	Cash and Cash Equivalents	$ 10,593,076
1220	Property Taxes - Delinquent	643,968
1230	Allowance for Uncollectible Taxes	(128,794)
1240	Due from Other Governments	1,664,784
1300	Inventories	28,052
1410	Prepayments	15,374
	Capital Assets:	
1510	Land	1,102,065
1520	Buildings and Improvements, Net	23,513,833
1530	Furniture and Equipment, Net	2,053,536
1000	Total Assets	39,485,894
DEFERRED OUTFLOWS OF RESOURCES		
1701	Deferred Charge for Refunding	1,263,828
1705	Deferred Outflow Related to TRS Pension	1,103,641
1706	Deferred Outflow Related to TRS OPEB	2,055,068
1700	Total Deferred Outflows of Resources	4,422,537
LIABILITIES		
2110	Accounts Payable	31,894
2140	Accrued Interest Payable	113,963
2160	Accrued Wages Payable	1,379,769
2180	Due to Other Governments	26,421
2200	Accrued Expenses	109,815
2300	Unearned Revenue	5,239
	Noncurrent Liabilities:	
2501	Due Within One Year: Loans, Note, Leases, etc.	754,861
	Due in More than One Year:	
2502	Bonds, Notes, Loans, Leases, etc.	16,434,700
2540	Net Pension Liability (District's Share)	4,581,862
2545	Net OPEB Liability (District's Share)	3,803,583
2000	Total Liabilities	27,242,107
DEFERRED INFLOWS OF RESOURCES		
2605	Deferred Inflow Related to TRS Pension	282,622
2606	Deferred Inflow Related to TRS OPEB	3,616,983
2600	Total Deferred Inflows of Resources	3,899,605
NET POSITION		
3200	Net Investment in Capital Assets	10,978,176
	Restricted:	
3820	Restricted for Federal and State Programs	211,656
3850	Restricted for Debt Service	3,384,329
3860	Restricted for Capital Projects	159,207
3890	Restricted for Other Purposes	576,436
3900	Unrestricted	(2,543,085)
3000	Total Net Position	$ 12,766,719

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

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

Data Control Codes		1	Program Revenues 3	4
		Expenses	Charges for Services	Operating Grants and Contributions
	Primary Government:			
	GOVERNMENTAL ACTIVITIES:			
11	Instruction	$ 11,108,773	$ 738,735	$ 1,250,425
12	Instructional Resources and Media Services	224,520	-	3,624
13	Curriculum and Instructional Staff Development	89,164	-	58,954
21	Instructional Leadership	516,697	342,280	10,749
23	School Leadership	1,046,441	-	21,182
31	Guidance, Counseling, and Evaluation Services	1,438,701	537,869	474,097
33	Health Services	230,286	-	5,650
34	Student (Pupil) Transportation	472,952	-	13,872
35	Food Services	1,237,355	350,539	782,312
36	Extracurricular Activities	1,469,482	44,910	15,118
41	General Administration	653,207	-	8,969
51	Facilities Maintenance and Operations	2,041,347	-	20,161
52	Security and Monitoring Services	268,192	-	120,441
53	Data Processing Services	135,567	-	1,762
61	Community Services	323	-	-
72	Debt Service - Interest on Long-Term Debt	416,840	-	-
73	Debt Service - Bond Issuance Cost and Fees	2,500	-	-
93	Payments Related to Shared Services Arrangements	673,733	-	168,556
99	Other Intergovernmental Charges	86,423	-	-
[TP]	TOTAL PRIMARY GOVERNMENT:	$ 22,112,503	$ 2,014,333	$ 2,955,872

Data Control Codes	General Revenues:
	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 as Previously Reported
PA	Prior Period Adjustment
	Net Position - Beginning as Restated and Adjusted
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
5	6
Capital Grants and Contributions	Governmental Activities
$ -	$ (9,119,613)
-	(220,896)
-	(30,210)
-	(163,668)
-	(1,025,259)
-	(426,735)
-	(224,636)
-	(459,080)
-	(104,504)
-	(1,409,454)
-	(644,238)
-	(2,021,186)
93,746	(54,005)
-	(133,805)
-	(323)
-	(416,840)
-	(2,500)
-	(505,177)
-	(86,423)
$ 93,746	(17,048,552)
	3,387,600
	1,311,360
	12,004,598
	437,698
	475,928
	17,617,184
	568,632
	12,385,651
	(187,564)
	12,198,087
	$ 12,766,719

EXHIBIT C-1

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

Data Control Codes		10 General Fund	50 Debt Service Fund	Other Funds	Total Governmental Funds
	ASSETS				
1110	Cash and Cash Equivalents	$ 5,864,247	$ 3,379,039	$ 1,349,790	$ 10,593,076
1220	Property Taxes - Delinquent	485,523	158,445	-	643,968
1230	Allowance for Uncollectible Taxes	(97,105)	(31,689)	-	(128,794)
1240	Due from Other Governments	1,618,189	-	46,595	1,664,784
1300	Inventories	2,122	-	25,930	28,052
1410	Prepayments	15,374	-	-	15,374
1000	Total Assets	$ 7,888,350	$ 3,505,795	$ 1,422,315	$ 12,816,460
	LIABILITIES				
2110	Accounts Payable	$ 30,967	$ -	$ 927	$ 31,894
2160	Accrued Wages Payable	1,078,184	-	301,585	1,379,769
2180	Due to Other Governments	18,918	7,503	-	26,421
2200	Accrued Expenditures	79,914	-	29,901	109,815
2300	Unearned Revenue	-	-	5,239	5,239
2000	Total Liabilities	1,207,983	7,503	337,652	1,553,138
	DEFERRED INFLOWS OF RESOURCES				
2601	Unavailable Revenue - Property Taxes	354,890	114,035	-	468,925
2600	Total Deferred Inflows of Resources	354,890	114,035	-	468,925
	FUND BALANCES				
	Nonspendable Fund Balance:				
3410	Inventories	2,122	-	25,930	28,052
3430	Prepaid Items	15,374	-	-	15,374
	Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	211,656	211,656
3470	Capital Acquisition and Contractural Obligation	-	-	159,207	159,207
3480	Retirement of Long-Term Debt	-	3,384,257	-	3,384,257
3490	Other Restricted Fund Balance	-	-	533,010	533,010
	Committed Fund Balance:				
3545	Other Committed Fund Balance	-	-	154,860	154,860
3600	Unassigned Fund Balance	6,307,981	-	-	6,307,981
3000	Total Fund Balances	6,325,477	3,384,257	1,084,663	10,794,397
4000	Total Liabilities, Deferred Inflows & Fund Balances	$ 7,888,350	$ 3,505,795	$ 1,422,315	$ 12,816,460

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

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

EXHIBIT C-2

	Total Fund Balances - Governmental Funds	$	10,794,397
1	Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was $43,907,796 and the accumulated depreciation was ($17,061,748). In addition, long-term liabilities of ($17,652,314), including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position.		9,193,734
2	Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the capital outlays and debt principal payments is to increase net position.		1,735,142
3	Included in the items related to the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of $1,103,641, a deferred resource inflow in the amount of ($282,622), and a net pension liability in the amount of ($4,581,862). This resulted in a (decrease) in net position.		(3,760,843)
4	Included in the items related to debt is the recognition of the District's proportionate share of the net OPEB liability required by GASB 75. The net position related to TRS included a deferred resource outflow in the amount of $2,055,068, a deferred resource inflow in the amount of ($3,616,983), and a net OPEB liability in the amount of ($3,803,583). This resulted in a (decrease) in net position.		(5,365,498)
5	The current year depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to (decrease) net position.		(1,176,828)
6	Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.		1,346,615
29	**Net Position of Governmental Activities**	$	12,766,719

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

EXHIBIT C-3

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

Data Control Codes		10 General Fund	50 Debt Service Fund	Other Funds	Total Governmental Funds
	REVENUES:				
5700	Total Local and Intermediate Sources	$ 3,829,084	$ 1,481,484	$ 2,280,877	$ 7,591,445
5800	State Program Revenues	12,570,439	184,335	493,922	13,248,696
5900	Federal Program Revenues	67,048	-	2,204,004	2,271,052
5020	Total Revenues	16,466,571	1,665,819	4,978,803	23,111,193
	EXPENDITURES:				
	Current:				
0011	Instruction	9,293,091	-	1,708,351	11,001,442
0012	Instructional Resources and Media Services	203,196	-	11,659	214,855
0013	Curriculum and Instructional Staff Development	28,266	-	62,992	91,258
0021	Instructional Leadership	143,761	-	360,554	504,315
0023	School Leadership	1,041,540	-	2,671	1,044,211
0031	Guidance, Counseling, and Evaluation Services	435,711	-	1,012,975	1,448,686
0033	Health Services	231,804	-	-	231,804
0034	Student (Pupil) Transportation	447,851	-	6,740	454,591
0035	Food Services	14,982	-	1,306,784	1,321,766
0036	Extracurricular Activities	1,292,439	-	154,154	1,446,593
0041	General Administration	634,680	-	4,443	639,123
0051	Facilities Maintenance and Operations	1,960,924	-	19,887	1,980,811
0052	Security and Monitoring Services	248,163	-	119,212	367,375
0053	Data Processing Services	120,630	-	12,297	132,927
	Debt Service:				
0071	Principal on Long-Term Liabilities	29,928	705,000	-	734,928
0072	Interest on Long-Term Liabilities	552	303,751	-	304,303
0073	Bond Issuance Cost and Fees	-	2,500	-	2,500
	Capital Outlay:				
0081	Facilities Acquisition and Construction	611,300	-	93,746	705,046
	Intergovernmental:				
0093	Payments to Fiscal Agent/Member Districts of SSA	490,440	-	183,293	673,733
0099	Other Intergovernmental Charges	86,423	-	-	86,423
6030	Total Expenditures	17,315,681	1,011,251	5,059,758	23,386,690
1200	Net Change in Fund Balances	(849,110)	654,568	(80,955)	(275,497)
0100	Fund Balance - July 1 (Beginning)	7,174,587	2,729,689	1,165,618	11,069,894
3000	Fund Balance - June 30 (Ending)	$ 6,325,477	$ 3,384,257	$ 1,084,663	$ 10,794,397

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

SABINE INDEPENDENT SCHOOL DISTRICT EXHIBIT C-4

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2025

Total Net Change in Fund Balances - Governmental Funds	$	(275,497)
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 increase the change net position.		1,735,142
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.		(1,176,828)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to (decrease) the change in net position.		(123,974)
GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by $345,511. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in the change in net position totaling ($352,812). Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense (increased) decreased the change in net position by ($232,086). The net result is a (decrease) in the change in net position.		(239,387)
GASB 75 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by $230,518. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net OPEB liability. This caused a decrease in the change in net position totaling ($94,884). Finally, the proportionate share of the TRS OPEB expense on the plan as a whole had to be recorded. The net OPEB expense (increased) decreased the change in net position by $513,542. The net result is an increase in the change in net position.		649,176
Change in Net Position of Governmental Activities	$	568,632

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

EXHIBIT E-1

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

	Total Custodial Funds
ASSETS	
Cash and Cash Equivalents	$ 90,973
Total Assets	90,973
NET POSITION	
Restricted for Other Purposes	90,973
Total Net Position	$ 90,973

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

EXHIBIT E-2

SABINE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Total Custodial Funds
ADDITIONS:	
Miscellaneous Revenue - Student	$ 163,725
Enterprising Services Revenue	36,729
Miscellaneous Additions	16,399
Total Additions	216,853
DEDUCTIONS:	
Supplies and Materials	189,863
Other Deductions	28,870
Total Deductions	218,733
Change in Fiduciary Net Position	(1,880)
Total Net Position - July 1 (Beginning)	92,853
Total Net Position - June 30 (Ending)	$ 90,973

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

Note A. Summary of Significant Accounting Policies

Sabine Independent School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven-member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board "(GASB)"and other authoritative sources identified in *Statement on Auditing Standards No. 76* of the American Institute of Certified Public Accountants; and it complies with the requirements of the appropriate version of Texas Education Agency's *Financial Accountability System Resource Guide* (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds.

During the year ended June 30, 2025, the District implemented **GASB Statement No. 101, *Compensated Absences***. The Statement establishes recognition and measurement guidance for employee leave benefits. As a result, the District now recognizes a liability for leave that is attributable to services already rendered and is probable of resulting in payment, either through cash settlement or time off that reduces future service requirement. The implementation of this standard resulted in a restatement of beginning net position to record compensated absences in accordance with the new guidance.

1. Reporting Entity

The Board of School Trustees has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of Sabine Independent School District. The members of the Board of Trustees are elected by the public; have the authority to make decisions, appoint administrators and managers, and significantly influence operations; and have the primary accountability for fiscal matters. The District is not included in any other governmental "reporting entity" as defined by the GASB in its Statement No. 14, *The Financial Reporting Entity*. There are no component units included within the reporting entity. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities.

2. Government-Wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Sabine Independent School District nonfiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes, State foundation funds, grants and other intergovernmental revenues.

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

Interfund activities between governmental funds appear as due to/due froms on the Governmental Fund Balance Sheet and as other resources and other uses on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance. All interfund transactions between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to/due froms on the government-wide Statement of Activities

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

3. **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

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

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept, that is, when they are both measurable and available. The District considers them available if they will be collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

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

The Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable.

4. **Fund Accounting**

The District's accounts are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which are comprised of each fund's assets, liabilities, equity, revenues, and expenditures or expenses.

The District reports the following major governmental funds:

General Fund - This fund is established to account for resources financing the fundamental operations of the District, in partnership with the community, in enabling and motivating students to reach their full potential. All revenues and expenditures not required to be accounted for in other funds are included here. This is a budgeted fund and any fund balances are considered resources available for current operations. Fund balances may be appropriated by the Board of Trustees to implement its responsibilities.

Debt Service Fund – This governmental fund is established to account for payment of principal and interest on long-term general obligation debt and other long-term debts for which a tax has been dedicated. This is a budgeted fund and a separate bank account is maintained for this fund. Any unused sinking fund balances are transferred to the General Fund after all of the related debt obligations have been met.

Additionally, the District reports the following fund types:

Governmental Fund Type:

Special Revenue Funds - The District accounts for resources restricted or committed to specific purposes by the District or a grantor in a special revenue fund. Most Federal and some State financial assistance is accounted for in a Special Revenue Fund and sometimes unused balances must be returned to the grantor at the close of specified project periods. The Food Service fund is the only required budgeted fund. For all other funds in this fund type, project accounting is employed to maintain integrity for the various sources of funds.

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

Fiduciary Fund Type:

Fiduciary Funds – These funds are used to report student activity funds held by the District in a custodial capacity and the assets are for the benefit of the student organizations. The collections and disbursement amounts are controlled by a group which is governed by a representative student body.

5. **Cash Equivalents**

The District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.

6. **Investments**

Investments are recorded at 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. Certificates of deposits are recorded at amortized cost.

7. **Inventories and Prepaid Items**

Inventories of supplies on the balance sheet are stated at weighted average cost, while inventories of food commodities are recorded at market values supplied by the Texas Department of Agriculture. Inventory items are recorded as expenditures when they are consumed. Supplies are used for almost all functions of activity, while food commodities are used only in the food service program. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of Agriculture and recorded as inventory and deferred revenue when received. When requisitioned, inventory and deferred revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount. Inventories also include plant maintenance and operation supplies as well as instructional supplies.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

8. **Asset Capitalization and Useful Lives**

Capital assets which include land, buildings and improvements, furniture and equipment, arts and collections, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Buildings and improvements, furniture and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

	Years
Buildings	50
Building Improvements	20
Vehicles	2-15
Furniture and Equipment	3-15

Depreciation of capital assets reported in the government-wide financial statements are allocated to the various governmental functions based on the proportionate share of total current year expenditures reported in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance. Inexhaustible assets such as arts and collections are not depreciable.

9. **Long-Term Debt**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. In the fund financial statements, governmental fund types the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses or debt expenditures.

10. **Compensated Absences**

The State of Texas has created a minimum personal leave program consisting of five days per year with no limit on accumulation and transferability amounts for every teacher regularly employed in Texas public schools.

The District's local Board of Education is required to establish a leave plan. Local school districts may provide additional leave beyond the state minimum. The District provides five additional personal leave days per year to their employees. These days can accumulate up to a maximum of forty days to be carried over to be used in subsequent years.

11. **Deferred Outflows of Resources and Deferred Inflows of Resources**

In addition to assets, the statements of financial position (The government-wide Statement of Net Position and governmental funds balance sheet) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and/or fund balance that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one of more future periods and so will not be recognized as an inflow of resources (revenue) until that time.

12. Fund Equity

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories as following:

Nonspendable fund balance – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaids) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted fund balance – represents amounts with external constraints placed on the use of these resources (such as debt covenants, grantors, other governments, etc.) or imposed by enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

Committed fund balance – represents amounts that can only be used for specific purposes imposed by a formal action of the District's highest level of decision-making authority, the Board. Committed resources cannot be used for any other purposes unless the Board removes or changes the specific use by taking the same formal action that imposed the constraint originally.

Assigned fund balance – represents amount the District intends to use for specific purposes as expressed by the Board or an official delegated with the authority. The Board has delegated the authority to assign fund balances to the Superintendent and Business Manager.

Unassigned fund balance – represents the residual classification for the general fund or deficit balances in other funds.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, committed fund balance, assigned fund balance, and then unassigned fund balance.

13. Worker's Compensation Plan

During the year ended June 30, 2025, Sabine ISD met its statuary workers' compensation obligations through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Worker's Compensation Program is authorized by Chapter 504, Texas Labor Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties. The Fund provides statutory workers' compensation benefits to its members' injured employees.

The Fund and its members are protected against higher than expected claim costs through the purchase of stop loss coverage for any claim in excess of the Fund's self-insured retention of $2 million. The Fund uses the services of an independent actuary to determine reserve adequacy and fully funds those reserves. As of August 31, 2024, the Fund carries a discounted reserve of $50,247,590 for future development on reported claims and claims that have been incurred but not yet reported. For the year-ended June 30, 2025, 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 year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2024 are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

14. **Risk Management - Claims and Judgments**

In the normal course of operations, the District is exposed to risks of loss from a number of sources including fire and casualty losses, errors or omissions by board members and employees, and injuries to employees during the course of performing their duties. The District attempts to cover these losses by the purchase of insurance. Significant losses are covered by commercial insurance for property and liability programs. The District entered into an agreement with the Texas Educational Insurance Association to participate in their workers' compensation program. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

In management's estimation there are no current loss claims that exceed the maximum coverage or any material unfunded claim benefit obligation for the self-funded programs.

15. **Restricted Assets**

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

16. **Functions**

School Districts are required to report all expenses by function, except certain indirect expenses. General administration, data processing service and other intergovernmental charges functions (data control codes 41, 53, and 99 respectively) include expenses that are indirect expenses of other functions. These indirect expenses are not allocated to other functions.

17. **Data Control Codes**

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

18. **Estimates and Assumptions**

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

Note B. Stewardship, Compliance and Accountability

Budgetary Data

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

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

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

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

3. Prior to July 1, the budget is legally enacted through passage of a resolution by the Board.

Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end.

Because the District has a policy of careful budgetary control, several amendments were necessary during the year.

General Fund:	
(Decrease) in revenues - Local and Intermediate Sources	(288,742)
Increase in revenues - State Program Revenues	72,290
(Decrease) in revenues - Federal Program Revenues	(112,000)
Decrease in expenditures Function 11 - Instruction	121,019
Decrease in expenditures Function 21 - Instructional Leadership	3,500
Decrease in expenditures Function 23 - School Leadership	4,000
(Increase) in expenditures Function 31 - Guidance, Counseling, and Eval Services	(12,000)
(Increase) in expenditures Function 33 - Health Services	(2,500)
(Increase) in expenditures Function 35 - Food Services	(3,000)
(Increase) in expenditures Function 36 - Extracurricular Activities	(1,200)
Decrease in expenditures Function 41 - General Administration	76,822
(Increase) in expenditures Function 51 - Facilities Maintenance & Operation	(335,498)
(Increase) in expenditures Function 53 - Data Processing Services	(22,761)
Decrease in expenditures Function 61 - Community Services	12,000
Decrease in expenditures Function 72 - Interest on Long-Term Liabilities	2,500
(Increase) in expenditures Function 81 - Facilities Acquisition and Construction	(575,230)
(Increase) in expenditures Function 93 - Fiscal Agent	(30,940)
(Increase) in expenditures Function 99 - Other Intergovernmental Charges	(2,000)
	(1,093,740)
Food Service Fund	
Increase in revenues - Federal Program Revenues	14,000
(Increase) in expenditures Function 35 - Food Service	(271,516)
	(257,516)

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

The District's Food Service Fund is considered a special revenue fund since it meets the following criteria: (1) User fees are charged to supplement the National School Lunch Program (NSLP), (2) The General Fund subsidizes the Food Service Program for all expenditures in excess of NSLP, and (3) The District does not consider the Food Service Program completely self-supporting. Food Service fund balances are used exclusively for child nutrition program purposes.

A reconciliation of fund balances for both appropriated budget and nonappropriated budget Nonmajor Governmental Special Revenue Funds is as follows:

	06/30/25 Fund Balance
Appropriated Budget Funds - Food Service Special Revenue Fund	237,542
Nonappropriated Budget Funds	687,914
All Nonmajor Governmental Special Revenue Funds	925,456

Note C. Deposits and Investments

District Policies and Legal and Contractual Provisions Governing Deposits:

Custodial Credit Risk for Deposits -State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the District complies with this law, it has no custodial credit risk for deposits.

The captions and amounts of cash and cash equivalents on the Balance Sheet and Statement of Fiduciary Net Position at June 30, 2025 consist of the following:

	General Fund	Debt Service Fund	Other Funds	Balance Sheet Total	Fiduciary Funds
Cash in Bank	500,019	309,040	948,273	1,757,332	90,973
Investments in Pools	5,364,228	3,069,999	401,517	8,835,744	-
Total Cash and Cash Equivalents	5,864,247	3,379,039	1,349,790	10,593,076	90,973

The District's cash deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) at June 30, 2025 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name. The District's cash deposits were collateralized during the year ending June 30, 2025.

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 Public Funds Investment Act (PFIA) governs the District's investment policies and type of investments. The District's management believes that it complied with the requirements of the PFIA and the District's investment policies.

As of June 30, 2025, Sabine Independent School District had the following investments:

Investment Type:	**Amortized Cost**
Lonestar Investment Pools	896,989
Texas Class -	
General Fund	4,467,239
Special Ed Fund	203,065
Child Nutrition Fund	39,245
Capital Projects Fund	159,207
Debt Service Fund	3,069,999
Total Investment Pools	8,835,744

Lone Star Investment Pool (Pool) was organized in 1991 in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Pool is administered by First Public, formerly known as Texas Association of School Boards Financial Services. The Pool is governed by an 11-member board, all of whom are participants in the Pool.

The District invests in Texas CLASS, an investment option that utilizes all eligible investment as defined by the Public Funds Investment Act. The purpose of the Trust is to establish one or more investment funds through which a Participant may pool any of its funds or funds under its control in order to preserve the principal, to maintain the liquidity of the participant, and to maximize yield in accordance with the Public Funds Investment Act (the Act), Section 2256.01, et seq., Texas Government Code, or other laws of the state of Texas, from time-to-time in effect, governing the investment of funds of a Participant or funds under its control. The Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds.

Additional policies and contractual provisions governing deposits and investments for Sabine Independent School District are specified below:

Custodial Credit Risk for Deposits - To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations the District limits investments in Obligations of the United States or its agencies and instrumentalities; direct obligations of the State of Texas or its agencies and instrumentalities; certificates of deposits; fully collateralized repurchase agreements that have a defined termination date and secured by obligations of the United States or its agencies and instrumentalities; public funds investment pools; collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States rated not less than A or its equivalent issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2025, the District's investments in public funds investment pools were rated AAAm and AAAm by Standard & Poor's.

Interest Rate Risk - To limit the risk that changes in interest rates will adversely affect the fair value of investments, the District requires invested instruments maturities do not exceed one year from the time of purchase except when a longer maturity may be specifically authorized by the Board for a given investment provided legal limits are not exceeded.

Note D. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. The assessed value of the roll on January 1, 2024 upon which the levy for the 2025 fiscal year was based was $538,737,195. The tax rates levied for the year ended June 30, 2025 to finance General Fund operations and the payment of principal and interest on general obligations long-term debt were $0.6669 and $0.26143 per $100 per valuation respectively, for a total of $0.92833 per $100 valuation.

Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they are collected.

Note E. Delinquent Taxes Receivable

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

Note F. Disaggregation of Receivables and Payables

Receivables at June 30, 2025, were as follows:

	Property Taxes	Other Governments	Total Receivables
Governmental Activities:			
General Fund	485,523	1,618,189	2,103,712
Debt Service	158,445	-	158,445
Nonmajor Governmental Funds (Special Revenue)	-	46,595	46,595
Total - Governmental Activities	643,968	1,664,784	2,308,752
Amounts not scheduled for collection during the subsequent year	(128,794)	-	(128,794)

Payables at June 30, 2025, were as follows:

	Accounts Payable	Salaries/ Benefits	Other Governments	Total Payables
Governmental Activities:				
General Fund	30,967	1,158,098	18,918	1,207,983
Debt Service Fund	-	-	7,503	7,503
Nonmajor Governmental Funds (Special Revenue)	927	331,486	5,239	337,652
Total - Governmental Activities	31,894	1,489,584	31,660	1,553,138

Note G. Capital Asset Activity

Capital asset activity for the District for the year ended June 30, 2025, was as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental Activities:				
Land	1,102,065	-	-	1,102,065
Building and Improvements	37,371,900	47,000	1,621,264	39,040,164
Furniture and Equipment	1,849,999	754,411	(62,783)	2,541,627
Vehicles	2,161,371	-	-	2,161,371
Construction in Progress	1,422,461	198,803	(1,621,264)	-
Totals at Historic Cost	43,907,796	1,000,214	(62,783)	44,845,227
Less Accumulated Depreciation for:				
Buildings and Improvements	(14,634,066)	(892,265)	-	(15,526,331)
Furniture and Equipment	(1,224,648)	(142,058)	62,783	(1,303,923)
Vehicles	(1,203,034)	(142,505)	-	(1,345,539)
Total Accumulated Depreciation	(17,061,748)	(1,176,828)	62,783	(18,175,793)
Governmental Activities:				
Land	1,102,065	-	-	1,102,065
Building and Improvements, Net	22,737,834	(845,265)	1,621,264	23,513,833
Furniture and Equipment, Net	625,351	612,353	-	1,237,704
Vehicles, Net	958,337	(142,505)	-	815,832
Construction in Progress	1,422,461	198,803	(1,621,264)	-
Capital Assets, Net	26,846,048	(176,614)	-	26,669,434

In fiscal year 2023, the District began the renovation and redesign of the intermediate campus with various construction projects. The total costs associated with this project in the prior year is reflected in Construction in Progress of $573,309. During fiscal year 2024, the District signed a construction contract with HLH Design & Build for the redesign and renovation of the intermediate campus for a total of $381,437. The District incurred $381,437 related to this contract in fiscal year 2024. The District also incurred $5,718 in architect fees and $461,997 in other costs related to the project. In fiscal year 2025 the District incurred various costs related to this project in the amount of $198,803. The project was completed in fiscal year 2025 and reclassified to buildings and improvements.

The District purchased various food service equipment, telescopic bleachers, a communication system, and several other pieces of equipment during fiscal year 2025.

Several fully depreciated food service assets were disposed of during the year.

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:	
Instruction	621,213
Instructional Resources and Media Services	16,942
Curriculum and Instrumental Staff Development	6,512
Instructional Leadership	26,364
School Leadership	54,788
Guidance, Counseling & Evaluation Services	69,551
Health Services	9,269
Student (Pupil) Transportation	38,189
Food Services	88,223
Cocurricular/Extracurricular Activities	81,570
General Administration	38,500
Plant Maintenance and Operations	99,214
Security Monitoring	20,306
Data Processing Services	5,864
Community Services	323
Total Depreciation Expense - Governmental Activities	1,176,828

Note H. Bonds Payable and Debt Service Requirements

On February 15, 2020, Sabine Independent School District issued $16,799,994 of Unlimited Tax Refunding Bonds, Series 2020. This issue was comprised of $16,785,000 Current Interest Bonds with interest rates between 0.24% - 2.41% maturing annually from February 15, 2021 through 2043. The issue also was comprised of $14,994 Capital Appreciation Bond maturing in 2028, 2029, and 2030.

A summary of changes in bonded debt for the year ended June 30, 2025 is as follows:

	Stated Interest Rate	Amounts Original Issue	Amounts Outstanding 07/01/24	Bonds Issued/ Accretion	Bonds Retired	Amounts Outstanding 06/30/25
Unlimited Tax Refunding Bonds Series 2020, Current Interest Bonds maturing February 15, 2043	0.24% - 2.41%	16,785,000	15,390,000	-	705,000	14,685,000
Unlimited Tax Refunding Bonds Series 2020, Capital Appreciation Bonds maturing 2028, 2029, 2030	0.00%	14,994	975,507	292,773	-	1,268,280
			16,365,507	292,773	705,000	15,953,280

In the governmental fund financial statements, the current expenditures for principal and interest expenditures are accounted for in the Debt Service Fund in the Statement of Revenues, Expenditures and Changes in Fund Balance. During the year ended June 30, 2025, the District paid $705,000 in principal, $303,751 in interest, and $2,500 in fees.

Bonded debt service requirements are as follows:

Year Ended June 30	Unlimited Tax School Building and Refunding Bonds		
	Principal	Interest	Total Requirements
2026	715,000	298,534	1,013,534
2027	755,000	291,956	1,046,956
2028	7,977	1,045,599	1,053,576
2029	4,515	1,094,061	1,098,576
2030	2,502	1,126,075	1,128,577
2031-2035	4,580,000	1,269,598	5,849,598
2036-2040	5,205,000	779,566	5,984,566
2041-2043	3,430,000	166,654	3,596,654
	14,699,994	6,072,043	20,772,037
Accumulated Accreted Interest	1,253,286	(1,253,286)	-
Total	15,953,280	4,818,757	20,772,037

In the government-wide financial statements, bonded indebtedness of the District is reflected in the Statement of Net Position. Premium on issuance of bonds, net of accumulated amortization, totaled $1,001,806 at June 30, 2025. Unamortized loss on defeasance of debt totals ($1,263,828). Amortization of the deferred loss of $72,913 and accreted interest on CABs of $292,773 is reflected in the Statement of Activities for the year ended June 30, 2025.

There are a number of limitations and restrictions contained in the general obligation bond indenture. Management has indicated that the District is in compliance with all significant limitations and restrictions at June 30, 2025. Sabine Independent School District has entered into a continuing disclosure undertaking to provide Annual Reports and material Event Notices to the State Information Depository of Texas (SID), which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of Sabine Independent School District.

Note I. Notes Payable

In May 2017, the District executed a loan agreement for SECO Note Payable, in the amount of $321,300. The note proceeds were used for projects related to the construction of a new elementary school.

In the governmental fund financial statements, note obligations of the District current requirement for principal and interest expenditures are accounted for in the General Fund, Function 71 and Function 72, respectively. During the year ended June 30, 2025, the District paid $29,928 in principal and $552 in interest on the notes outstanding, which are accounted for in the General Fund.

A summary of changes in notes payable for the year ended June 30, 2025 is as follows:

	Stated Interest Rate	Amounts Outstanding 07/01/24	Issued/ Accretion	Retired	Amounts Outstanding 06/30/25
SECO Note Payable	0.25%	29,928	-	29,928	-
		29,928	-	29,928	-

Note J. Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
General Obligation Bonds	16,365,507	292,773	705,000	15,953,280	715,000
Notes Payable	29,928	-	29,928	-	-
Bond Premium/Discount	1,256,879	-	255,073	1,001,806	-
Total Bonds and Notes Payable	17,652,314	292,773	990,001	16,955,086	715,000
Other Liabilities:					
Compensated Absences	187,564	46,911	-	234,475	39,861
TRS Net Pension Liability	5,363,016	-	781,154	4,581,862	-
TRS Net OPEB Liability	2,882,836	920,747	-	3,803,583	-
Total Other Liabilities	8,433,416	967,658	781,154	8,619,920	39,861
Total Governmental Activities Long-term Liabilities	26,085,730	1,260,431	1,771,155	25,575,006	754,861

Note K. Defined Benefit Pension Plan

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

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

Pension Plan Fiduciary Net Position. Detail information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/learning-resources/publications; by writing to TRS at attention Finance Division, PO BOX 149676, Austin, TX, 78714-0185, or by calling 1-800-223-8778.

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. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description in (A) above. Accordingly, the 2023 Texas Legislature passed Senate Bill (SB) 10 and House

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

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

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

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

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

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

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

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

Contribution Rates

	2024	2025
Member (Employees)	8.25%	8.25%
Non-Employer Contributing Entity (State)	8.25%	8.25%
Employer (District)	8.25%	8.25%
SISD Member Contributions	958,937	1,039,753
SISD Employer Contributions	417,484	415,401
SISD NECE On-Behalf Contributions	706,357	749,646

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

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

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.

- During a new member's first 90 days of employment

- When any or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.

- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50 percent of the state contribution rate for certain instructional or administrative employees and 100 percent of the state contribution rate for all other employees.

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

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

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

Net Pension Liability. Components of the net pension liability of the plan as of August 31, 2024 are disclosed below:

Components of Liability	Amount
Total Pension Liability	$ 271,627,434,294
Less: Plan Fiduciary Net Position	(210,543,258,495)
Net Pension Liability	**$ 61,084,175,799**
Net Position as Percentage of Total Pension Liability	**77.51%**

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

Valuation Date	August 31, 2023 rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-Term Expected Rate	7.00%
Municipal Bond Rate as of August 2024	3.87% - The source for the rate is the Bond Buyers 20 Index which represented the estimated yeild of a portfolio of 20 general obligation bonds maturing in 20 years based on a survet of municipal bond traders.
Last year ending August 31 in Projection Period (100) years	2123
Inflation	2.30%
Salary Increases	2.95% to 8.95% including inflation
Ad hoc post-employment benefit changes	None

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

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

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

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

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

Asset Class	Target Allocation % **	Long-Term Expected Arithmetic Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.0%	4.4%	1.00%
Non-U.S. Developed	13.0%	4.2%	0.80%
Emerging Markets	9.0%	5.2%	0.70%
Private Equity	14.0%	6.7%	1.20%
Stable Value			
Government Bonds	16.0%	1.9%	0.40%
Stable Value Hedge Funds	5.0%	3.0%	0.20%
Absolute Return*	0.0%	4.0%	0.00%
Real Return			
Real Estate	15.0%	6.6%	1.20%
Energy, Natural Resources & Infrastructure	6.0%	5.6%	0.40%
Commodities	0.0%	2.5%	0.00%
Risk Parity			
Risk Parity	8.0%	4.0%	0.40%
Asset Allocation Leverage			
Cash	2.0%	1.0%	0.00%
Asset Allocation Leverage	-6.0%	1.3%	-0.10%
Inflation Expectation			2.40%
Volatility Drag**			-0.70%
Total	**100.00%**		**7.90%**

* Absolute Return includes Credit Sensitive Investments

** Target Allocations are based on the FY2024 policy model

*** Capital Market Assumptions (CMA) come from 2024 SAA Study CMA Survery (as of 12/31/2023)

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

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the net pension liability if the discount rate used was 1 percentage point lower than and 1 percentage point higher than the discount rate that was used (7%) in measuring the Net pension liability.

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
SISD's proportionate share of the net pension liability	7,318,394	4,581,862	2,314,450

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2025, Sabine ISD reported a liability of $4,581,862 for its proportionate share of the TRS net pension liability. This liability reflects a reduction for State pension support provided to Sabine ISD. The amount recognized by Sabine ISD 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 Sabine ISD were as follows:

District's proportionate share of the collective net pension liability	$ 4,581,862
State's proportionate share that is associated with the District	8,125,750
Total	$ 12,707,612

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

On August 31, 2024 the employer's proportion of the collective net pension liability was 0.0075008983% which was an increase (decrease) of (0.0003066269%) from its proportion measured as of August 31, 2023.

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 Taxes 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 by (Employer) in the reporting period was $1,556,061.

For the year ended June 30, 2025, Sabine School recognized pension expense of $1,556,061 and revenue of $971,163 for support provided by the State.

At June 30, 2025, Sabine School reported its proportionate share of the TRS deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	$ 252,546	$ 35,773
Changes in actuarial assumptions	236,571	31,716
Difference between projected and actual investment earnings	27,851	-
Changes in proportion and difference between the employer contributions and the proportionate share of contributions	241,162	215,133
Total as of August 31, 2024 measurement date	$ 758,130	$ 282,622
Contributions paid to TRS subsequent to the measurement date of the Net Pension Liability(to be calculated by employer)	345,511	-
Total as of June 30, 2025 fiscal year-end	$ 1,103,641	$ 282,622

Sabine Independent School District recognized $1,103,641 as deferred outflows of resources related to pensions resulting from Sabine Dependent School District contributions subsequent to the measurement date, which will be recognized as a reduction a of the net pension liability in the measurement year ended August 31, 2024. The other amounts of the employer's balances of deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

Year ended August 31:	Pension Expense Amount
2026	$ 50,053
2027	536,233
2028	47,964
2029	(155,895)
2030	(2,847)
Thereafter	-
	$ 475,508

Note L. Defined Other Post-Employment Benefit Plans

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

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

OPEB Plan Fiduciary Net Position. Detail information about TRS-Care's fiduciary net position is available in the separately-issued TRS Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at http://www.trs.texas.gov/learning-resources/publications; by writing to TRS at P.O. BOX 149676, Austin, TX 78714-0185; or by calling (800)-223-8778.

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

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

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

TRS-Care Monthly Premium Rates

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

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

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

Contribution Rates

	2024	2025
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%
SISD Member Contributions	75,929	81,919
SISD Employer Contributions	112,807	124,089
SISD NECE On-behalf Contributions	136,306	142,630

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

Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2023. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2024. The actuarial valuation was determined using the following actuarial assumptions:

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2021.

The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2023 TRS pension actuarial valuation that was rolled forward to August 31, 2024:

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

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

Additional Actuarial Methods and Assumptions:

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

Discount Rate: A single discount rate of 3.87 percent was used to measure the total OPEB liability. This was a decrease of 0.26 percent in the discount rate since the previous year.

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

The source of the municipal bond rate is the Bond Buyer's "20 Bond GO Index" as of August 31, 2024 using the Fixed Income Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

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

	1% Decrease in Discount Rate (2.87%)	Current Single Discount Rate (3.87%)	1% Increase in Discount Rate (4.87%)
SISD's proportionate share of the Net OPEB Liability	4,518,834	3,803,583	3,225,649

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

	1% Decrease	Current Single Healthcare Trend Rate	1% Increase
Proportionate share of Net OPEB Liability	3,097,453	3,803,583	4,723,740

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2025 the District reported a liability of $3,803,583 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	$ 3,803,583
State's proportionate share that is associated with the District	4,765,837
Total	$ 8,569,420

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

On August 31, 2024 the employer's proportion of the collective Net OPEB Liability was 0.0125317649% which was an increase (decrease) of (0.0004901704%) as of August 31, 2023.

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

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

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

The amount of OPEB expense recognized by (Employer) in the reporting period was ($1,038,129).

For the year ended June 30, 2025, Sabine Independent School District recognized OPEB expense of ($1,038,129) and revenue of ($619,471) for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	$ 729,019	$ 1,898,194
Changes in actuarial assumptions	486,814	1,241,065
Difference between projected and actual investment earnings	-	10,651
Changes in proportion and difference between the employer contributions and the proportionate share of contributions	608,717	467,073
Total as of August 31, 2024 measurement date	1,824,550	3,616,983
Contributions paid to TRS subsequent to the measurement date of the Net OPEB Liability (to be calculated by employer)	230,518	-
Total as of June 30, 2025 fiscal year-end	$ 2,055,068	$ 3,616,983

Sabine Independent School District recognized $2,055,068 as deferred outflows of resources related to OPEB resulting from Sabine Independent School District contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the measurement year ended August 31, 2024. The other amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended August 31:	OPEB Expense Amount
2026	$ (498,712)
2027	(326,442)
2028	(367,394)
2029	(285,588)
2030	(192,585)
Thereafter	(121,712)
	$ (1,792,433)

Note M. Medicare Part D (TRS)

Federal Government Retiree Drug Subsidy - The Medicare Modernization Act of 2003 (MMA) created an outpatient prescription drug benefit program (knows as Medicare Part D) and a Retiree Drug Subsidy (RDS) program which were made available in 2006. The Texas Public School Retired Employee Group Insurance Program (TRS-Care) is offering a Medicare Part D Plan and is participating in the Retiree Drug Subsidy plan for eligible TRS-Care participants. Under Medicare Part D and the RDS program, TRS-Care receives payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. On-behalf payments must be recognized as equal revenues and expenditures/expenses by each reporting entity.

The allocation of these on-behalf payments is based on the ratio of a reporting entity's covered payroll to the entire covered payroll reported by all participating reporting entities. TRS based this allocation percentage on the "completed" report submission by reporting entities for the month of May. Any questions about payroll amounts should be directed to a reporting entity's payroll contact.

Contribution amounts are as follows: State Contributions for Medicare Part D made on behalf of Sabine Independent School District's employees were $83,536 for the year ended June 30, 2025. State Contributions for Medicare Part D made on behalf of Sabine Independent School District's employees were $65,976 for the year ended June 30, 2024. State Contributions for Medicare Part D made on behalf of Sabine Independent School District's employees were $58,419 for the year ended June 30, 2023.

Note N. Health Care Coverage

During the year ended June 30, 2025 employees of Sabine Independent School District were covered by a uniform statewide health care program for public education employees. The District contributed $342 per month, which includes the $75 which is reimbursed by the state, per employee to the Plan. Employees, at their option, may authorize payroll withholdings to pay the remaining balance of the premium for employee coverage and/or dependents. All contributions/premiums were paid to the statewide health care program. The Plan was authorized by House Bill 3343 and will be administered by the Teacher Retirement System of Texas (TRS). The TRS board approved the selection of Blue Cross Blue Shield as the health plan administrator and Express Scripts as the pharmacy benefits manager for TRS-ActiveCare.

Note O. Commitments and Contingencies

Litigation - The District may be subjected to loss contingencies arising principally in the normal course of operations. In the opinion of the administration, the outcomes of these lawsuits will not have a material adverse effect on the accompanying financial statements and accordingly, no provision for losses has been recorded.

Grant Programs - The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2025 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Note P. Deferred Inflows of Resources (Governmental Funds)

Unavailable revenue – property taxes sat June 30, 2025 consisted of the following:

	General Fund	Debt Service Fund	Total
Net uncollected tax revenue	354,890	114,035	468,925

Note Q. Due From/To 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 and Per Capita Programs. Amounts due from/to federal and state governments as of June 30, 2025 are summarized below.

All federal grants shown below are passed through the TEA and are reported on combined financial statements as due from/to other governments.

Fund	State Entitlements	Federal Grants	Total
Governmental Activities:			
Due From Other Governments			
General Fund	1,618,189	-	1,618,189
Nonmajor Governmental Funds (Special Revenue)	33,126	13,469	46,595
	1,651,315	13,469	1,664,784
Due To Other Governments			
General Fund	18,918	-	18,918
Debt Service Fund	7,503	-	7,503
	26,421	-	26,421

Note R. Shared Service Arrangements

The District participates in several Shared Service Arrangements ("SSA") described as follows:

Sabine ISD fiscal agent: The District is the fiscal agent for a Shared Services Arrangement ("SSA") which provides special education services to the member districts listed below. All services are provided by the fiscal agent. The member districts provide the funds to 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 in Special Revenue Fund 313, SSA IDEA-B Formula; Special Revenue Fund 314, SSA IDEA-B Preschool; and Special Revenue Fund 437, SSA State Special Education; and will be accounted for using Model 1 in the SSA section of the Resource Guide. Expenditures of the SSA are summarized below:

Member Districts:	%	Expenditures
Sabine ISD	31%	830,953
Spring Hill ISD	40%	1,072,198
White Oak ISD	29%	777,343
		2,680,494

Sabine ISD fiscal agent: The District is the fiscal agent for a Shared Services Arrangement ("SSA") which provides discipline alternative education services to the member districts listed below. All services are provided by the fiscal agent. The member districts provide the funds to the fiscal agent. According to guidance provided by TEA's Resource Guide, the District has accounted for the fiscal agent's activities of the SSA in Special Revenue Fund No. 459, SSA Locally Defined, and will be accounted for using Model 3 in the SSA Section of the Resource Guide.

Member Districts:	Expenditures
Sabine ISD	43,265
Spring Hill ISD	43,264
White Oak ISD	43,264
	129,793

Note S. General Fund Federal Source Revenues

SSA - School Health and Related Services (SHARS)	67,048
	67,048

Note T. Revenue from Local and Intermediate Sources

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

Revenue Sources	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Governmental Funds Total
Property taxes and tax related income	3,436,677	1,342,640	-	4,779,317
Investment income	280,065	138,844	18,788	437,697
Shared service agreements	-	-	1,629,905	1,629,905
Food service sales	-	-	350,539	350,539
Co-curricular	44,910	-	-	44,910
Enterprising	-	-	98,928	98,928
Tuition	37,876	-	-	37,876
Gifts and bequests	-	-	66,341	66,341
Other local sources	29,556	-	116,376	145,932
	3,829,084	1,481,484	2,280,877	7,591,445

Note U. Compensated Absences – Prior Period Adjustment

Employees of the District earn state days for compensated absences in accordance with board policy and employment agreements. Under the provisions of **GASB Statement No. 101, *Compensated Absences***, the District recognizes a liability for leave that is attributable to services already rendered, accumulates from period to period, and is probable of resulting in payment, either through cash settlement or time off that reduces future service requirements.

The liability for compensated absences includes amounts expected to be paid upon termination or retirement as well as benefits expected to be used for time off in lieu of additional pay. The liability is measured using the pay rates and benefit costs in effect at the reporting date.

The total compensated absences liability at June 30, 2025, consisted of the following components:

Description	Amount
Current portion - expected to be paid after one year	39,861
Long-term portion - expected to be paid within one year	194,614
Total compensated absences liability	234,475

The adoption of this standard resulted in the District's accounting for compensated absences, requiring the accrual of additional amounts for certain types of leave that were not previously recognized as liabilities. As a result, the beginning net position of the governmental activities as of July 1, 2024, was decreased by ($187,564) to recognize the additional liability for compensated absences in accordance with the new standard. The comparative financial statements for the prior year have been restated to reflect this change in accounting principle.

Description	Governmental Activities
Net position, as previously stated	12,385,651
Cumulative effect of GASB 101	(187,564)
Net position, as restated	12,198,087

Note V. Subsequent Events

Management evaluated subsequent events after the date of the balance sheet and prior to the release of these financial statements which was November 6, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT G-1

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

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	REVENUES:				
5700	Total Local and Intermediate Sources	$ 4,300,687	$ 4,011,945	$ 3,829,084	$ (182,861)
5800	State Program Revenues	12,427,752	12,500,042	12,570,439	70,397
5900	Federal Program Revenues	180,100	68,100	67,048	(1,052)
5020	Total Revenues	16,908,539	16,580,087	16,466,571	(113,516)
	EXPENDITURES:				
	Current:				
0011	Instruction	9,679,235	9,558,216	9,293,091	265,125
0012	Instructional Resources and Media Services	209,116	209,116	203,196	5,920
0013	Curriculum and Instructional Staff Development	39,750	39,750	28,266	11,484
0021	Instructional Leadership	166,268	162,768	143,761	19,007
0023	School Leadership	1,122,489	1,118,489	1,041,540	76,949
0031	Guidance, Counseling, and Evaluation Services	425,786	437,786	435,711	2,075
0033	Health Services	231,857	234,357	231,804	2,553
0034	Student (Pupil) Transportation	520,329	520,329	447,851	72,478
0035	Food Services	13,500	16,500	14,982	1,518
0036	Extracurricular Activities	1,348,378	1,349,578	1,292,439	57,139
0041	General Administration	814,341	737,519	634,680	102,839
0051	Facilities Maintenance and Operations	1,684,687	2,020,185	1,960,924	59,261
0052	Security and Monitoring Services	257,081	257,081	248,163	8,918
0053	Data Processing Services	100,319	123,080	120,630	2,450
0061	Community Services	12,523	523	-	523
	Debt Service:				
0071	Principal on Long-Term Liabilities	38,001	38,001	29,928	8,073
0072	Interest on Long-Term Liabilities	2,640	140	552	(412)
	Capital Outlay:				
0081	Facilities Acquisition and Construction	95,000	670,230	611,300	58,930
	Intergovernmental:				
0093	Payments to Fiscal Agent/Member Districts of SSA	460,000	490,940	490,440	500
0099	Other Intergovernmental Charges	85,000	87,000	86,423	577
6030	Total Expenditures	17,306,300	18,071,588	17,315,681	755,907
1200	Net Change in Fund Balances	(397,761)	(1,491,501)	(849,110)	642,391
0100	Fund Balance - July 1 (Beginning)	7,174,587	7,174,587	7,174,587	-
3000	Fund Balance - June 30 (Ending)	$ 6,776,826	$ 5,683,086	$ 6,325,477	$ 642,391

SABINE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 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)	0.007500898%	0.007807525%	0.007992741%
District's Proportionate Share of Net Pension Liability (Asset)	$ 4,581,862	$ 5,363,016	$ 4,745,085
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	8,125,750	9,439,235	8,502,266
Total	$ 12,707,612	$ 14,802,251	$ 13,247,351
District's Covered Payroll	$ 11,776,598	$ 11,521,715	$ 11,114,309
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	38.91%	46.55%	42.69%
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.

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	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015
0.007557333%	0.006674411%	0.006938218%	0.007179346%	0.007462128%	0.006676931%	0.0070762%
$ 1,924,585	$ 3,574,678	$ 3,606,703	$ 3,951,686	$ 2,385,986	$ 2,523,113	$ 2,501,343
3,711,622	7,872,420	6,949,048	7,668,341	4,571,299	5,430,943	5,238,954
$ 5,636,207	$ 11,447,098	$ 10,555,751	$ 11,620,027	$ 6,957,285	$ 7,954,056	$ 7,740,297
$ 10,382,985	$ 9,761,637	$ 8,812,857	$ 8,758,942	$ 8,646,117	$ 8,097,935	$ 7,894,930
18.54%	36.62%	40.93%	45.12%	27.60%	31.16%	31.68%
88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%

SABINE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024	2023
Contractually Required Contribution	$ 415,401	$ 417,484	$ 399,985
Contribution in Relation to the Contractually Required Contribution	(415,401)	(417,484)	(399,985)
Contribution Deficiency (Excess)	$ -	$ -	$ -
District's Covered Payroll	$ 12,603,050	$ 11,684,328	$ 11,584,054
Contributions as a Percentage of Covered Payroll	3.30%	3.57%	3.45%

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
$ 358,022	$ 319,079	$ 268,943	$ 241,977	$ 243,633	$ 238,828	$ 212,270
(358,022)	(319,079)	(268,943)	(241,977)	(243,633)	(238,828)	(212,270)
$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 10,873,192	$ 10,309,112	$ 9,625,890	$ 8,757,890	$ 8,715,734	$ 8,550,526	$ 8,086,672
3.29%	3.10%	2.79%	2.76%	2.80%	2.79%	2.62%

SABINE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 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	0.012531765%	0.013021935%	0.013497929%
District's Proportionate Share of Net OPEB Liability (Asset)	$ 3,803,583	$ 2,882,836	$ 3,231,945
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	4,765,837	3,478,584	3,942,465
Total	$ 8,569,420	$ 6,361,420	$ 7,174,410
District's Covered Payroll	$ 11,776,598	$ 11,521,517	$ 11,114,309
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	32.30%	25.02%	29.08%
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
0.012838648%	0.012625287%	0.011669902%	0.01173301%	0.011923613%
$ 4,952,440	$ 4,799,442	$ 5,518,839	$ 5,858,399	$ 5,185,132
6,635,166	6,449,299	7,333,303	7,222,191	6,436,714
$ 11,587,606	$ 11,248,741	$ 12,852,142	$ 13,080,590	$ 11,621,846
$ 10,682,985	$ 9,761,637	$ 8,812,857	$ 8,758,942	$ 8,646,117
46.36%	49.17%	62.62%	66.88%	59.97%
6.18%	4.99%	2.66%	1.57%	0.91%

SABINE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024	2023
Contractually Required Contribution	$ 124,089	$ 112,807	$ 101,659
Contribution in Relation to the Contractually Required Contribution	(124,089)	(112,807)	(101,659)
Contribution Deficiency (Excess)	$ -	$ -	$ -
District's Covered Payroll	$ 12,603,050	$ 11,684,328	$ 11,584,054
Contributions as a Percentage of Covered Payroll	1.98%	0.97%	0.88%

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
$ 108,182	$ 100,021	$ 94,246	$ 82,187	$ 77,767
(108,182)	(100,021)	(94,246)	(82,187)	(77,767)
$ -	$ -	$ -	$ -	$ -
$ 10,873,192	$ 10,309,112	$ 9,625,890	$ 8,757,890	$ 8,715,734
0.99%	0.97%	0.98%	0.94%	0.89%

SABINE INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025

A. Notes to Schedules for the TRS Pension

Changes of Benefit terms.

The Texas 2023 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.

Changes of Assumptions.

There were no changes in assumptions.

B. Notes to Schedules for the TRS OPEB Plan

Changes in Benefits.

There were no changes in benefits.

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

COMBINING SCHEDULES

SABINE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

Data Control Codes		211 ESEA I, A Improving Basic Program	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program
	ASSETS			
1110	Cash and Cash Equivalents	$ 3,991	$ -	$ 216,352
1240	Due from Other Governments	3,767	-	4,919
1300	Inventories	-	-	25,930
1000	Total Assets	$ 7,758	$ -	$ 247,201
	LIABILITIES			
2110	Accounts Payable	$ -	$ -	$ -
2160	Accrued Wages Payable	6,641	-	3,993
2200	Accrued Expenditures	1,117	-	427
2300	Unearned Revenue	-	-	5,239
2000	Total Liabilities	7,758	-	9,659
	FUND BALANCES			
	Nonspendable Fund Balance:			
3410	Inventories	-	-	25,930
	Restricted Fund Balance:			
3450	Federal or State Funds Grant Restriction	-	-	211,612
3470	Capital Acquisition and Contractural Obligation	-	-	-
3490	Other Restricted Fund Balance	-	-	-
	Committed Fund Balance:			
3545	Other Committed Fund Balance	-	-	-
3000	Total Fund Balances	-	-	237,542
4000	Total Liabilities and Fund Balances	$ 7,758	$ -	$ 247,201

255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	282 ESSER III ARP Act	289 Other Federal Special Revenue Funds	313 SSA IDEA, Part B Formula	314 SSA IDEA, Part B Preschool	397 Advanced Placement Incentives	410 State Instructional Materials
$ -	$ (254)	$ 2,998	$ -	$ 116,996	$ -	$ 2,544	$ (33,126)
-	254	-	-	4,529	-	-	33,126
-	-	-	-	-	-	-	-
$ -	$ -	$ 2,998	$ -	$ 121,525	$ -	$ 2,544	$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	2,998	-	104,437	-	-	-
-	-	-	-	17,088	-	-	-
-	-	-	-	-	-	-	-
-	-	2,998	-	121,525	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	2,544	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	2,544	-
$ -	$ -	$ 2,998	$ -	$ 121,525	$ -	$ 2,544	$ -

SABINE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

Data Control Codes		429 Other State Special Revenue Funds	437 SSA Special Education	459 Other SSA Special Revenue Funds	461 Campus Activity Funds
	ASSETS				
1110	Cash and Cash Equivalents	$ 44	$ 640,534	$ 85,644	$ 22,108
1240	Due from Other Governments	-	-	-	-
1300	Inventories	-	-	-	-
1000	Total Assets	$ 44	$ 640,534	$ 85,644	$ 22,108
	LIABILITIES				
2110	Accounts Payable	$ -	$ 927	$ -	$ -
2160	Accrued Wages Payable	-	159,546	23,970	-
2200	Accrued Expenditures	-	9,103	2,166	-
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	-	169,576	26,136	-
	FUND BALANCES				
	Nonspendable Fund Balance:				
3410	Inventories	-	-	-	-
	Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	44	-	-	-
3470	Capital Acquisition and Contractural Obligation	-	-	-	-
3490	Other Restricted Fund Balance	-	470,958	59,508	-
	Committed Fund Balance:				
3545	Other Committed Fund Balance	-	-	-	22,108
3000	Total Fund Balances	44	470,958	59,508	22,108
4000	Total Liabilities and Fund Balances	$ 44	$ 640,534	$ 85,644	$ 22,108

462 High School Activity Fund	463 Library Activity Fund	464 Middel School Activity Fund	465 Elementary Activity Fund	466 UIL Fund	467 Intermediate Activity Fund	481 Locally Fund SR Funds Locally Def.	Total Nonmajor Special Revenue Funds
$ 47,757	$ 8,854	$ 25,437	$ 37,662	$ -	$ 13,042	$ -	$ 1,190,583
-	-	-	-	-	-	-	46,595
-	-	-	-	-	-	-	25,930
$ 47,757	$ 8,854	$ 25,437	$ 37,662	$ -	$ 13,042	$ -	$ 1,263,108
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 927
-	-	-	-	-	-	-	301,585
-	-	-	-	-	-	-	29,901
-	-	-	-	-	-	-	5,239
-	-	-	-	-	-	-	337,652
-	-	-	-	-	-	-	25,930
-	-	-	-	-	-	-	211,656
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	533,010
47,757	8,854	25,437	37,662	-	13,042	-	154,860
47,757	8,854	25,437	37,662	-	13,042	-	925,456
$ 47,757	$ 8,854	$ 25,437	$ 37,662	$ -	$ 13,042	$ -	$ 1,263,108

EXHIBIT H-1

SABINE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

Data Control Codes		699 Capital Projects Fund	Total Nonmajor Governmental Funds
	ASSETS		
1110	Cash and Cash Equivalents	$ 159,207	$ 1,349,790
1240	Due from Other Governments	-	46,595
1300	Inventories	-	25,930
1000	Total Assets	$ 159,207	$ 1,422,315
	LIABILITIES		
2110	Accounts Payable	$ -	$ 927
2160	Accrued Wages Payable	-	301,585
2200	Accrued Expenditures	-	29,901
2300	Unearned Revenue	-	5,239
2000	Total Liabilities	-	337,652
	FUND BALANCES		
	Nonspendable Fund Balance:		
3410	Inventories	-	25,930
	Restricted Fund Balance:		
3450	Federal or State Funds Grant Restriction	-	211,656
3470	Capital Acquisition and Contractural Obligation	159,207	159,207
3490	Other Restricted Fund Balance	-	533,010
	Committed Fund Balance:		
3545	Other Committed Fund Balance	-	154,860
3000	Total Fund Balances	159,207	1,084,663
4000	Total Liabilities and Fund Balances	$ 159,207	$ 1,422,315

SABINE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes		211 ESEA I, A Improving Basic Program	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program
	REVENUES:			
5700	Total Local and Intermediate Sources	$ -	$ -	$ 354,155
5800	State Program Revenues	-	-	27,691
5900	Federal Program Revenues	222,804	6,909	747,451
5020	Total Revenues	222,804	6,909	1,129,297
	EXPENDITURES:			
	Current:			
0011	Instruction	200,141	6,909	-
0012	Instructional Resources and Media Services	-	-	-
0013	Curriculum and Instructional Staff Development	17,750	-	-
0021	Instructional Leadership	-	-	-
0023	School Leadership	-	-	-
0031	Guidance, Counseling, and Evaluation Services	-	-	-
0034	Student (Pupil) Transportation	4,913	-	-
0035	Food Services	-	-	1,306,784
0036	Extracurricular Activities	-	-	-
0041	General Administration	-	-	-
0051	Facilities Maintenance and Operations	-	-	-
0052	Security and Monitoring Services	-	-	-
0053	Data Processing Services	-	-	-
	Capital Outlay:			
0081	Facilities Acquisition and Construction	-	-	-
	Intergovernmental:			
0093	Payments to Fiscal Agent/Member Districts of SSA	-	-	-
6030	Total Expenditures	222,804	6,909	1,306,784
1200	Net Change in Fund Balance	-	-	(177,487)
0100	Fund Balance - July 1 (Beginning)	-	-	415,029
3000	Fund Balance - June 30 (Ending)	$ -	$ -	$ 237,542

255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	282 ESSER III ARP Act	289 Other Federal Special Revenue Funds	313 SSA IDEA, Part B Formula	314 SSA IDEA, Part B Preschool	397 Advanced Placement Incentives	410 State Instructional Materials
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	204	130,108
36,875	9,677	82,845	6,000	1,045,776	45,667	-	-
36,875	9,677	82,845	6,000	1,045,776	45,667	204	130,108
-	5,348	81,018	6,000	473,825	-	-	130,108
-	-	-	-	-	-	-	-
36,875	4,329	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	449,062	-	-	-
-	-	1,827	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	122,889	45,667	-	-
36,875	9,677	82,845	6,000	1,045,776	45,667	-	130,108
-	-	-	-	-	-	204	-
-	-	-	-	-	-	2,340	-
$ -	$ -	$ -	$ -	$ -	$ -	$ 2,544	$ -

SABINE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes		429 Other State Special Revenue Funds	437 SSA Special Education	459 Other SSA Special Revenue Funds	461 Campus Activity Funds
	REVENUES:				
5700	Total Local and Intermediate Sources	$ -	$ 1,503,372	$ 136,035	$ 44,781
5800	State Program Revenues	212,997	109,979	12,943	-
5900	Federal Program Revenues	-	-	-	-
5020	Total Revenues	212,997	1,613,351	148,978	44,781
	EXPENDITURES:				
	Current:				
0011	Instruction	-	670,627	68,348	-
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	-	4,038	-	-
0021	Instructional Leadership	-	313,846	46,708	-
0023	School Leadership	-	-	-	-
0031	Guidance, Counseling, and Evaluation Services	-	563,913	-	-
0034	Student (Pupil) Transportation	-	-	-	-
0035	Food Services	-	-	-	-
0036	Extracurricular Activities	-	-	-	46,292
0041	General Administration	-	4,443	-	-
0051	Facilities Maintenance and Operations	-	19,887	-	-
0052	Security and Monitoring Services	119,212	-	-	-
0053	Data Processing Services	-	12,297	-	-
	Capital Outlay:				
0081	Facilities Acquisition and Construction	93,746	-	-	-
	Intergovernmental:				
0093	Payments to Fiscal Agent/Member Districts of SSA	-	-	14,737	-
6030	Total Expenditures	212,958	1,589,051	129,793	46,292
1200	Net Change in Fund Balance	39	24,300	19,185	(1,511)
0100	Fund Balance - July 1 (Beginning)	5	446,658	40,323	23,619
3000	Fund Balance - June 30 (Ending)	$ 44	$ 470,958	$ 59,508	$ 22,108

462 High School Activity Fund	463 Library Activity Fund	464 Middel School Activity Fund	465 Elementary Activity Fund	466 UIL Fund	467 Intermediate Activity Fund	481 Locally Fund SR Funds Locally Def.	Total Nonmajor Special Revenue Funds
$ 32,623	$ 10,520	$ 15,797	$ 41,422	$ 41,045	$ 30,335	$ 63,341	$ 2,273,426
-	-	-	-	-	-	-	493,922
-	-	-	-	-	-	-	2,204,004
32,623	10,520	15,797	41,422	41,045	30,335	63,341	4,971,352
2,686	-	-	-	-	-	63,341	1,708,351
-	11,659	-	-	-	-	-	11,659
-	-	-	-	-	-	-	62,992
-	-	-	-	-	-	-	360,554
79	-	881	1,711	-	-	-	2,671
-	-	-	-	-	-	-	1,012,975
-	-	-	-	-	-	-	6,740
-	-	-	-	-	-	-	1,306,784
24,230	-	10,161	15,133	41,045	17,293	-	154,154
-	-	-	-	-	-	-	4,443
-	-	-	-	-	-	-	19,887
-	-	-	-	-	-	-	119,212
-	-	-	-	-	-	-	12,297
-	-	-	-	-	-	-	93,746
-	-	-	-	-	-	-	183,293
26,995	11,659	11,042	16,844	41,045	17,293	63,341	5,059,758
5,628	(1,139)	4,755	24,578	-	13,042	-	(88,406)
42,129	9,993	20,682	13,084	-	-	-	1,013,862
$ 47,757	$ 8,854	$ 25,437	$ 37,662	$ -	$ 13,042	$ -	$ 925,456

SABINE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes		699 Capital Projects Fund	Total Nonmajor Governmental Funds
	REVENUES:		
5700	Total Local and Intermediate Sources	$ 7,451	$ 2,280,877
5800	State Program Revenues	-	493,922
5900	Federal Program Revenues	-	2,204,004
5020	Total Revenues	7,451	4,978,803
	EXPENDITURES:		
	Current:		
0011	Instruction	-	1,708,351
0012	Instructional Resources and Media Services	-	11,659
0013	Curriculum and Instructional Staff Development	-	62,992
0021	Instructional Leadership	-	360,554
0023	School Leadership	-	2,671
0031	Guidance, Counseling, and Evaluation Services	-	1,012,975
0034	Student (Pupil) Transportation	-	6,740
0035	Food Services	-	1,306,784
0036	Extracurricular Activities	-	154,154
0041	General Administration	-	4,443
0051	Facilities Maintenance and Operations	-	19,887
0052	Security and Monitoring Services	-	119,212
0053	Data Processing Services	-	12,297
	Capital Outlay:		
0081	Facilities Acquisition and Construction	-	93,746
	Intergovernmental:		
0093	Payments to Fiscal Agent/Member Districts of SSA	-	183,293
6030	Total Expenditures	-	5,059,758
1200	Net Change in Fund Balance	7,451	(80,955)
0100	Fund Balance - July 1 (Beginning)	151,756	1,165,618
3000	Fund Balance - June 30 (Ending)	$ 159,207	$ 1,084,663

REQUIRED T.E.A SCHEDULES

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

Last 10 Years Ended		(1) Tax Rates	(2)	(3) Assessed/Appraised Value for School Tax Purposes
		Maintenance	Debt Service	
2016	and prior years	Various	Various	$ Various
2017		1.040000	0.261400	415,915,109
2018		1.040000	0.261400	398,971,911
2019		1.040000	0.261400	403,797,746
2020		0.970000	0.261400	423,471,945
2021		0.966400	0.261400	411,321,600
2022		0.945400	0.261400	429,912,001
2023		0.894400	0.261400	469,615,687
2024		0.669200	0.261430	496,141,001
2025	(School year under audit)	0.666900	0.261430	538,737,195
1000	TOTALS			
8000	Total Taxes Refunded Under Section 26.1115, Tax Code			

(10) Beginning Balance 7/1/2024	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2025	(99) Taxes Refunded Under Section 26.1115c
$ 61,893	$	$ 1,217	$ 306	$ (6,508)	$ 53,862	
16,482		46	12	-	16,424	
36,517		204	51	-	36,262	
63,299		852	214	(1,463)	60,770	
36,055		1,861	501	(581)	33,112	
45,836		8,180	2,214	(737)	34,705	
47,554		11,217	3,109	206	33,434	
69,287		(1,742)	(509)	(26,125)	45,413	
179,551		14,885	5,818	(87,254)	71,594	
-	5,001,259	3,315,405	1,299,644	(127,818)	258,392	
$ 556,474	$ 5,001,259	$ 3,352,125	$ 1,311,360	$ (250,280)	$ 643,968	

$ 18,704

EXHIBIT J-2

SABINE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - FOOD SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 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	$ 361,300	$ 361,300	$ 354,155	$ (7,145)
5800	State Program Revenues	40,500	40,500	27,691	(12,809)
5900	Federal Program Revenues	751,948	765,948	747,451	(18,497)
5020	Total Revenues	1,153,748	1,167,748	1,129,297	(38,451)
	EXPENDITURES:				
	Current:				
0035	Food Services	1,202,721	1,474,237	1,306,784	167,453
6030	Total Expenditures	1,202,721	1,474,237	1,306,784	167,453
1200	Net Change in Fund Balances	(48,973)	(306,489)	(177,487)	129,002
0100	Fund Balance - July 1 (Beginning)	415,029	415,029	415,029	-
3000	Fund Balance - June 30 (Ending)	$ 366,056	$ 108,540	$ 237,542	$ 129,002

EXHIBIT J-3

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

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	REVENUES:				
5700	Total Local and Intermediate Sources	$ 1,329,841	$ 1,329,841	$ 1,481,484	$ 151,643
5800	State Program Revenues	70,428	70,428	184,335	113,907
5020	Total Revenues	1,400,269	1,400,269	1,665,819	265,550
	EXPENDITURES:				
	Debt Service:				
0071	Principal on Long-Term Liabilities	705,000	705,000	705,000	-
0072	Interest on Long-Term Liabilities	303,751	303,751	303,751	-
0073	Bond Issuance Cost and Fees	3,000	3,000	2,500	500
6030	Total Expenditures	1,011,751	1,011,751	1,011,251	500
1200	Net Change in Fund Balances	388,518	388,518	654,568	266,050
0100	Fund Balance - July 1 (Beginning)	2,729,689	2,729,689	2,729,689	-
3000	Fund Balance - June 30 (Ending)	$ 3,118,207	$ 3,118,207	$ 3,384,257	$ 266,050

SABINE INDEPENDENT SCHOOL DISTRICT
USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAMS
FOR THE YEAR ENDED JUNE 30, 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.	$1,130,767
AP4	Actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24,26,28,29,30)	$641,289

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.	$108,215
AP8	Actual direct program expenditures for bilingual education programs during the district's fiscal year. (PIC 25)	$110,860

COMPLIANCE, INTERNAL CONTROL, AND FEDERAL AWARDS SECTION

WILF & HENDERSON, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
Member of American Institute of Certified Public Accountants
Member of Private Company Practice Section
Member of AICPA Governmental Audit Quality Center

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*

Independent Auditor's Report

Board of Trustees
Sabine Independent School District
5424 FM 1252 W
Gladewater, TX 75647

Members of the Board:

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 Sabine Independent School District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 6, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Wilf & Henderson, P.C.

WILF & HENDERSON, P.C.
Certified Public Accountants
Texarkana, Texas

November 6, 2025

WILF & HENDERSON, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
Member of American Institute of Certified Public Accountants
Member of Private Company Practice Section
Member of AICPA Governmental Audit Quality Center

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

Independent Auditor's Report

Board of Trustees
Sabine Independent School District
5424 FM 1252 W
Gladewater, TX 75647

Members of the Board:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Sabine Independent School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Sabine 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 June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.

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

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

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

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

Report on Internal Control Over Compliance

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

Wilf & Henderson, P.C.

WILF & HENDERSON, P.C.
Certified Public Accountants
Texarkana, Texas

November 6, 2025

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

I. Summary of the Auditor's Results:

a. The type of report issued on the financial statements of the Sabine Independent School District was an unmodified opinion.

b. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the report on internal control over financial reporting and on compliance and other matters required by the GAO's *Government Auditing Standards.*

c. No instances of noncompliance material to the financial statements of the Sabine Independent School District were disclosed during the audit.

d. No significant deficiencies or material weaknesses relating to the audit of the major federal award program are reported in the report on internal control over compliance required by Uniform Guidance.

e. The type of report the auditor issued on compliance for major programs was an unmodified opinion.

f. No audit findings relative to the major federal awards programs were disclosed by the audit that were required to be reported under 2 CFR 200.516(a).

g. The program tested as major programs was:

School Breakfast Program	AL #10.553
National School Lunch Program – Cash Assistance	AL #10.555
National School Lunch Program – Non-Cash Assistance	AL #10.555

h. The dollar threshold used to distinguish between Type A and Type B programs was $750,000.

i. Sabine Independent School District was determined to be a low-risk auditee.

II. Findings Relating to the Financial Statements Which Are Required To Be Reported in Accordance with *Generally Accepted Government Auditing Standards.*

No findings required to be reported.

III. Findings and Questioned Costs for Federal Awards Including Audit Findings as Described in I.f Above

No findings required to be reported.

SABINE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025

There were no prior year audit findings or questioned costs.

SABINE INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2025

There were no current year audit findings or questioned costs.

EXHIBIT K-1

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

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal Assistance Listing No.	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed Through Texas Education Agency			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	25 - 25610101092906	$ 222,804
*SSA - IDEA - Part B, Formula	84.027	25 - 256600010929066	1,045,776
*IDEA - Part B, Preschool	84.173	25 - 256610010929066	6,909
*SSA - IDEA - Part B, Preschool	84.173	25 - 256610010929066	45,667
Total Assistance Listing Number 84.173			52,576
Total Special Education Cluster (IDEA)			1,098,352
Title III, Part A - English Language Acquisition	84.365A	25 - 25671001092906	9,677
ESEA, Title II, Part A, Teacher Principal Training	84.367A	25 - 25694501092906	36,875
COVID 19 - ESSER III - School Emergengy Relief	84.425D	25 - 21528001092906	82,845
Title IV, Part A, Subpart 1	84.424A	25 - 25680101092906	6,000
Total Passed Through Texas Education Agency			1,456,553
TOTAL U.S. DEPARTMENT OF EDUCATION			1,456,553
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through the Texas Department of Agriculture			
*School Breakfast Program	10.553	N/A	138,176
*National School Lunch Program - Cash Assistance	10.555	N/A	474,128
*National School Lunch Prog. - Non-Cash Assistance	10.555	N/A	81,559
*COVID-19 Supply Chain Assistance	10.555	N/A	17,721
Total Assistance Listing Number 10.555			573,408
Total Child Nutrition Cluster			711,584
Local Food Grant	10.185	17560031571	35,867
Total Passed Through the Texas Department of Agriculture			747,451
TOTAL U.S. DEPARTMENT OF AGRICULTURE			747,451
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 2,204,004

*Clustered Programs per Compliance Supplement

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

SABINE INDEPENDENT SCHOOL DISTRICT
NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

1 For all Federal programs, the District uses the fund types specified in Texas Education Agency's Financial Accountability System Resource Guide. 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.

2 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 for 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 deferred revenues until earned.

3 The District has elected to not use the 10% de minimum indirect cost rate as allowed under the Uniform Guidance.

4 The District must submit to the pass-through entity, no later than 90 calendar days (or an earlier date as agreed upon by the pass-through entity and District) after the end date of the period of performance, all financial, performance, and other reports as required by the terms and conditions of the Federal award. The Federal awarding agency or pass-through entity may approve extensions when requested and justified by the non-Federal entity, as applicable. (2 CFR 200.34(a))

Unless the Federal awarding agency or pass-through entity authorizes an extension, a non-Federal entity must liquidate all financial obligations incurred under the Federal award no later than 120 calendar days after the end date of the period of performance as specified in the terms and conditions of the Federal award. (2 CFR 200.344(b))

5 The period of availability 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 30 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Availability of Federal Funds, Part 3, Uniform Guidance.

6 Nonmonetary assistance received from the Commodity Supplemental Food Program is recorded in fair market value of the commodities received and disbursed. The revenue and expense are reported in the Food Service Special Revenue Fund.

7 Assistance Listing numbers for commodity assistance are the Assistance Listing numbers of the programs under which USDA donated the commodities.

8 A reconciliation of federal program revenues and expenditures is as follows:

General Fund	67,048
Special Revenue Funds	2,204,004
Sub -total	2,271,052
Less Medicaid Arrangements Payments:	
SSA - School Health & Related Services (SHARS)	(67,048)
Total Federal Program Expenditures	2,204,004

SCHOOLS FIRST QUESTIONNAIRE

Sabine 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.	$1,253,286