

Belton Independent School District

Annual Comprehensive Financial Report



For the fiscal year ended
August 31, 2025

Belton, Texas

Belton Independent School District

Annual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDED
AUGUST 31, 2025



Belton, Texas

Prepared by the Business Services Department

Melissa Lafferty – Chief Financial Officer

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BELTON INDEPENDENT SCHOOL DISTRICT

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2025**

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INTRODUCTORY SECTION

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BELTON INDEPENDENT SCHOOL DISTRICT

P.O. Box 269 · Belton, TX 76513-0269 · (254) 215-2006 · Fax: (254) 215-2008

January 26, 2026

To the Board of Trustees and the Citizens of Belton Independent School District:

We submit the Annual Comprehensive Financial Report ("ACFR") of the Belton Independent School District (the "District") for the fiscal year ended August 31, 2025. This report has been prepared to provide the Board of Trustees (the "Board"), citizens of the District, representatives of financial institutions and rating agencies, and other interested parties information concerning the financial condition of the District.

The District's management assumes full responsibility for the completeness and reliability of all information presented within the Annual Comprehensive Financial Report as a representation of the finances of the District. In order to provide a reasonable basis for making these representations, the management of the District has established a comprehensive internal control framework that is designed to protect the District's assets from loss, theft or misuse. Additionally, the internal control framework is designed to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. The costs of internal controls should not outweigh their benefits, and as such the District's comprehensive framework of internal controls has been designed to provide reasonable assurance rather than absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Annual Comprehensive Financial Report is presented in four sections: (1) introductory, (2) financial, (3) statistical and (4) federal awards. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes Management's Discussion and Analysis ("MD&A"), basic financial statements, budgetary comparison schedules, and combining and individual fund statements and other supplemental schedules, as well as the independent auditors' report on the financial statements. The MD&A is a narrative introduction, overview, and analysis to accompany the basic financial statements. The District's MD&A can be found immediately following the report of the independent auditors. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The statistical section consists of unaudited tables which reflect both financial and demographic information, generally presented on a multi-year basis. The Federal Awards section includes the schedule of federal awards, auditor's reports and the schedule of findings for both current and prior years.

The financial statements of the District have been audited by Pattillo, Brown and Hill, L.L.P., a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion and that the financial statements are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements is part of a broader, federally mandated "Single Audit" designed to meet the special need of federal grantor agencies. Governing standards require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Federal Awards section of this Annual Comprehensive Financial Report.

GOVERNING BODY

The District is governed by a seven-member Board, each elected to serve staggered three-year terms of office. Board officers are elected by the members of the Board.



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Regular meetings are scheduled for the third Monday of the month and are held in the Pittenger Fine Arts Center. Special called meetings, committee meetings, and workshop sessions are scheduled as needed and announced to the public in compliance with public notice requirements.

The Board is charged with the responsibility of providing the finest educational program possible for the students in the District. The Board makes all final decisions regarding school District priorities, policies, personnel, expenditures, and growth management. The Board adopts a budget which is necessary to maintain and operate the schools, levy taxes to support the budget, and submit bond issues to the citizens of the District to finance construction projects.

THE DISTRICT AND ITS SERVICES

Belton Independent School District is a destination school district in Texas serving 198.6 square miles including the cities of Belton, Morgan's Point Resort, part of Temple, and unincorporated areas of Bell County. As a destination District for many families, Belton ISD has maintained an exceptional reputation for academic excellence, innovative programs, and an abundance of extracurricular opportunities.

Over 13,700 students are enrolled at 20 campuses, including two traditional high schools (grades 9–12), one non-traditional high school (grades 9–12), four middle schools (grades 6–8), eleven elementary schools (grades PK–5), one prekindergarten campus, one alternative education program (DAEP) and one special needs transitioning to adult campus (DELTA).

The Belton ISD vision and values and beliefs are adopted by the Board of Trustees.

Vision

Empower each and every learner to pursue their dreams and enrich their communities.

Values and Beliefs

Each and Every – We believe each and every student deserves exceptional experiences according to their unique needs and passions.

Innovation – We believe in igniting and supporting innovative thinking and problem solving in our students and staff.

Continuous Improvement – We believe a mindset of continuous improvement should be modeled by our staff and cultivated in classrooms.

Community Engagement – We believe that the learning experiences of our students are enhanced through the engagement of our community.

Learning Space – We believe well designed and maintained facilities positively impact student learning and staff efficacy.

Engaged Workforce – We believe a thriving staff will be able to create exceptional learning experiences for each and every student.

Inspiring Instruction – We believe instructional design can empower students and ignite a passion for learning.

Belton ISD community members, students, and staff developed and designed a Journey of a Graduate that articulates the community's collective aspirations for each and every student in Belton ISD. This work will inform the Board of Trustees in setting direction for the future.

Journey of a Graduate is comprised of the following six competencies:

Adaptability: A BISD learner adjusts to challenging conditions, with agility and flexibility.



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Collaboration: A BISD learner respects and uses strengths to build a collective commitment toward common goals.

Communication: A BISD learner articulates thoughts and ideas effectively using multiple modes of communication.

Critical Thinking: A BISD learner gathers, analyzes, and reflects on information in order to solve problems and make informed decisions.

Empathy: A BISD learner demonstrates sensitivity, concern and respect towards others' feelings and experiences.

Perseverance: A BISD learner embraces that failure is a part of the learning process and continues to work towards goals despite difficulty and/or opposition.

ECONOMIC INFORMATION

The city of Belton is a quaint and charming community founded in 1850 along the famous Chisholm Trail. Downtown Belton features the magnificent Bell County Courthouse; the historic Bell County Museum; a parade of beautiful historic homes; the oldest family-owned department store in Texas founded in 1869, Cochran, Blair, and Potts; and the oldest continuously operating college in the state, the University of Mary Hardin-Baylor, chartered in 1845 by the Republic of Texas.

Belton is growing, a trend that is projected to continue over the next decade and beyond. With its central location in the rapidly growing Texas triangle between San Antonio and Dallas, the metro area is primed to grow faster than any other second-tier Texas region outside the Texas/Mexico border (Belton Economic Development Corporation).

According to the 2020 population count from the U.S. Census Bureau, Bell County saw a 24% increase in population over the last decade.

The area boasts several institutions of higher learning offering a variety of educational opportunities, from technical training to advanced degrees. These universities support the educational needs demanded by the different growing industries in Central Texas. More than 1,000 students graduate each year from these institutions joining the labor pool available in the region.

Belton's location in the center of the Temple-Killeen-Ft Cavazos MSA provides easy access to the region's over 509,487 population. The military, government, medical/healthcare services, manufacturing/distribution, agricultural/agribusiness, retail trade and business IT consulting services are thriving industry sectors in this MSA that continue to be a major economic influence.

Belton holds the Bell County seat and is also home to the Cadence Bank Center and Bell County Museum. Employment growth in Belton has outpaced the Killeen-Temple-Fort Cavazos MSA, the nearby Waco MSA and the state of Texas in recent years. The Belton metro area offers a young, skilled, and reliable labor pool with a tremendous supply of available talent for part-time and shift occupations. Nearby is Fort Hood, recently renamed from Fort Cavazos, one of the largest military installations in the world. Separating and retiring soldiers provide area employers with a supply of highly trained workers with excellent work ethics.

The median price for homes in the local market increased more than 9 percent during the year, and the total taxable value of property within the District increased approximately 11 percent.

LONG TERM FACILITY PLANNING

Belton ISD was growing at a fast rate in previous years, but that growth is slowing. The District has been focused on accommodating that growth along with maintaining current schools and District facilities. A comprehensive facilities assessment was conducted in 2021 to analyze the condition and needs of all District-owned facilities and assist with long-term facilities planning. As a result of the accelerated growth and aging and evolving needs



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of current facilities, the District commissioned a Bond Exploration Committee in September 2021 to study current and future needs for facility planning in BISD.

The Bond Exploration Committee (comprised of nearly 70 community members) prioritized a list of projects that were recommended to the superintendent, which was presented to the Board of Directors on January 24, 2022. At a special meeting on February 15, 2022, the board voted unanimously to call for a bond election to be held on May 7, 2022. The proposal was presented to voters in two separate propositions on the ballot. Proposition A totaled \$168,825,000 and included two new elementary schools, a Delta Program facility, Southwest Elementary additions, expansion of fine arts facilities at Lake Belton Middle School, new buses, an additional agriculture facility, improvement to Belton High School, and New Tech at Waskow, and various infrastructure upgrades. Proposition B totaled \$5,000,000 for technology devices and equipment. Both propositions were approved by voters.

The construction of James Burrell Elementary was completed and opened in January 2024. The construction of Hubbard Branch Elementary was completed and opened in August 2024. In addition, construction of major renovation and addition projects at Southwest Elementary, Lake Belton Middle School and Belton High School were substantially completed by August 2024. Southwest Elementary now has additional classroom space, a new gymnasium, and new music and art rooms, while Lake Belton Middle School now has a new band hall and new athletic gym vestibule, athletic training room and locker room. The 2022 Bond also included funding for CTE and Fine Arts Additions at Belton High School, as well as upgrades for existing CTE spaces.

REPORT INFORMATION

The Annual Comprehensive Financial Report is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). All funds of the District are covered by this report. The District's financial policies address accounting and fiscal operations of the District, with an emphasis on asset, procurement, and budget management.

Belton ISD was awarded a Certificate of Excellence in Financial Reporting by the Association of School Business Officials International (ASBO) for its comprehensive annual financial report for the fiscal year ended August 31, 2024. This award certified that the Annual Comprehensive Financial Report substantially conformed to the principles and standards of financial reporting as recommended and adopted by that organization. This was the sixth year the District received the Certificate of Excellence. We believe our current report continues to conform to the Certificate of Excellence program requirements, and we are submitting it to ASBO to determine its eligibility for another certificate.

The Government Finance Officers Association (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting (COA). This national award recognizes individual governments that evidence the spirit of transparency and full disclosure in the annual comprehensive financial report. The District was awarded a Certificate of Achievement for the sixth year. We believe our current report meets the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility.

The District maintains budgetary controls, and the objective is to ensure compliance with legal provisions embodied in the annual budget approved by the District's Board of Trustees. The annual expenditure budget serves as the foundation for the District's financial planning and control. Every school District in Texas is required, by law, to prepare and file a budget with the Texas Education Agency (TEA). The board legally adopts a budget for the General Fund, Debt Service Fund, and Child Nutrition Fund. Budgets for Special Revenue Funds (other than Child Nutrition) and Capital Projects Funds are prepared on a project basis, based on grant regulations or applicable bond ordinances.

Budgetary control (the level at which expenditures cannot legally exceed appropriations) is mandated at the functional category level within each fund. These functional categories are defined by TEA and identify the purpose of transactions. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year end unless specifically identified for rollover into the next fiscal year.



BELTON INDEPENDENT SCHOOL DISTRICT

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ACKNOWLEDGEMENTS

The preparation of this report could not have been accomplished without the efficient and dedicated efforts of the entire staff of the Business Services Department. We would like to express our sincere appreciation to all members of the departments and surrounding entities who assisted and contributed to the preparation of this report. We would also like to express appreciation to the Board of Trustees for their interest and support in the financial operations of the District. Finally, we would like to thank the residents of the District for their support of, and belief in, our public schools, and principals and teachers who provide the quality education for which the District has become known.

Respectfully submitted,

A handwritten signature in black ink that reads "Dr. Malinda Golden".

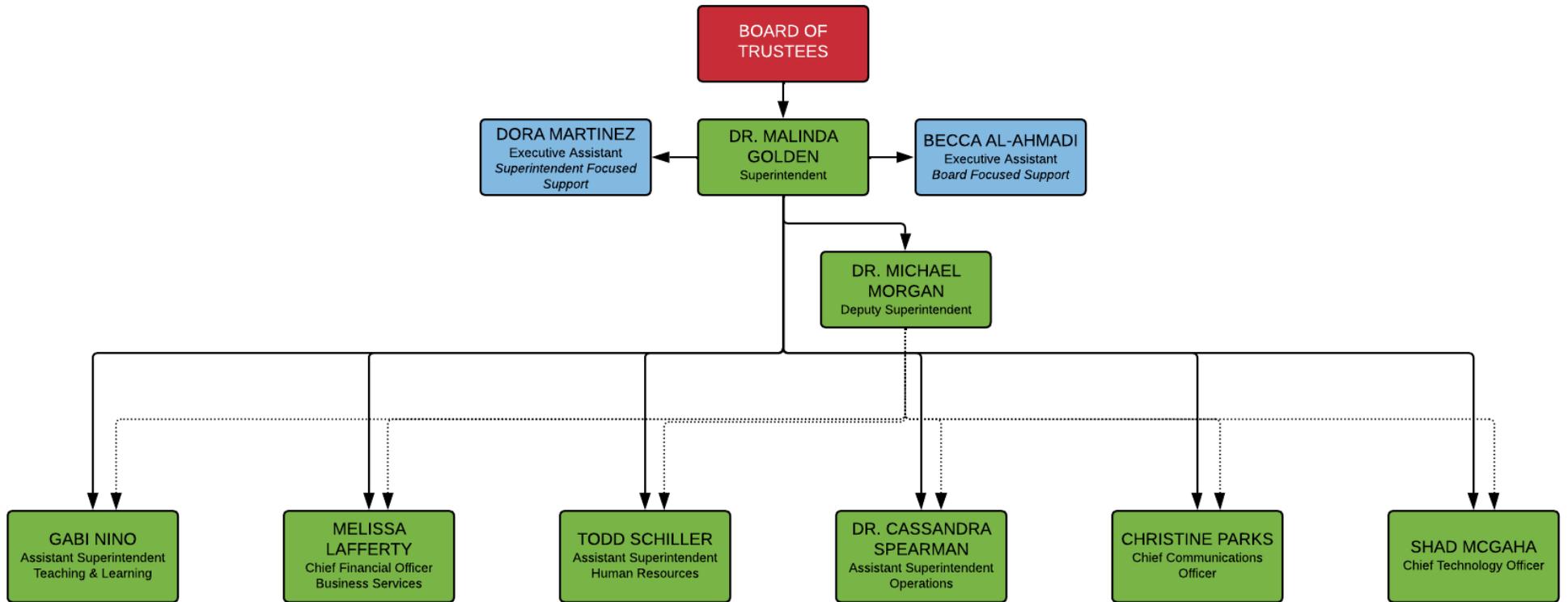
Dr. Malinda Golden
Superintendent

A handwritten signature in black ink that reads "Melissa Lafferty".

Melissa Lafferty
Chief Financial Officer

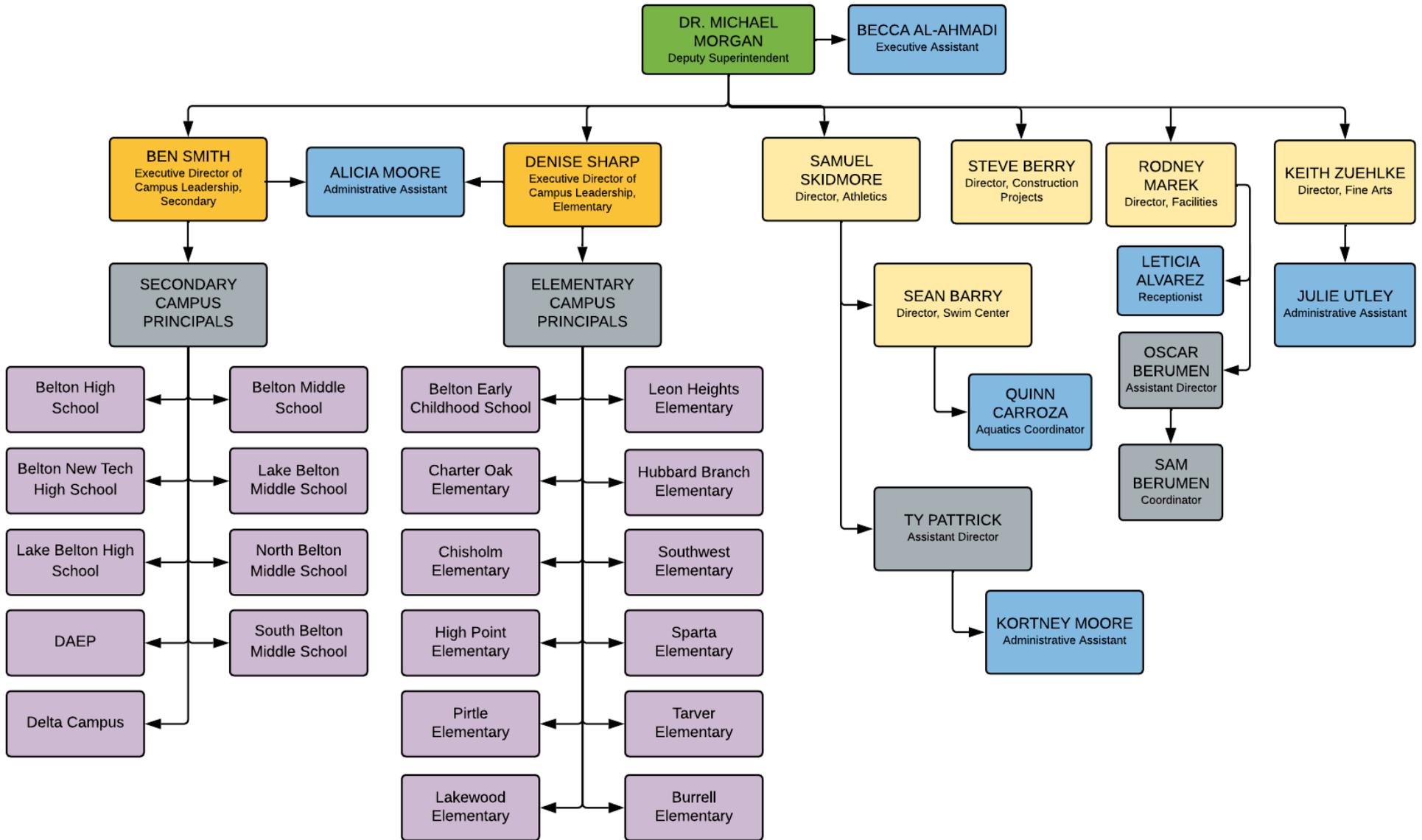
Belton ISD Org Chart

July 28, 2025



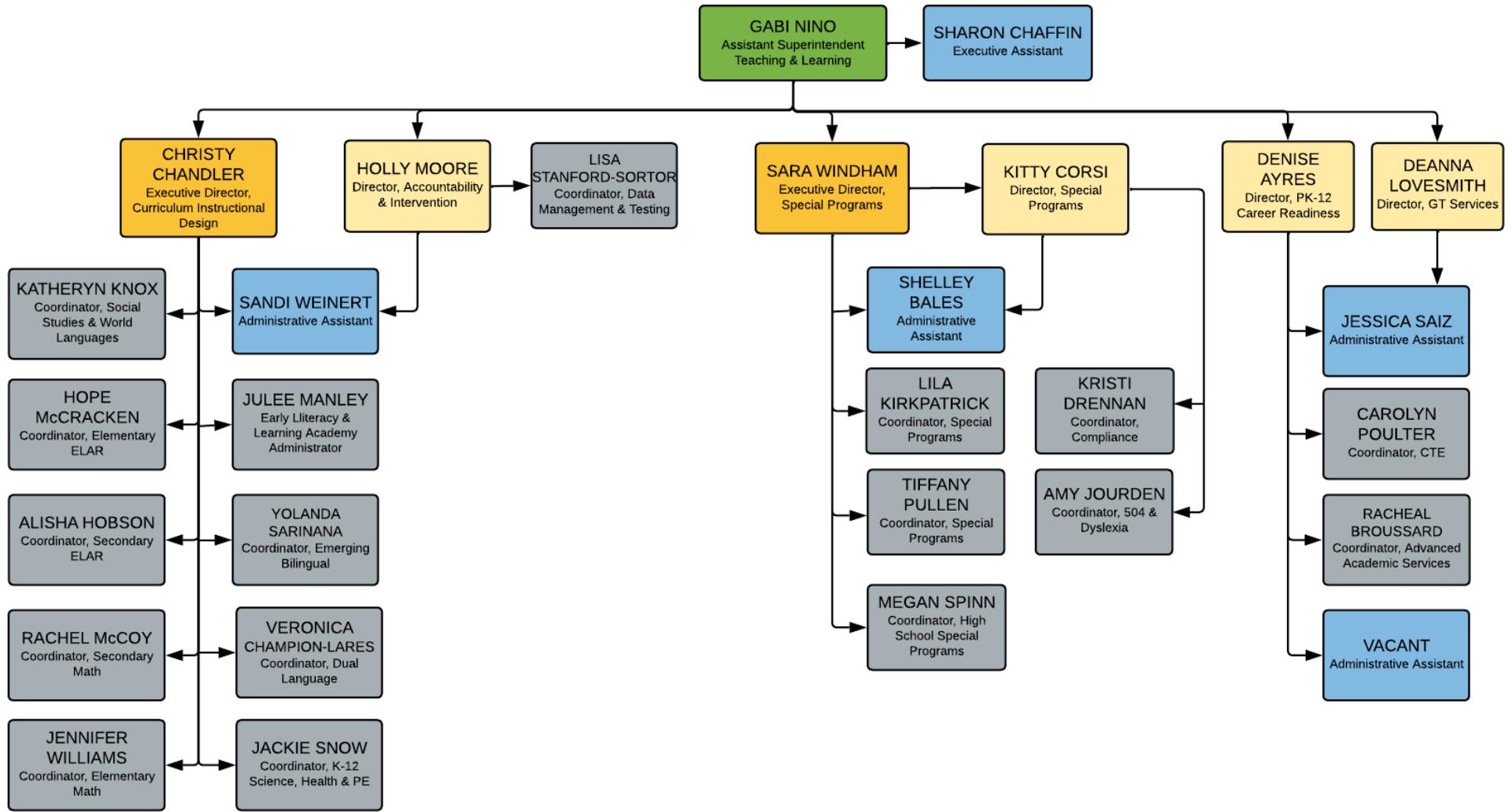
Belton ISD Org Chart

December 12, 2025



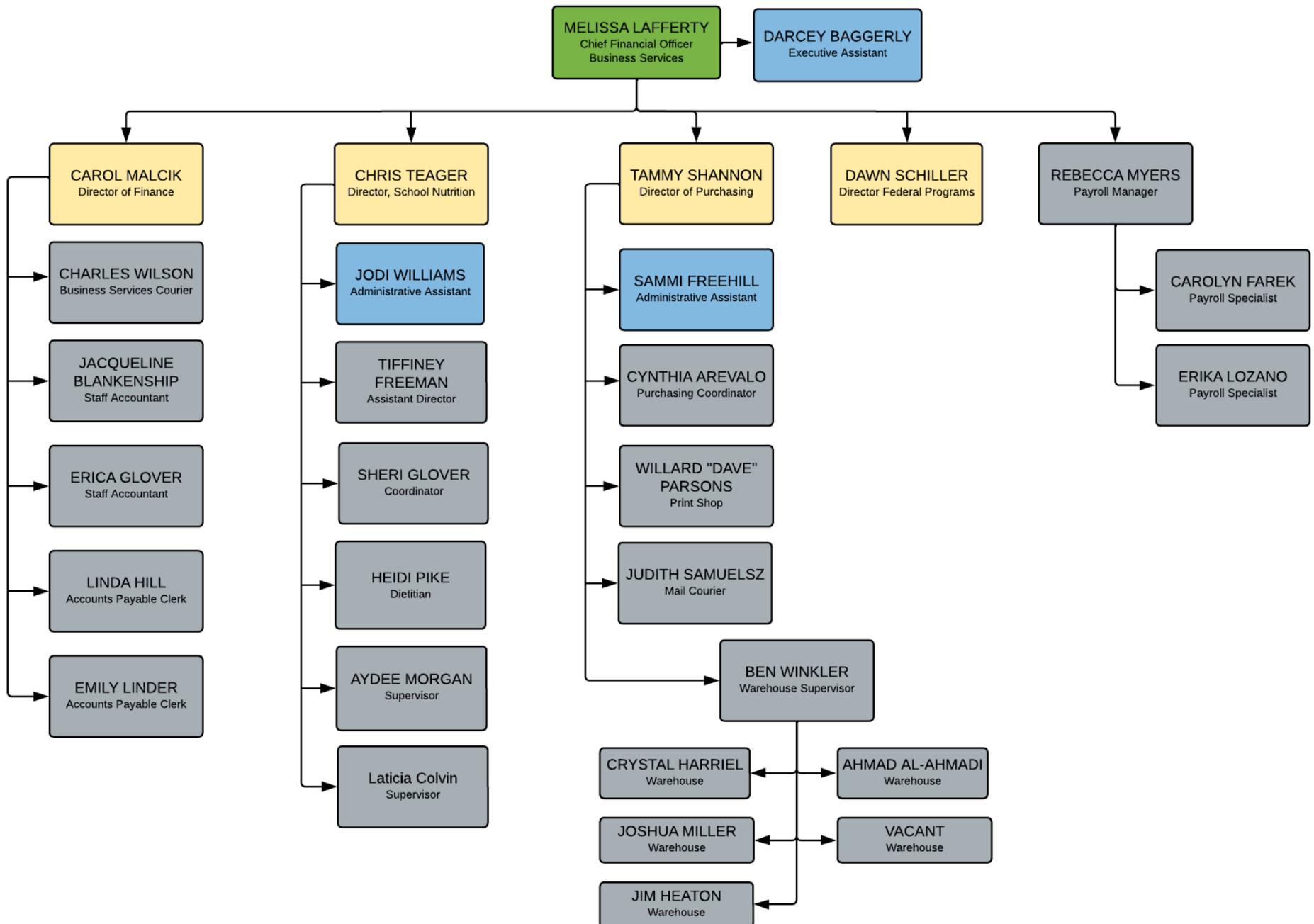
Belton ISD Org Chart

December 15, 2025



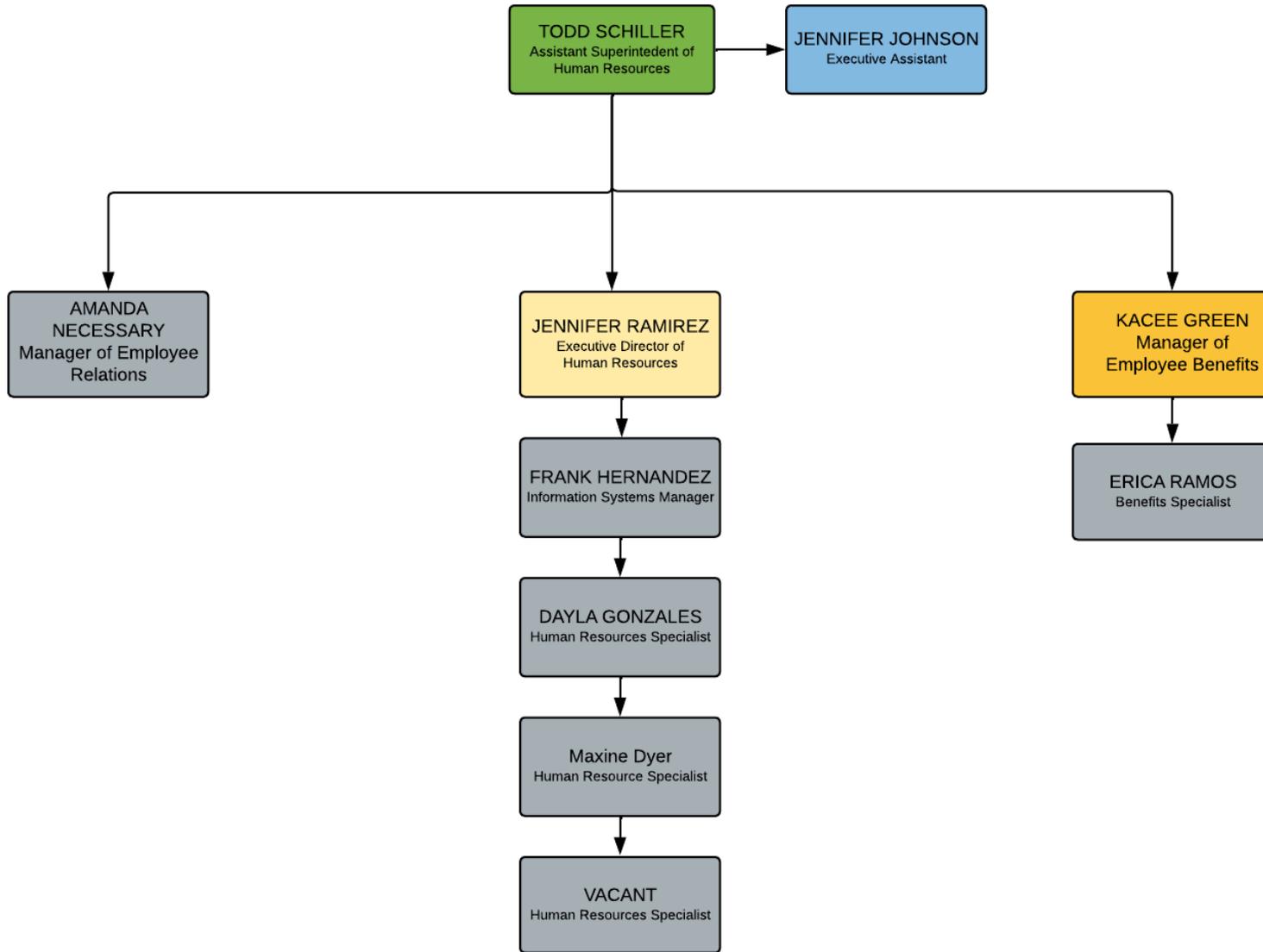
Belton ISD Org Chart

July 28, 2025



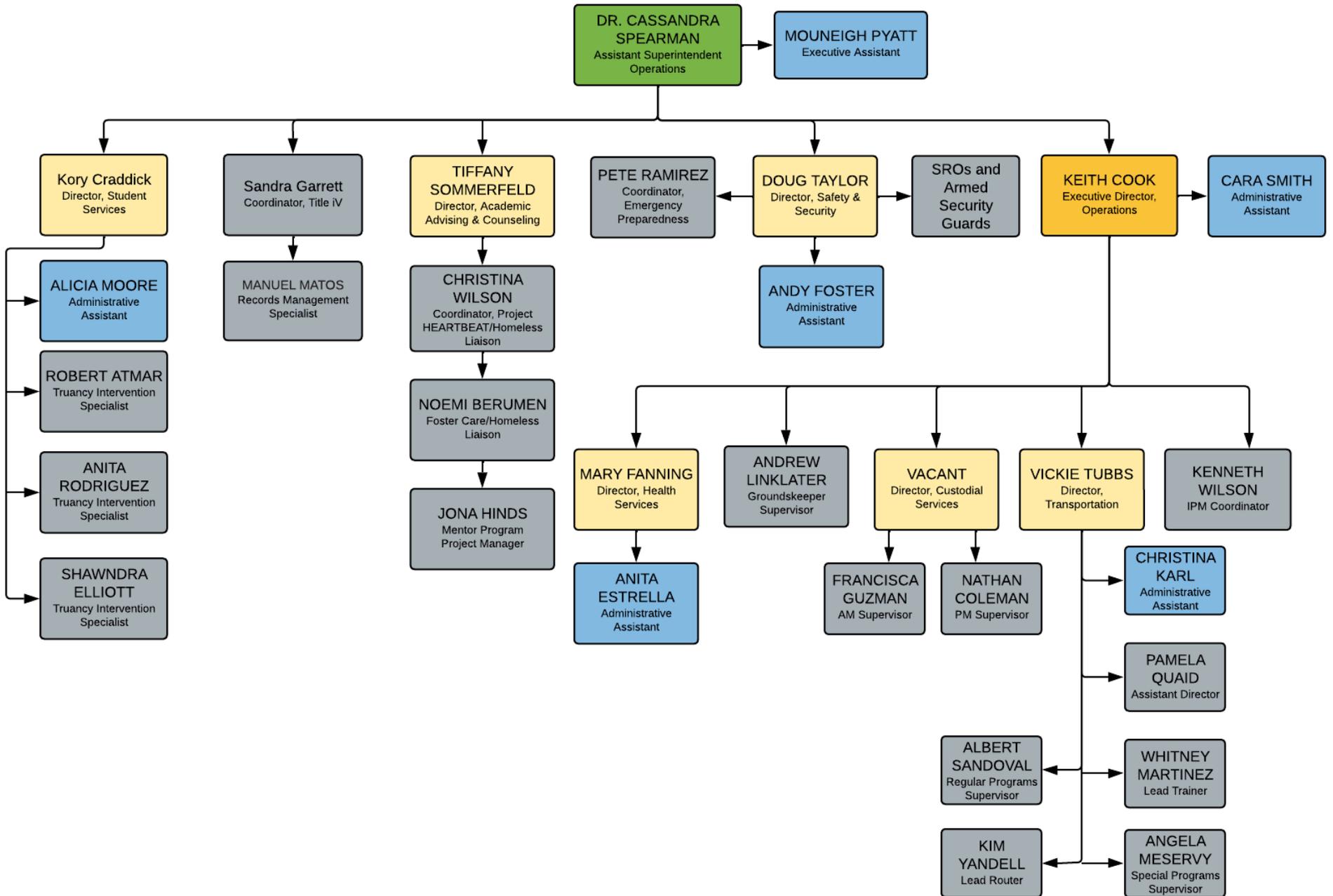
Belton ISD Org Chart

December 12, 2025



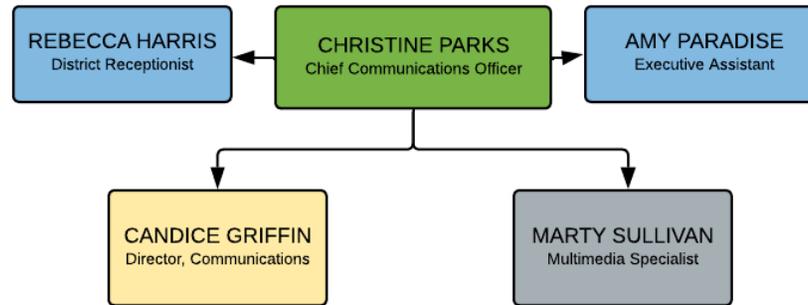
Belton ISD Org Chart

December 12, 2025



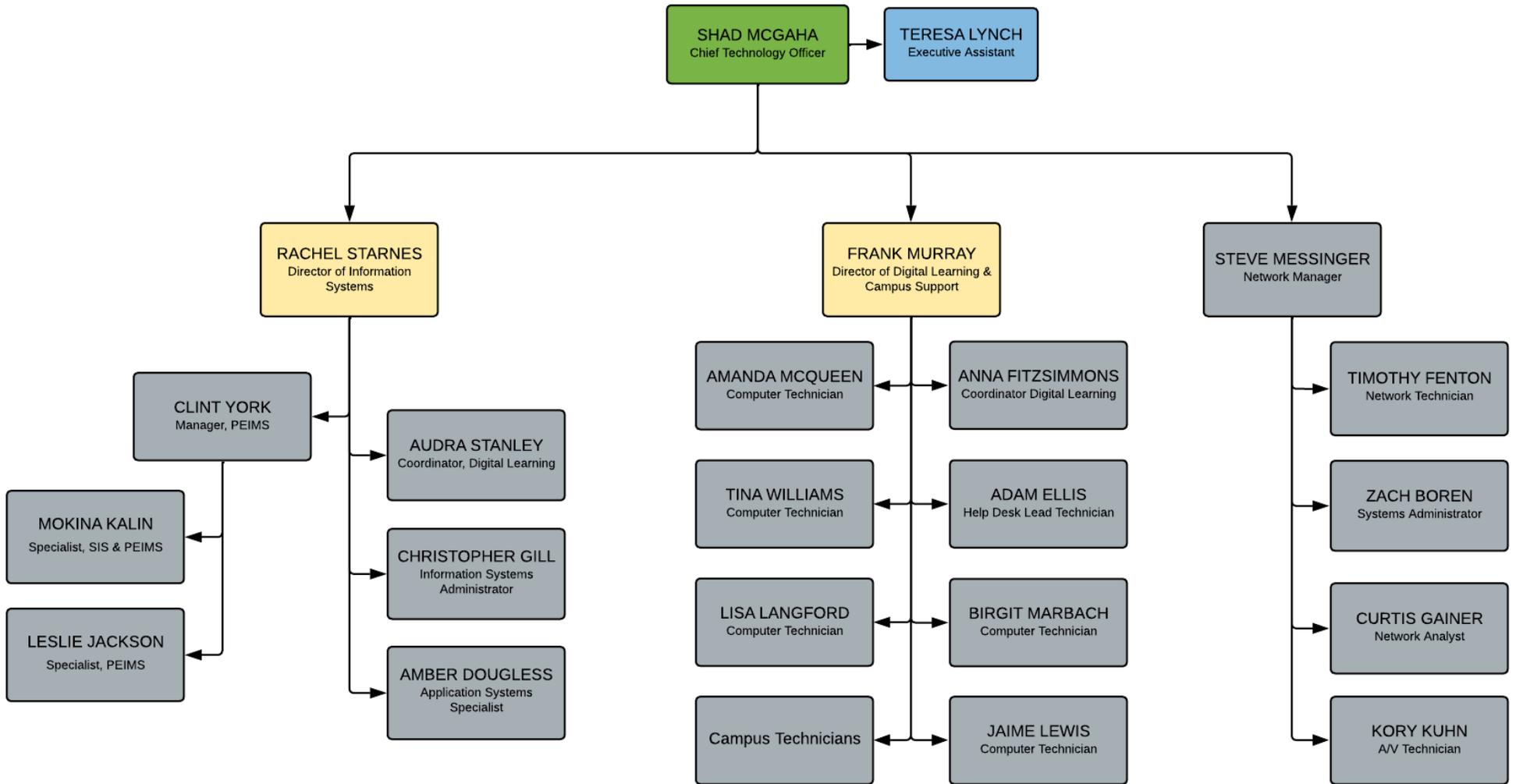
Belton ISD Org Chart

December 12, 2025



Belton ISD Org Chart

December 12, 2025





Board of Trustees

Manual Alcozer, President

Chris Flor, Vice President

Erin Bass, Secretary

Brandon Bozon

Riley Back

Jeff Norwood

Rucker Preston

District Leadership

Dr. Malinda Golden, Superintendent

Michael Morgan, Deputy Superintendent

Gabrielle Nino, Assistant Superintendent for Teaching and Learning

Todd Schiller, Assistant Superintendent for Human Resources

Cassandra Spearman, Assistant Superintendent for Operations

Melissa Lafferty, Chief Financial Officer

Shad McGaha, Chief Technology Officer

Christine Parks, Chief Communications Officer

CERTIFICATE OF BOARD

Belton Independent School District
Name of School District

Bell
County

014-903
Co.-Dist.Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) _____ approved _____ disapproved for the year ended August 31, 2025, at a meeting of the Board of Trustees of such school district on the 2nd day of February, 2026.

Signature of Board Secretary

Signature of Board President

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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Belton Independent School District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

August 31, 2024

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Belton Independent School District

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended August 31, 2024.

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'. The signature is written in a cursive style and is positioned above a horizontal line.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'. The signature is written in a cursive style and is positioned above a horizontal line.

James M. Rowan, CAE, SFO
CEO/Executive Director

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Belton Independent School District
Belton, Texas

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Belton Independent School District, as of August 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of Belton Independent School 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 opinion.

Emphasis of Matter - Change of Accounting Principle

As described in the notes to the financial statements, in fiscal year 2025 Belton Independent School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as listed in the table of contents, 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 GASB, 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 Belton Independent School District's basic financial statements. The combining statements, required TEA schedules, and the Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 statements, required TEA schedules, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report

Management is responsible for the other information included in the annual comprehensive financial report (ACFR). The other information comprises the introductory section and statistical section but does not include the 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 January 26, 2026 on our consideration of Belton 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 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 Belton Independent School District's internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
January 26, 2026

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Belton Independent School District's annual comprehensive financial report presents management's narrative overview and analysis of the District's financial performance during the fiscal year ended August 31, 2025. Please read it in conjunction with the District's financial statements, which begin on page 12.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$52,541,126 (*net position*).
- The District's net position decreased by \$235,778 as a result of this year's operations which was a decrease of approximately 95% from the decrease in the prior year.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$79,591,867, a decrease of \$11,794,649 in comparison with the prior year. This decrease is primarily a result of the District spending down bond funds in its capital projects fund, as well as a budgeted decrease in the General Fund.
- The General Fund ended the year with a fund balance of \$33,606,061, a decrease of \$2,546,824 from prior year.
- The resources available for appropriation were \$503,672 more than budgeted for the General Fund, primarily driven by higher-than-expected miscellaneous local revenues and state funding entitlements.
- The total cost of the District's programs was \$188,898,351 in this fiscal year, compared to the previous year's cost of \$198,384,292, a decrease of \$9,485,941.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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 long-term view of the District's property and 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 remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as a trustee.

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

The combining statements for nonmajor funds are presented immediately following the required supplementary information and contain even more information about the District's individual funds. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that provides a budgetary schedule for the General Fund. The sections labeled TEA Required Schedules and Federal Awards Section contain data used by monitoring or regulatory agencies.

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

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the District's overall financial condition and operations begins with the statement of net position and statement of activities. Their primary objective 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, deferred outflows (inflows) of resources and liabilities while the Statement of Activities includes all the revenue and expenses generated by the District's operations during the year. These apply the accrual basis of accounting, which is the same method used by most private sector companies.

All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid. The District's revenue is 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 revenue), and general revenue provided by the taxpayers or by TEA in equalization funding processes (general revenue). All of the District's assets and deferred outflows (inflows) of resources are reported whether they serve the current year or future years. Liabilities and deferred inflows of resources 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, deferred outflows (inflows) of resources 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 – All of the District’s basic services are reported here, including instruction, counseling, co-curricular activities, food services, transportation, maintenance, community services and general administration. Property taxes, tuition, fees, and state and federal grants finance most of these activities.

Reporting the District’s Most Significant Funds

Fund Financial Statements

The Fund financial statements begin on page 15 and 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 ESEA Title I 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 has two fund types - governmental and fiduciary.

Governmental Funds – The District reports most of its basic services in governmental funds. These funds 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 they 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 governmental fund financial statements.

Fiduciary Funds – The District is the trustee, or fiduciary, for money raised by student activities. All of the District’s fiduciary activities are reported in separate Statements of Fiduciary Net Position. We exclude these resources from the District’s other financial statements because the District cannot use them to support its operations. The District is only responsible for holding the assets reported in these funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

The required supplementary information includes budgetary comparison information and pension and other postemployment benefits (OPEB) information.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The following analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the District’s governmental activities.

Net position of the District’s governmental activities decreased from \$55,628,887 to \$52,541,126, indicating a reduction in the District’s financial position. 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 (\$34,430,418) at August 31, 2025. This deficit is not an indication that the District has insufficient resources available to meet financial obligations next year, but rather the result of having long-term commitments that are more than currently available resources. The decline in net position was driven largely by an \$8.8 million reduction in current assets and other assets as bond cash proceeds continued to be depleted. This was offset by a \$9.9 million decrease in long-term liabilities, though that gain was reduced by a \$2.9 million increase in compensated absences.

**TABLE 1
BELTON INDEPENDENT SCHOOL DISTRICT
NET POSITION**

	Governmental Activities		% Change
	2025	2024	
Current and other assets	\$ 103,552,720	\$ 112,434,980	(8)%
Capital assets	<u>434,023,475</u>	<u>432,244,291</u>	0 %
Total assets	<u>537,576,195</u>	<u>544,679,271</u>	(1)%
Deferred outflows of resources	<u>33,782,702</u>	<u>40,873,961</u>	(17)%
Long-term liabilities	469,203,577	476,239,396	(1)%
Other liabilities	<u>22,359,790</u>	<u>19,011,830</u>	18 %
Total liabilities	<u>491,563,367</u>	<u>495,251,226</u>	(1)%
Deferred inflows of resources	<u>27,254,404</u>	<u>34,673,119</u>	(21)%
Net position:			
Net investment in capital assets	67,076,165	66,736,585	1 %
Restricted	19,895,379	16,849,594	18 %
Unrestricted	<u>(34,430,418)</u>	<u>(27,957,292)</u>	(23)%
Total net position	<u>\$ 52,541,126</u>	<u>\$ 55,628,887</u>	(6)%

TABLE 2
BELTON INDEPENDENT SCHOOL DISTRICT
CHANGES IN NET POSITION

	Governmental Activities		%
	2025	2024	
REVENUES			
Program revenues:			
Charges for services	\$ 6,275,468	\$ 6,077,253	3 %
Operating grants and contributions	21,911,904	26,493,786	(17)%
Capital grants and contributions	1,636,695	-	100 %
General revenues:			
Maintenance and operations taxes	45,970,527	42,935,445	7 %
Debt service taxes	23,944,583	22,266,996	8 %
Grants and contributions not restricted	85,639,472	89,680,268	(5)%
Investment earnings	2,845,299	5,567,162	(49)%
Miscellaneous	438,625	398,125	10 %
Total revenues	188,662,573	193,419,035	(2)%
EXPENSES			
Instruction	91,967,003	97,626,153	(6)%
Instructional resources and media services	1,764,242	2,277,088	(23)%
Curriculum and instructional staff development	5,012,240	5,021,707	(0)%
Instructional leadership	2,681,232	2,745,405	(2)%
School leadership	8,973,855	9,270,808	(3)%
Guidance, counseling and evaluation services	7,589,212	8,278,551	(8)%
Social work services	407,438	632,677	(36)%
Health services	2,225,588	2,374,731	(6)%
Student (pupil) transportation	6,306,879	7,132,659	(12)%
Food services	8,932,504	8,935,223	(0)%
Co-curricular/extra curricular activities	8,034,444	8,333,433	(4)%
General administration	4,659,902	4,529,868	3 %
Plant maintenance and operations	15,414,867	15,404,126	0 %
Security and monitoring services	3,656,700	3,507,477	4 %
Data processing services	5,478,425	6,316,910	(13)%
Community services	167,928	33,187	406 %
Debt service - interest on long-term debt	14,016,369	14,429,604	(3)%
Payments related to shared services arrangements	369,310	346,218	7 %
Payments to Tax Increment Fund	493,459	478,695	3 %
Other intergovernmental charges	746,754	709,772	5 %
Total expenses	188,898,351	198,384,292	(5)%
CHANGE IN NET POSITION	(235,778)	(4,965,257)	(95)%
NET POSITION, BEGINNING	55,628,887	60,594,144	(8)%
RESTATEMENT - CHANGE IN ACCOUNTING PRINCIPLE	(2,851,983)	-	
NET POSITION, ENDING	\$ 52,541,126	\$ 55,628,887	(6)%

The district's total revenue fell by \$4.7 million, largely driven by the loss of ESSER federal funds and investment earnings from bond proceeds.

Total expenditures for governmental activities decreased \$9.5 million from last year. This was primarily due to a \$5.6 million net reduction in instructional expenses, from savings of \$2.4 million in payroll reductions netted with a pay increase and \$3.1 million of start-up costs for campuses impacted by construction paid from bond funds.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

General Fund revenue decreased \$891,253 from the prior year from decreased state & local property tax funding. General Fund expenditures decreased by \$2,590,760 across multiple functions due to staffing and operating budget reductions. The net decrease to fund balance was \$2,546,824.

The Debt Service Fund revenue increased \$2,079,915 over the previous year from increased property tax revenues and state entitlements for homestead exemption increases. Expenditures increased \$879,530 due to an increase in debt service requirements for the current year. The net increase to fund balance was \$3,782,531.

The Capital Projects Fund revenue decreased \$3,466,678 in investment earnings. Expenditures significantly reduced by \$84,470,451, as construction projects are either completed or nearing completion. The net decrease to fund balance was \$12,533,269.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the past year, the Board of Trustees amended the District's budget and approved several changes in appropriations. Significant budget amendments are described in the notes to the required budgetary schedules.

In the current year, the district adopted a deficit budget of \$8,156,903. Total revenues increased \$1.9 million from budget adoption. Local revenues reduced \$540,000 from lower-than-expected property tax collections and increased investment earnings. State entitlement compensated for the decreased property tax collections mentioned above and increased TRS On-behalf payments led to \$1,670,000 increase in state program revenues. Federal Medicare reimbursements increased federal program revenues by \$300,000. In addition, the district realized \$1,600,000 from selling property during the year.

The district aggressively reduced budgeted expenditures \$7.5 million going into the 2024-2025 school year. Actual spending of supply budgets slowed as well. These reduction efforts led to \$1.5 million in savings in payroll and supply budgets. This combined with the revenue increases mentioned above lessened the negative impact on the fund balance by \$5.6 million.

Actual revenues exceeded the final budget by \$503,672 and actual expenditures were less than the final budget by \$4,212,440, respectively. Positive variances were widespread.

FUND BALANCES

Fund balance is the accumulated excess of revenues over expenditures during the life of a school District. At any given point, the amount in fund balance represents the difference between governmental fund assets and liabilities. Although fund balance may change drastically during the business cycle of a school District, the standard measuring point is at the fiscal year end.

The amount maintained in fund balance is critical. First, such balances indicate financial stability. This is especially important when the District issues bonds. Second, by maintaining this balance at August 31, operations can continue without requiring debt until state funds and taxes are received. State funds are generally received in the first three and last five months of the fiscal year. Local property taxes are received primarily from early October through the end of January. The Appraisal District mails tax statements in early October.

The District records five types of fund balance categories. The non-spendable portion of General Fund balance may be comprised of inventories and prepaid items that cannot be converted to cash and spent. Restricted fund balance is the amount that is restricted to a specific purpose. The constraint on the use of these funds is externally imposed by creditors, grantors, contributors, laws and regulations. Committed fund balance is the amount that can only be used for specific purposes that the Board of Trustees determines through formal action. Assigned fund balance is the amount that the District intends to use on a specific purpose. The Superintendent or designee has the authority to assign fund balance and does not need formal board approval. The remaining fund balance is unassigned and may be used for any purpose without constraints.

The General Fund unassigned fund balance of \$33,492,036 is equivalent to approximately 2.7 months of expenditures. The unassigned fund balance minimizes the likelihood that the District would be required to enter the short-term debt market to pay for current operating expenditures.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

At the end of 2025, the District had approximately \$434 million invested in a broad range of capital assets, including instructional facilities and equipment, transportation facilities and equipment, athletic facilities, and administrative and maintenance buildings and equipment.

Accumulated activity for the fiscal year-ended August 31, 2025 is as follows:

Additions to capital assets	\$ 16,714,202
Decreases/reclassifications to capital assets	(4,026,130)
Depreciation expense	(14,286,717)
Accumulated Depreciation Disposed	<u>3,377,829</u>
Net increase to capital assets	<u>\$ 1,779,184</u>

This amount represents a net increase of approximately \$1.78 million which is due to the additions to capital assets exceeding the depreciation expense for the year-ended August 31, 2025. Depreciation is comparable to prior year. The District expects total assets to increase in the coming years as construction continues with new bond funding.

More detailed information about the District’s capital assets is presented in Note II-E in the notes to the financial statements.

Long-term Liabilities

At year-end, the District had \$469,203,577 in bonds, leases outstanding, software agreements, net pension liability (NPL) and net OPEB liability versus \$476,239,396 in the prior year. This decrease is primarily due to a decrease in long-term debt.

More detailed information about the District’s long-term liabilities is presented in Note II-H in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

Belton Independent School District is located along the 1-35 corridor and part of the Killeen -Temple-Fort Hood metropolitan area. The community's rapid growth is supported by a mild climate, a low cost of living, and proximity to regional medical facilities, an airport, and various recreational lakes. While the District continues to see significant residential development in its northwest and southwest sectors, student enrollment saw a slight year-over-year decrease of 1%. Moving forward, the district projects low-to-moderate enrollment growth over the next five years.

In response to widespread budgetary pressures and economic uncertainty at both the state and federal levels, Belton ISD has taken a proactive approach to fiscal management. While the District maintains healthy fund balances in its General and Debt Service funds, leadership has aggressively implemented expenditure reductions:

- FY 2024-2025: \$7.5 million in budgeted reductions.
- FY 2025-2026: An additional \$5.6 million in planned reductions.
- FY 2026-2027: Additional efficiencies are anticipated.

To further protect taxpayers, the district has utilized the early retirement of high-interest bonds. This strategy reduces future debt service obligations and allows the Interest and Sinking (I&S) rate to remain stable, regardless of future fluctuations in assessed property values.

On August 11, 2023, the District issued \$166,240,000 in Unlimited Tax School Building Bonds (Series 2022). These voter-approved funds are dedicated to:

- New Facilities: Construction of two elementary schools and new agricultural and Delta program facilities.
- Renovations: Upgrades to Belton High School, Southwest Elementary, and Lake Belton Middle School.
- District-wide Infrastructure: Safety and security enhancements, technology device refreshes, and bus purchases. As of August 31, 2025, the District remains committed to \$10,758,022 in remaining expenditures to complete these projects.

The 86th Texas Legislature passed a school finance bill, House Bill 3, in 2019 that mandated a decrease in the tier 1 portion of the maintenance and operations tax rate. The tax rate is further compressed for the 2025-2026 fiscal year. However, to address recovery needs from the May 2024 storms, the Board approved a \$0.0317 one-time increase to the tier 2 maintenance and operations tax rate as authorized by tax code section 26.042(e) to cover costs of damages from the disaster. The resulting tax rates for the 2025-26 school year are \$0.7869 for maintenance and operations and \$0.3625 for debt service rate a total tax rate of \$1.1494.

The district's net taxable property value for the 2025-2026 school year budget decreased approximately 3% from the previous year due to a 40% increase in the homestead exemption passed by the 89th legislature. Through disciplined planning and strategic reductions, the 2025-2026 General Fund budget was adopted as a balanced budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office at Belton Independent School District, P.O. Box 269, Belton, Texas 76513.

BASIC FINANCIAL STATEMENTS

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BELTON INDEPENDENT SCHOOL DISTRICT

EXHIBIT A-1

STATEMENT OF NET POSITION

AUGUST 31, 2025

Data Control Codes		Governmental Activities
	ASSETS	
1110	Cash and cash equivalents	\$ 94,312,829
1220	Delinquent property taxes receivables	2,513,445
1230	Allowance for uncollectible taxes	(1,156,185)
1240	Due from other governments	7,532,132
1290	Other receivables (net)	296
1300	Inventories	350,203
	Capital assets:	
1510	Land	12,521,512
1520	Buildings and improvements, net	302,807,987
1530	Furniture and equipment, net	13,191,133
1553	Right to use assets - SBITA, net	930,902
1559	Right to use assets - equipment, net	433,255
1580	Construction in progress	104,138,686
1000	Total assets	<u>537,576,195</u>
	DEFERRED OUTFLOWS OF RESOURCES	
1701	Deferred loss on bond refunding	2,045,153
1705	Deferred outflow related to NPL	13,651,715
1706	Deferred outflow related to OPEB	18,085,834
1700	Total deferred outflows of resources	<u>33,782,702</u>
	LIABILITIES	
2110	Accounts payable	10,131,961
2140	Interest payable	654,927
2150	Payroll deductions and withholdings	1,321,877
2160	Accrued wages payable	6,680,826
2180	Due to other governments	3,176,212
2300	Unearned revenue	393,987
	Noncurrent liabilities:	
	Due within one year	
2501	Long-term debt	10,710,922
2501	Compensated absences	722,881
	Due in more than one year	
2502	Long-term debt	377,258,152
2502	Compensated absences	2,168,641
2502	Arbitrage liability	3,687,170
2540	Net pension liability	44,620,065
2545	Net OPEB liability	30,035,746
2000	Total liabilities	<u>491,563,367</u>
	DEFERRED INFLOWS OF RESOURCES	
2601	Deferred gain on bond refunding	461,470
2605	Deferred inflow related to NPL	1,238,380
2606	Deferred inflow related to OPEB	25,554,554
2600	Total deferred inflows of resources	<u>27,254,404</u>
	NET POSITION	
3200	Net investment in capital assets	67,076,165
	Restricted for:	
3820	Federal and state programs	3,817,637
3850	Debt service	16,077,742
3900	Unrestricted	(34,430,418)
3000	Total net position	<u>\$ 52,541,126</u>

The accompanying notes are an integral part of this financial statement.

BELTON INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes	1	Program Revenues 3
Functions/Programs	Expenses	Charges for Services
Primary government:		
<u>Governmental activities:</u>		
11	\$ 91,967,003	\$ 351,763
12	1,764,242	4,629
13	5,012,240	4,628
21	2,681,232	-
23	8,973,855	-
31	7,589,212	-
32	407,438	-
33	2,225,588	-
34	6,306,879	92,569
35	8,932,504	2,477,298
36	8,034,444	3,291,564
41	4,659,902	-
51	15,414,867	16,653
52	3,656,700	-
53	5,478,425	27,107
61	167,928	9,257
72	14,016,369	-
93	369,310	-
97	493,459	-
99	746,754	-
	<u>\$ 188,898,351</u>	<u>\$ 6,275,468</u>
<u>General revenues:</u>		
Taxes:		
MT	Property taxes, levied for general purposes	
DT	Property taxes, levied for debt service	
GC	Grants and contributions not restricted to specific programs	
IE	Investment earnings	
MI	Miscellaneous	
TR	Total general revenues	
CN	Change in net position	
NB	Net position, beginning	
	Restatement - change in accounting principle	
NB	Net position, beginning, as restated	
NE	Net position, ending	

The accompanying notes are an integral part of this financial statement.

Program Revenues		Net (Expenses) Revenue and Changes in in Net Position
4	5	6
Operating Grants and Contributions	Capital Grants and Contributions	Primary Gov. Governmental Activities
\$ 5,817,480	\$ 1,636,695	\$ (84,161,065)
56,316	-	(1,703,297)
1,398,468	-	(3,609,144)
166,641	-	(2,514,591)
292,752	-	(8,681,103)
1,836,986	-	(5,752,226)
223,117	-	(184,321)
74,636	-	(2,150,952)
208,070	-	(6,006,240)
5,358,566	-	(1,096,640)
101,894	-	(4,640,986)
110,166	-	(4,549,736)
255,505	-	(15,142,709)
1,152,849	-	(2,503,851)
223,835	-	(5,227,483)
166,926	-	8,255
4,085,472	-	(9,930,897)
382,225	-	12,915
-	-	(493,459)
-	-	(746,754)
<u>\$ 21,911,904</u>	<u>\$ 1,636,695</u>	<u>(159,074,284)</u>

45,970,527
23,944,583
85,639,472
2,845,299
<u>438,625</u>
<u>158,838,506</u>
<u>(235,778)</u>
<u>55,628,887</u>
<u>(2,851,983)</u>
<u>52,776,904</u>
<u>\$ 52,541,126</u>

BELTON INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS

AUGUST 31, 2025

Data Control Codes		10	51
		<u>General</u>	<u>Debt Service</u>
	ASSETS		
1110	Cash and cash equivalents	\$ 39,377,983	\$ 16,625,891
1220	Property taxes - delinquent	1,786,243	727,202
1230	Allowance for uncollectible taxes	(821,672)	(334,513)
1240	Due from other governments	6,549,089	-
1260	Due from other funds	514,147	-
1290	Other receivables	296	-
1300	Inventories	<u>114,025</u>	<u>-</u>
1000	Total assets	<u>47,520,111</u>	<u>17,018,580</u>
	LIABILITIES		
2110	Accounts payable	1,257,452	-
2150	Payroll deductions and withholdings	1,321,877	-
2160	Accrued wages payable	6,519,460	-
2170	Due to other funds	-	-
2180	Due to other governments	2,890,301	285,911
2300	Unearned revenue	<u>61,659</u>	<u>-</u>
2000	Total liabilities	<u>12,050,749</u>	<u>285,911</u>
	DEFERRED INFLOWS OF RESOURCES		
	Unavailable revenue	<u>1,863,301</u>	<u>392,689</u>
2600	Total deferred inflows of resources	<u>1,863,301</u>	<u>392,689</u>
	FUND BALANCES		
	Nonspendable:		
3410	Inventories	114,025	-
	Restricted for:		
3450	Federal or state grant restrictions	-	-
3470	Capital acquisitions and contractual obligations	-	-
3480	Retirement of long-term debt	-	16,339,980
	Committed for:		
3545	Campus activities	-	-
3600	Unassigned	<u>33,492,036</u>	<u>-</u>
3000	Total fund balances	<u>33,606,061</u>	<u>16,339,980</u>
4000	Total liabilities, deferred inflows of resources and fund balances	<u>\$ 47,520,111</u>	<u>\$ 17,018,580</u>

60	Other Governmental	98 Total Governmental Funds
Capital Projects		
\$ 31,542,036	\$ 6,766,919	\$ 94,312,829
-	-	2,513,445
-	-	(1,156,185)
-	983,043	7,532,132
-	-	514,147
-	-	296
-	236,178	350,203
<u>31,542,036</u>	<u>7,986,140</u>	<u>104,066,867</u>
8,542,039	332,470	10,131,961
-	-	1,321,877
-	161,366	6,680,826
7,276	506,871	514,147
-	-	3,176,212
-	332,328	393,987
<u>8,549,315</u>	<u>1,333,035</u>	<u>22,219,010</u>
-	-	2,255,990
-	-	2,255,990
-	96,606	210,631
-	3,817,637	3,817,637
22,992,721	-	22,992,721
-	-	16,339,980
-	2,738,862	2,738,862
-	-	33,492,036
<u>22,992,721</u>	<u>6,653,105</u>	<u>79,591,867</u>
<u>\$ 31,542,036</u>	<u>\$ 7,986,140</u>	<u>\$ 104,066,867</u>

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BELTON INDEPENDENT SCHOOL DISTRICT

EXHIBIT C-2

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION

AUGUST 31, 2025

Total Fund Balances - Governmental Funds	\$ 79,591,867
1 Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	434,023,475
2 Uncollected property taxes are reported as deferred inflows of resources in the governmental funds balance sheet, but are recognized as a revenue in the statement of activities.	1,357,260
3 Other receivables are reported as deferred inflows of resources in the governmental funds balance sheet, but are recognized as a revenue in the statement of activities.	898,730
4 Long-term liabilities, including bonds, accreted interest and leases, are not due and payable in the current period and therefore are not reported in the funds. Also, the losses on refunding of bonds and the premium on issuance of bonds payable are not reported on the balance sheet in the funds.	(392,964,083)
5 Interest payable is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(654,927)
6 Included in the items related to debt is the recognition of the District's proportionate share of net pension liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of \$13,651,715, a deferred resource inflow in the amount of \$1,238,380, and a net pension liability in the amount of \$44,620,065. This resulted in a decrease to net position.	(32,206,730)
7 Included in the items related to debt is the recognition of the District's proportionate share of net OPEB liability required by GASB 75. The net position related to TRS included a deferred resource outflow in the amount of \$18,085,834, a deferred resource inflow in the amount of \$25,554,554, and a net OPEB liability in the amount of \$30,035,746. This resulted in a decrease to net position.	<u>(37,504,466)</u>
29 Net position of governmental activities	<u>\$ 52,541,126</u>

BELTON INDEPENDENT SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes		10	51
		General	Debt Service
	REVENUES		
5700	Local and intermediate sources	\$ 49,263,794	\$ 24,921,032
5800	State program	93,788,492	4,085,472
5900	Federal program	1,581,372	-
5020	Total revenues	144,633,658	29,006,504
	EXPENDITURES		
	Current:		
0011	Instruction	83,297,746	-
0012	Instructional resources and media services	1,653,809	-
0013	Curriculum and staff development	3,797,008	-
0021	Instructional leadership	2,575,663	-
0023	School leadership	9,164,464	-
0031	Guidance, counseling, and evaluation services	6,228,391	-
0032	Social work services	192,641	-
0033	Health services	2,285,181	-
0034	Student transportation	5,696,024	-
0035	Food service	-	-
0036	Extracurricular activities	5,570,277	-
0041	General administration	4,526,532	-
0051	Facilities maintenance and operations	14,441,769	-
0052	Security and monitoring services	2,674,283	-
0053	Data processing services	4,713,117	-
0061	Community services	-	-
	Debt service:		
0071	Principal on long-term debt	887,201	9,665,000
0072	Interest on long-term debt	65,369	15,528,238
0073	Bond issuance costs and fees	-	30,735
0081	Capital outlay	276,976	-
	Intergovernmental:		
0093	Payments related to shared service arrangements	-	-
0097	Payments to tax increment fund	493,459	-
0099	Other intergovernmental charges	746,754	-
6030	Total expenditures	149,286,664	25,223,973
1100	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,653,006)	3,782,531
	OTHER FINANCING SOURCES (USES)		
7912	Sale of property	1,601,078	-
7913	Issuance of leases/SBITAs	505,104	-
7915	Transfers in	-	-
8911	Transfers out	-	-
7080	Total other financing sources (uses)	2,106,182	-
1200	NET CHANGE IN FUND BALANCES	(2,546,824)	3,782,531
0100	FUND BALANCES, BEGINNING	36,152,885	12,557,449
3000	FUND BALANCES, ENDING	\$ 33,606,061	\$ 16,339,980

The accompanying notes are an integral part of this financial statement.

60	98	98
Capital Projects	Other Governmental	Total Governmental Funds
\$ 1,636,695	\$ 5,766,912	\$ 81,588,433
-	2,553,100	100,427,064
-	10,647,216	12,228,588
<u>1,636,695</u>	<u>18,967,228</u>	<u>194,244,085</u>
946,773	3,523,802	87,768,321
-	89,386	1,743,195
-	1,281,601	5,078,609
-	93,294	2,668,957
-	57,824	9,222,288
-	1,517,725	7,746,116
-	217,321	409,962
-	-	2,285,181
-	1,530	5,697,554
-	9,099,649	9,099,649
-	1,835,750	7,406,027
-	1,055	4,527,587
13,390	-	14,455,159
-	1,111,075	3,785,358
-	98,067	4,811,184
-	166,926	166,926
-	-	10,552,201
-	-	15,593,607
-	-	30,735
13,209,801	-	13,486,777
-	369,310	369,310
-	-	493,459
-	-	746,754
<u>14,169,964</u>	<u>19,464,315</u>	<u>208,144,916</u>
<u>(12,533,269)</u>	<u>(497,087)</u>	<u>(13,900,831)</u>
-	-	1,601,078
-	-	505,104
-	27,941	27,941
-	(27,941)	(27,941)
<u>-</u>	<u>-</u>	<u>2,106,182</u>
(12,533,269)	(497,087)	(11,794,649)
<u>35,525,990</u>	<u>7,150,192</u>	<u>91,386,516</u>
<u>\$ 22,992,721</u>	<u>\$ 6,653,105</u>	<u>\$ 79,591,867</u>

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

FOR THE YEAR ENDED AUGUST 31, 2025

Net change in fund balances - total governmental funds \$ (11,794,649)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital outlay	16,714,202
Depreciation expense	(14,286,717)

In the statement of activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the book value of the capital asset sold. (648,301)

Some receivables are not considered available revenues and are reported as deferred inflows in the governmental funds. (465,474)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.

Issuance of leases	(83,957)
Issuance of SBITAs	(421,147)
Principal repayments:	
General obligation bonds	9,665,000
Leases	253,406
SBITAs	659,887
Amortization of:	
Premium on bond issuance	1,697,263
Deferred gain/loss on bond refunding	(145,081)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Accrued interest payable on long-term debt	29,903
Accreted interest on capital appreciation bonds	(4,847)
Compensated absences	(39,539)
Arbitrage liability	(531,706)

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 \$4,020,783. 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 net position totaling \$4,116,289. Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense decreased the change in net position by \$3,811,470. The net result is a decrease in the change in net position. (3,906,976)

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 \$860,357. 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 net position totaling \$898,367. Finally, the proportionate share of the TRS OPEB expense in the plan as a whole had to be recorded. The net OPEB expense increased the change in net position by \$3,110,965. The net result is an increase in the change in net position. 3,072,955

Change in net position of governmental activities \$ (235,778)

BELTON INDEPENDENT SCHOOL DISTRICT

EXHIBIT E-1

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND

AUGUST 31, 2025

	<u>Custodial Fund</u>
ASSETS	
Cash and cash equivalents	\$ 152,225
Total assets	<u>152,225</u>
LIABILITIES	
Accounts payable	<u>246</u>
Total liabilities	<u>246</u>
NET POSITION	
Restricted for student groups	<u>151,979</u>
Total net position	<u>\$ 151,979</u>

BELTON INDEPENDENT SCHOOL DISTRICT

EXHIBIT E-2

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND

FOR THE YEAR ENDED AUGUST 31, 2025

	<u>Custodial Fund</u>
ADDITIONS	
Collections from student groups	\$ 104,924
Total additions	<u>104,924</u>
DEDUCTIONS	
Payments on-behalf of student groups	<u>110,095</u>
Total deductions	<u>110,095</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	(5,171)
NET POSITION, BEGINNING	<u>157,150</u>
NET POSITION, ENDING	<u>\$ 151,979</u>

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BELTON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Belton 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 financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and it complies with the requirements of the 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.

The Board of Trustees (the "Board") is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board ("GASB"). There are no component units included within the reporting entity.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are supported by taxes, state foundation funds and intergovernmental revenue.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as general revenue.

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.

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be *available* when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if it is collectible within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt is reported as other financing sources.

Property taxes, state foundation funds, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Entitlements are recorded as revenue when all eligibility requirements are met, including any time requirements, and the amount received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

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

The **Debt Service Fund** is used to account for resources accumulated and payments made for principal and interest in long-term general obligation debt of governmental funds.

The **Capital Projects Fund** is used to account for the activity related to the use of the bond proceeds which includes the construction of capital facilities and purchase of capital equipment.

Additionally, the District reports the following fund types:

The **Nonmajor Special Revenue Funds** are used to account for the proceeds of specific revenue sources (other than those identified as a major fund) that are restricted or committed to expenditures for specific purposes.

The **Custodial Fund** accounts for resources held for others in a custodial capacity. The District's Custodial Fund is Student Activities.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in the governmental activities are eliminated.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, Net Position/Fund Balance, Revenues and Expenditure/Expenses

1. Cash and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the District are reported at fair value, except for the position in investment pools. The District's investments in Pools are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method.

2. Receivables

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

3. Inventories

Inventories of supplies on the balance sheet are stated at weighted average cost, while inventories of food commodities are recorded at acquisition values supplied by the Texas Department of Human Services. 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 acquisition value is supplied by the Texas Department of Human Services and recorded as inventory and unearned revenue when received. When requisitioned, inventory and unearned revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount. Inventories also include plant maintenance and operation supplies as well as instructional supplies.

4. Capital Assets

Capital assets are tangible and intangible assets, which include land, buildings, furniture and equipment, are reported in the governmental activity 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 one year. As the District constructs or acquires capital assets each period they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

Land and construction in progress are not depreciated. Buildings, furniture and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	5-50
Furniture and equipment	3-50
Right to use equipment	3-50
Right to use software	1-3

5. Leases and Subscription-Based Information Technology Arrangements

The District is a lessee for a noncancellable lease of equipment and subscription-based IT arrangements (SBITAs). The District recognizes a liability and an intangible right-to-use asset in the government-wide financial statements.

At the commencement of a lease or SBITA, the District initially measures the liability at the present value of payments expected to be made during the agreement term. Subsequently, the liability is reduced by the principal portion of payments made. The asset is initially measured as the initial amount of the liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases and SBITAs include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) agreement term, and (3) agreed upon payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate.
- The agreement term includes the noncancellable period of the lease or SBITA.
- The agreed upon payments included in the measurement of the liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease or SBITA and will remeasure the asset and liability if certain changes occur that are expected to significantly affect the amount of the liability.

The right to use assets are reported with other capital assets and liabilities are reported with long-term debt on the statement of net position.

6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

7. Compensated Absences

The District provides employees with compensation benefits for vacation, sick leave, and personal days off. These balances are recorded as a liability in the basic financial statements to the extent that management estimates they are more likely than not to be used based upon historical data.

8. Deferred Outflows/Inflows of Resources

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

A deferred outflow of resources is a consumption of a government's net assets (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The District had the following deferred outflows of resources:

- Deferred outflows of resources for refunding – Reported in the government-wide statement of net position, this deferred charge on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Deferred outflows of resources for pension – Reported in the government-wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability, the results of differences between expected and actual experience, changes in actuarial assumptions, and the changes in proportion and difference between the employer's contributions and the proportionate share of contributions. The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year.

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

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

- Deferred inflow of resources for unavailable revenues – Reported only in the governmental funds balance sheet, for unavailable revenues from property taxes arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of revenues in the period that the amounts become available. During the current year, the District recorded deferred inflow of resources as unavailable revenues – property taxes and unavailable revenues – School Health and Related Services (SHARS).
- Deferred inflow of resources for pensions – Reported in the government-wide financial statement of net position, these deferred inflows result from differences between expected and actual economic experience, changes in actuarial assumptions, differences between projected and actual investment earnings, as well as changes in proportion and difference between the employer’s contributions and the proportionate share of contributions.
- Deferred inflow of resources for OPEB – Reported in the government-wide financial statement of net position, these deferred inflows result from differences between expected and actual economic experience and changes in actuarial assumptions.

9. Defined Benefit Pension Plan

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

10. Other Post-Employment Benefit Plan

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

11. Net Position

Net position represents the difference between assets, deferred outflows (inflows) of resources and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

12. Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond and grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered applied. It is the District’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

13. Fund Balance Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

14. Fund Balance Policies

Fund balance of the governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District’s highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. Committed fund balance also should include contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board of Trustees has by resolution authorized the Superintendent and the Chief Financial Officer to assign fund balance. The Board of Trustees may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The unassigned fund balance classification includes the residual classification of the General Fund and includes all amounts not contained in other classifications. This portion of the total fund balance in the general fund is available to finance operating expenditures. Only the General Fund will have unassigned amounts. By accounting for amounts in other funds, the District has implicitly assigned the funds for purposes of those particular funds.

15. Program Revenue

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

16. Property Taxes

Property taxes are levied as of October 1 on property values assessed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the following year. On January 31 of each year, a tax lien attaches to property to secure payment of all taxes, penalties, and interest ultimately imposed.

17. Data Control Codes

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

18. Estimates

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

19. Change in Accounting Principle

During fiscal year 2025, the District implemented GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Accordingly, the cumulative effect of the accounting change has been recognized in a restatement of beginning net position for the year ended August 31, 2025.

II. DETAILED NOTES ON ACTIVITIES AND FUNDS

A. Deposits and Investments

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

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) Mutual Funds (8) Investment pools, (9) guaranteed investment contracts (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

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

In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the fair value of its underlying investment portfolio within one-half of one percent of the value of its shares. The Act authorizes the District to invest in obligations of the U.S. Treasury, U.S. agencies, fully collateralized repurchase agreements, public fund investment pools, SEC-registered no-load money market mutual funds, municipal securities of any state rated A or better, certificates of deposit (fully collateralized, insured, and standby letters of credit backed), and commercial paper rated not less than A-1 or P-1 with a stated maturity of no more than 270 days. The District's investment policy may further restrict those investment options.

The District utilizes a pooled investment concept for some of its funds to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested.

Custodial Credit Risk (Deposits) – In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of August 31, 2025, the District's deposit balance was collateralized with securities held by the pledging financial institution in the District's name or covered by FDIC insurance.

Interest Rate Risk – The risk that changes in interest rates could adversely affect the value of investments. To reduce this risk, the District utilizes final and weighted-average-maturity limits and diversification. Any internally created pool fund group of the District shall have a maximum dollar weighted average maturity of 365 days. The maximum allowable stated maturity of any other individual investment owned by the District shall not exceed three years from the time of purchase.

Concentration of Credit Risk – The investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from overconcentration of assets in a specific class of investments, specific maturity, or specific issuer.

Custodial Credit Risk (Investments) – It is the District's policy to limit its investments to investment types with an investment quality rating not less than A or its equivalent by a nationally recognized statistical rating organization. The District's investment pools and commercial paper are rated as follows by Standard and Poor's Investors Service.

As of August 31, 2025, the District had the following investment pools:

Investment	Reported Value	Weighted Average Maturity (Days)	Percent of Total Investments	Rating
TexPool	\$ 12,731,346	42	14.04%	AAAm
TexPool Prime	10,844,788	45	11.96%	AAAm
Tex Star	29,587,861	47	32.62%	AAAm
Texas Class	10,188,718	44	11.23%	AAAm
Lonestar	<u>27,351,801</u>	26	30.15%	AAAf/S1+
Total	<u>\$ 90,704,514</u>			

Portfolio weighted average maturity 39

The investment pools each have a redemption notice period of one day and may redeem daily. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

B. Due to/from Other Governments

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the state through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of August 31, 2025, are summarized below. Amounts due to other governments include \$2,890,301 in the general fund and \$285,911 in the debt service fund. This represents overpayments of state entitlement programs.

<u>Fund</u>	<u>State Entitlements</u>	<u>Grants</u>	<u>Total</u>
General	\$ 6,549,089	\$ -	\$ 6,549,089
Other nonmajor governmental	-	983,043	983,043
Total	<u>\$ 6,549,089</u>	<u>\$ 983,043</u>	<u>\$ 7,532,132</u>

C. Interfund Balances and Transfers

The composition of interfund balances as of August 31, 2025, consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Capital Projects	\$ 7,276
General	Nonmajor governmental	506,871
Total		<u>\$ 514,147</u>

Balances resulted from the lag between the dates that 1) interfund goods and services are provided on reimbursable expenditures occur, and 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

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

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Nonmajor governmental fund	Nonmajor governmental fund	\$ 27,941
Total		<u>\$ 27,941</u>

The transfer of \$27,941 was from the National Breakfast and Lunch Program to the Summer Feeding Program to cover the negative equity in the fund.

D. Other Receivables

Other receivables consisted of the following balances as of August 31, 2025:

<u>Receivable</u>	<u>General</u>	<u>Total</u>
Miscellaneous	\$ 296	\$ 296
Total	<u>\$ 296</u>	<u>\$ 296</u>

E. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 11,705,997	\$ 867,414	\$ (51,899)	\$ 12,521,512
Construction in progress	<u>141,865,334</u>	<u>10,378,144</u>	<u>(48,104,792)</u>	<u>104,138,686</u>
Total capital assets, not being depreciated	<u>153,571,331</u>	<u>11,245,558</u>	<u>(48,156,691)</u>	<u>116,660,198</u>
Capital assets, being depreciated:				
Building and improvements	387,166,427	51,136,048	(2,047,432)	436,255,043
Furniture and equipment	41,848,992	1,932,283	(1,291,460)	42,489,815
Right to use assets - equipment	1,151,452	83,957	-	1,235,409
Right to use assets - IT asset	<u>2,334,063</u>	<u>421,148</u>	<u>(635,339)</u>	<u>2,119,872</u>
Total capital assets, being depreciated	<u>432,500,934</u>	<u>53,573,436</u>	<u>(3,974,231)</u>	<u>482,100,139</u>
Less accumulated depreciation for:				
Buildings and improvements	(126,231,635)	(8,738,045)	1,522,624	(133,447,056)
Furniture and equipment	(25,997,464)	(4,559,573)	1,258,355	(29,298,682)
Right to use assets - equipment	(437,311)	(364,843)	-	(802,154)
Right to use assets - IT asset	<u>(1,161,564)</u>	<u>(624,256)</u>	<u>596,850</u>	<u>(1,188,970)</u>
Total accumulated depreciation	<u>(153,827,974)</u>	<u>(14,286,717)</u>	<u>3,377,829</u>	<u>(164,736,862)</u>
Total capital assets, being depreciated, net	<u>278,672,960</u>	<u>39,286,719</u>	<u>(596,402)</u>	<u>317,363,277</u>
Governmental activities capital assets, net	<u>\$ 432,244,291</u>	<u>\$ 50,532,277</u>	<u>\$ (48,753,093)</u>	<u>\$ 434,023,475</u>

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

Governmental activities:		
Instruction		\$ 9,372,595
Instructional resources and media services		81,321
Curriculum & Instructional Staff Development		22,418
Instructional leadership		77,145
School leadership		28,222
Guidance, counseling and evaluation services		15,121
Health services		16,344
Student transportation		780,733
Food service		292,245
Extracurricular activities		808,922
General administration		215,719
Facilities maintenance and operations		1,290,666
Security and monitoring services		172,917
Data processing services		<u>1,112,349</u>
Total depreciation expense - governmental activities		<u>\$ 14,286,717</u>

F. Deferred Inflows of Resources

At August 31, 2025, the District reported the following deferred inflows of resources in the governmental funds:

	Unavailable Revenue	General	Debt Service	Total
Property taxes		\$ 964,571	\$ 392,689	\$ 1,357,260
SHARS cost settlement		<u>898,730</u>	<u>-</u>	<u>898,730</u>
Total		<u>\$ 1,863,301</u>	<u>\$ 392,689</u>	<u>\$ 2,255,990</u>

G. Unearned Revenue

Unearned revenue at year-end consisted of the following:

Unearned Revenue	General	Other Governmental	Totals
Fees collected for school year 2025-2026	\$ 61,659	\$ -	\$ 61,659
Commodities inventory	-	139,572	139,572
Grant receipts in excess of expenditures	-	15,288	15,288
Prepayment for food service meals	-	177,468	177,468
Totals	<u>\$ 61,659</u>	<u>\$ 332,328</u>	<u>\$ 393,987</u>

H. Long-term Liabilities

The District issues Bonds to provide funds for the acquisition and construction of major capital facilities or to refund prior debt issuances. The Bonds are direct obligations and pledge the full faith and credit of the District. Bonds outstanding as of August 31, 2025 are as follows:

Description	Interest Rate	Amounts Original Issue	Interest Current Year	Amounts Outstanding
Unlimited Tax Refunding Bonds, Series 2014	2.0-3.5%	\$ 8,560,000	\$ 20,475	\$ 45,000
Unlimited Tax Refunding Bonds, Series 2015	2.0-3.5%	7,840,000	297,900	7,505,000
Unlimited Tax Refunding Bonds, Series 2016	2.0-3.5%	6,430,000	257,200	6,430,000
Unlimited Tax School Building Bonds, Series 2017	2.0-5.0%	117,400,000	4,887,750	108,915,000
Unlimited Tax Refunding Bonds, Series 2017	2.0-5.0%	49,145,000	1,796,000	41,215,000
Unlimited Tax Refunding Bonds, Series 2019	3.0-5.0%	18,870,000	395,450	11,475,000
Unlimited Tax Refunding Bonds, Series 2020	4.0-5.0%	13,610,000	410,050	7,535,000
Unlimited Tax Refunding Bonds, Series 2021	1.0-5.0%	17,395,000	550,138	16,285,000
Unlimited Tax School Building Bonds, Series 2022	4.0-5.0%	<u>166,240,000</u>	<u>6,913,275</u>	<u>160,585,000</u>
Total		<u>\$ 405,490,000</u>	<u>\$ 15,528,238</u>	<u>\$ 359,990,000</u>

The future debt service requirements for the District's bonds are as follows:

Year Ending August 31,	Principal	Interest	Total Requirements
2026	\$ 10,130,000	\$ 15,063,325	\$ 25,193,325
2027	10,645,000	14,562,238	25,207,238
2028	11,150,000	14,053,213	25,203,213
2029	11,655,000	13,547,438	25,202,438
2030	12,200,000	13,001,638	25,201,638
2031-2035	69,845,000	56,166,619	126,011,619
2036-2040	81,310,000	39,846,138	121,156,138
2041-2045	73,240,000	23,703,600	96,943,600
2046-2050	60,340,000	9,039,600	69,379,600
2051-2052	<u>19,610,000</u>	<u>792,200</u>	<u>20,402,200</u>
	360,125,000	<u>\$ 199,776,009</u>	<u>\$ 559,901,009</u>
Less: accreted interest	<u>(135,000)</u>		
Principal outstanding	<u>\$ 359,990,000</u>		

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 August 31, 2025.

The District's outstanding bonds payable contain a provision that in an event of default, outstanding amounts will be paid from the corpus of the Texas Permanent School Fund. In the event of default, the outstanding leases and SBITAs payable are secured by the related assets.

Changes in the District's long-term liabilities for the year ended August 31, 2025, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Long-term debt</u>					
General obligation bonds	\$ 369,655,000	\$ -	\$ (9,665,000)	\$ 359,990,000	\$ 10,130,000
Premiums	28,298,948	-	(1,697,263)	26,601,685	-
Accreted interest	127,683	4,847	-	132,530	-
Leases	644,039	83,957	(253,406)	474,590	232,130
SBITAs	<u>1,009,009</u>	<u>421,147</u>	<u>(659,887)</u>	<u>770,269</u>	<u>348,792</u>
Total	<u>399,734,679</u>	<u>509,951</u>	<u>(12,275,556)</u>	<u>387,969,074</u>	<u>10,710,922</u>
<u>Other long-term liabilities</u>					
Arbitrage liability	3,155,464	531,706	-	3,687,170	-
Compensated absences	2,851,983	39,539	-	2,891,522	722,881
Net pension liability	51,106,435	-	(6,486,370)	44,620,065	-
Net OPEB liability	<u>22,242,818</u>	<u>8,691,825</u>	<u>(898,897)</u>	<u>30,035,746</u>	<u>-</u>
Total	<u>79,356,700</u>	<u>9,263,070</u>	<u>(7,385,267)</u>	<u>81,234,503</u>	<u>722,881</u>
Total long-term liabilities	<u>\$ 479,091,379</u>	<u>\$ 9,773,021</u>	<u>\$ (19,660,823)</u>	<u>\$ 469,203,577</u>	<u>\$ 11,433,803</u>

The current year activity for the compensated absences liability is presented as a net change. The net pension and OPEB liabilities are typically liquidated by the General Fund.

Leases Payable

The District has entered into various lease agreements for copier equipment through a single vendor. The lease terms are each 60 months, carry interest rates of 4%, and have fixed monthly payments ranging from \$38 to \$1,522. The leases mature in fiscal years 2025 through 2028. Current year interest payments were \$38,025.

Principal and interest requirements to maturity are as follows:

Year Ending August 31,	Principal	Interest	Total Requirements
2026	\$ 232,130	\$ 25,299	\$ 257,429
2027	203,775	12,464	216,239
2028	<u>38,685</u>	<u>397</u>	<u>39,082</u>
Total	<u>\$ 474,590</u>	<u>\$ 38,160</u>	<u>\$ 512,750</u>

Subscriptions Payable

The District entered into various subscriptions (12-months to 36-months) for right to use software. The District is required to make annual fixed payments between \$10,622 and \$191,387 and have interest rates between 1.710% to 3.238%. Current year interest payments were \$27,344.

Principal and interest requirements to maturity are as follows:

<u>Year Ending August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2026	\$ 348,792	\$ 23,765	\$ 372,557
2027	218,588	12,566	231,154
2028	160,130	6,085	166,215
2029	<u>42,759</u>	<u>1,282</u>	<u>44,041</u>
Total	<u>\$ 770,269</u>	<u>\$ 43,698</u>	<u>\$ 813,967</u>

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or not performed correctly, it could result in a substantial liability to the District. The District has engaged an arbitrage consultant to perform the calculations in accordance with IRS rules and regulations and the District has reported an arbitrage liability at year end in the amount of \$3,687,170.

I. Defined Benefit Pension Plan

Plan Description. The Belton Independent School District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). 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. Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the TRS website at www.trs.state.tx.us 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 in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above. Accordingly, the 2023 Texas Legislature passed Senate Bill (SB) 10 and 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 requirement on or before August 31, 2023:

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

Cost-of-Living Adjustment. A 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.

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025.

	Contribution Rates	
	2024	2025
Member	8.25%	8.25%
Non-Employer Contributing Entity (State)	8.25%	8.25%
Employers	8.25%	8.25%
Current fiscal year employer contributions		\$ 4,020,783
Current fiscal year member contributions		8,772,897
2024 measurement year NECE on-behalf contributions		6,208,788

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

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

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

In addition to the employer contributions listed above, there are two additional surcharges an employer is subject to.

- All public schools, charter schools, and regional educational service centers must contribute 1.8 percent of the member's salary beginning in fiscal year 2023, 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 employer after retirement surcharge.

Actuarial Assumptions. The total pension liability in the August 31, 2023 actuarial valuation was rolled forward to August 31, 2024 and 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 Investment Rate of Return	7.00%
Inflation	2.30%
Salary Increases including inflation	2.95% to 8.95%
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2023. For a full description of these assumptions please see the 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 rate of return on pension plan investments is 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2024 are summarized below:

Asset Class	Target Allocation ²	Long-Term Expected Geometric Real Rate of Return ³	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.	18.0%	4.4%	1.0%
Non-U.S. Developed	13.0%	4.2%	0.8%
Emerging Markets	9.0%	5.2%	0.7%
Private Equity ¹	14.0%	6.7%	1.2%
Stable Value			
Government Bonds	16.0%	1.9%	0.4%
Absolute Return	0.0%	4.0%	0.0%
Stable Value Hedge Funds	5.0%	3.0%	0.2%
Real Return			
Real Assets	15.0%	6.6%	1.2%
Energy and Natural Resources	6.0%	5.6%	0.4%
Commodities	0.0%	2.5%	0.0%
Risk Parity			
Risk Parity	8.0%	4.0%	0.4%
Asset Allocation Leverage			
Cash	2.0%	1.0%	0.0%
Asset Allocation Leverage	-6.0%	1.3%	-0.1%
Inflation Expectation			2.4%
Volatility Drag ⁴			-0.7%
Total	100.0%		7.9%

¹ Absolute Return includes Credit Sensitive Investments

² Target allocations are based on the FY2024 policy model.

³ Capital Market Assumptions come from 2024 SAA Study CMA Survey (as of 12/31/2023)

⁴ The volatility drag results from the conversion between arithmetic and geometric mean returns

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

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Proportionate share of the net pension liability: \$	71,269,550	\$ 44,620,065	\$ 22,539,072

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At August 31, 2025, the District reported a liability of \$44,620,065 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 44,620,065
State's proportionate share that is associated with the District	<u>67,299,892</u>
Total	<u>\$ 111,919,957</u>

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

On August 31, 2024, the employer's proportion of the collective net pension liability was 0.0730468478%, which was a decrease of 0.0013543375% from its proportion measured as of August 31, 2023.

For the year ended August 31, 2025, the District recognized pension expense of \$15,971,221 and revenue of \$8,043,462 for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	\$ 2,459,397	\$ 348,372
Changes in actuarial assumptions	2,303,829	308,865
Differences between projected and actual investment earnings	271,229	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	4,596,477	581,143
Contributions paid to TRS subsequent to the measurement date	<u>4,020,783</u>	<u>-</u>
Totals	<u>\$ 13,651,715</u>	<u>\$ 1,238,380</u>

\$4,020,783 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending August 31, 2026. Other amounts reported as deferred outflows and inflows of resources will be recognized in pension expense as follows:

Fiscal year Ended August 31,	Pension Expense Amount
2026	\$ 1,730,043
2027	6,083,118
2028	1,316,133
2029	(806,300)
2030	69,558

J. Defined Other Post-Employment Benefit Plans

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

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

OPEB Plan Fiduciary Net Position. Detailed information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us>; 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 (TRS-Care 1), at no cost to all retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

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

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

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

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

Texas Insurance Code, section 1575.202 establishes the state’s contribution rate which is 1.25% of the employee’s salary. Section 1575.203 establishes the active employee’s rate which is .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act, which is 0.75 percent of each active employee’s pay for fiscal year 2024. The following table shows contributions to the TRS-Care plan by type of contributor.

	Contributions Rates	
	2024	2025
Member	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%
Current fiscal year employer contributions		\$ 860,357
Current fiscal year member contributions		690,362
2024 measurement year NECE on-behalf contributions		1,126,306

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

Actuarial Assumptions. The actuarial valuation was performed as of August 31, 2023. Update procedures were used to roll forward the Total OPEB liability to August 31, 2024.

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were developed in 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
Individual Entry Age Normal	
Inflation	2.30%
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 claim costs
Projected Salary Increases	2.95% to 8.95%
Healthcare Trend Rates	4.25 to 7.75%
Election Rates	Normal Retirement: 62% participation prior to age 65 and 25% participation after age 65. 30% of pre-65 retirees are assumed to discontinue coverage at age 65.
Ad hoc post-employment benefit changes	None

Discount Rate. A single discount rate of 3.87% was used to measure the total OPEB liability. There 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 Fixed Income Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in the Bond Buyer's "20-Bond GO Index", as of August 31, 2024.

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

	1% Decrease in Discount Rate <u>(2.87%)</u>	Discount Rate <u>(3.87%)</u>	1% Increase in Discount Rate <u>(4.87%)</u>
Proportionate share of the net OPEB liability	\$ 35,683,870	\$ 30,035,746	\$ 25,471,746

Healthcare Cost Trend 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 assumed healthcare cost trend rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of net OPEB liability	\$ 24,459,656	\$ 30,035,746	\$ 37,301,947

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At August 31, 2025, the District reported a liability of \$30,035,746 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	\$ 30,035,746
State's proportionate share that is associated with the District	<u>37,634,382</u>
Total	<u>\$ 67,670,128</u>

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

At August 31, 2024 the employer's proportion of the collective Net OPEB Liability was 0.0989595709% which is a decrease of 0.0015125183% from its proportion measured 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 since the prior measurement period:

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

For the year ended August 31, 2025, the District recognized OPEB expense of (\$7,104,373) and revenue of (\$4,891,775) for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	\$ 5,756,844	\$ 14,989,466
Changes in actuarial assumptions	3,844,221	9,800,316
Differences between projected and actual investment earnings	-	84,110
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	7,624,412	680,662
Contributions paid to TRS subsequent to the measurement date	<u>860,357</u>	<u>-</u>
Totals	<u>\$ 18,085,834</u>	<u>\$ 25,554,554</u>

\$860,357 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date, which will be recognized as a reduction of the net OPEB liability in the measurement year ended August 31, 2026. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended August 31,	OPEB Expense
2026	\$ (2,993,860)
2027	(1,633,510)
2028	(2,107,809)
2029	(1,645,825)
2030	(653,147)
Thereafter	705,074

K. Deferred Compensation Plan

The District offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The trust agreement establishes that all assets and income of the trust are for the exclusive benefit of eligible employees and their beneficiaries. The District does not have any fiduciary responsibility or administrative duties relating to the deferred compensation plan other than remitting employee's contribution to the trustee. Accordingly, the District has not presented the assets and income from the plan in these financial statements. The deferred compensation investments are held by an outside trustee. Plan investments are chosen by the individual (employee) participant and include mutual funds whose focus is on stocks, bonds, treasury securities, money market-type investments or a combination of these.

The plan, available to all permanent District employees, permits them to defer until future years up to 100% of annual gross earnings not to exceed \$23,500. Employees over age 50 can contribute an additional \$7,500. The District does not allow for any other catch-up provisions. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Additionally, the District offers its employees a deferred compensation plan created in accordance with IRC 457. The plan, available to all permanent District employees, permits them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the participants. Participants' rights under the plan are in an amount equal to the fair value of the deferred account for each participant. Investments that are held by an outside trustee in the deferred compensation plan are not reported in the District's financial statements as the District maintains no fiduciary responsibility for such assets.

L. Active Employee Health Care Coverage

During the period ended August 31, 2025, employees of the District were covered by a state-wide health care plan, TRS Active Care with AETNA, Scott & White, and First Care. The District's participation in this plan is renewable annually. The District paid into the Plan \$410 per month per employee. Employees, at their option, pay premiums for any coverage above these amounts as well as for dependent coverage.

The Teachers Retirement System (TRS) manages TRS Active Care. The medical plan is administered by AETNA, FIRSTCARE and Scott and White HMO. Medco Health administers the prescription drug plan. The latest financial information on the state-wide plan may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet website, www.trs.state.tx.us, under the TRS Publications heading.

M. Medicare Part D Coverage

Medicare Part D – On-behalf Payments. The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. These on-behalf payments of \$791,050, \$578,800, and \$543,577 were recognized for the years ended August 31, 2025, 2024, and 2023, respectively, as equal revenues and expenditures.

N. Risk Management

State law allows school districts to retain risk through its own risk management program (i.e., a "self-insurance" program), insure through a commercial carrier, or insure through a public entity risk pool. The District has insurable risks in various areas, including property, casualty, automobile, comprehensive liability, unemployment, and workmen's compensation. During the 2024-2025 fiscal year, the District obtained insurance against such risk through a public entity risk pool (TASB). Administration believes the amount and types of coverage are adequate to protect the District from losses which could reasonably be expected to occur.

The District pays annual premiums to the pool for workers' compensation and property/casualty coverage. The pool handles all claims and provides defense as is necessary. The risk of loss is effectively transferred to the insurer and the District is not responsible for claims in excess of premium paid.

O. Commitments and Contingencies

The District can be a defendant in a lawsuit from time to time. In the opinion of the District's legal counsel, the District has no significant legal actions that could have a material adverse effect on the financial condition of the District.

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

The District has active construction projects as of August 31, 2025. The projects are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Elementary School #12 construction	\$ 38,720,831	\$ -
Elementary School #13 construction	39,359,589	189,543
Delta Program Facility	3,887,355	957,636
Southwest Elementary Addition	15,195,769	2,350,841
Belton High School Addition	32,386,935	2,640,933
Lake Belton Middle School Addition	11,537,889	853,214
Agriculture Facility	3,828,923	-
HVAC Replacements	<u>43,847</u>	<u>3,765,855</u>
Total	<u>\$ 144,961,138</u>	<u>\$ 10,758,022</u>

P. Change in Accounting Principle

During fiscal year 2025, the District implemented GASB Statement No. 101, *Compensated Absences*. The adoption of this standard resulted in the recognition of additional liabilities for compensated absences. The cumulative effect of the accounting change increased compensated absences liabilities and decreased beginning net position by \$2,851,983 in the Governmental Activities as of the beginning of fiscal year 2025.

Q. Related Party Transactions

In fiscal year 2025, the District purchased goods and services from a vendor in the amount of \$25,772. The family business of a member of the Board of Trustees has done work for the District throughout the year. The board member has followed all appropriate conflict of interest laws and District policies. Further, when approving the vendor, the member of the Board of Trustees abstained from voting.

R. New Accounting Standards

Significant new accounting standards issued by the Governmental Accounting Standards Board (GASB) not yet implemented by the District includes the following:

GASB Statement No. 103, *Financial Reporting Model Improvements* – The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* – The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be presented separately in the note disclosures, including right-to-use assets related to leases, Subscription-Based Information Technology Arrangements, and public-private or public-public partnerships. Other intangible assets are also required to be presented separately by major class. Additional disclosures have also been required for capital assets held for sale. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

GASB Statement No 105, *Subsequent Events* – The objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This Statement will become effective for fiscal years beginning after June 15, 2026, and the impact has not yet been determined.

REQUIRED SUPPLEMENTARY INFORMATION

BELTON INDEPENDENT SCHOOL DISTRICT

EXHIBIT G-1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP Basis)	Variance with Final Budget Positive (Negative)
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 49,638,740	\$ 49,098,154	\$ 49,263,794	\$ 165,640
5800	State program	91,789,048	93,456,832	93,788,492	331,660
5900	Federal program	1,275,000	1,575,000	1,581,372	6,372
5020	Total revenues	<u>142,702,788</u>	<u>144,129,986</u>	<u>144,633,658</u>	<u>503,672</u>
EXPENDITURES					
Current:					
0011	Instruction	82,799,213	84,978,778	83,297,746	1,681,032
0012	Instructional resources and media services	1,681,820	1,720,296	1,653,809	66,487
0013	Curriculum and staff development	3,493,446	3,953,351	3,797,008	156,343
0021	Instructional leadership	2,585,959	2,629,448	2,575,663	53,785
0023	School leadership	8,926,278	9,180,971	9,164,464	16,507
0031	Guidance, counseling, and evaluation services	6,493,757	6,495,940	6,228,391	267,549
0032	Social work services	190,642	220,642	192,641	28,001
0033	Health services	2,317,384	2,392,384	2,285,181	107,203
0034	Student transportation	7,445,559	6,120,495	5,696,024	424,471
0036	Extracurricular activities	5,772,042	5,707,862	5,570,277	137,585
0041	General administration	4,234,706	4,684,816	4,526,532	158,284
0051	Facilities maintenance and operations	15,320,734	14,822,759	14,441,769	380,990
0052	Security and monitoring services	2,873,362	2,684,165	2,674,283	9,882
0053	Data processing services	4,805,106	5,282,062	4,713,117	568,945
Debt service:					
0071	Principal on long-term debt	354,683	989,314	887,201	102,113
0072	Interest on long-term debt	-	65,369	65,369	-
0081	Capital outlay	-	298,019	276,976	21,043
Intergovernmental:					
0095	Payments to juvenile justice alternative education programs	15,000	-	-	-
0097	Payments to tax increment fund	750,000	502,433	493,459	8,974
0099	Other intergovernmental charges	800,000	770,000	746,754	23,246
6030	Total expenditures	<u>150,859,691</u>	<u>153,499,104</u>	<u>149,286,664</u>	<u>4,212,440</u>
1100	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(8,156,903)</u>	<u>(9,369,118)</u>	<u>(4,653,006)</u>	<u>4,716,112</u>
OTHER FINANCING SOURCES (USES)					
7912	Sale of Property	-	1,601,878	1,601,078	(800)
7913	Issuance of leases/SBITAs	-	679,611	505,104	(174,507)
7080	Total other financing sources (uses)	-	<u>2,281,489</u>	<u>2,106,182</u>	<u>(175,307)</u>
1200	NET CHANGE IN FUND BALANCES	<u>(8,156,903)</u>	<u>(7,087,629)</u>	<u>(2,546,824)</u>	<u>4,540,805</u>
0100	FUND BALANCES, BEGINNING	<u>36,152,885</u>	<u>36,152,885</u>	<u>36,152,885</u>	<u>-</u>
3000	FUND BALANCES, ENDING	<u>\$ 27,995,982</u>	<u>\$ 29,065,256</u>	<u>\$ 33,606,061</u>	<u>\$ 4,540,805</u>

The accompanying notes are an integral part of this schedule.

BELTON INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED BUDGETARY SCHEDULE

AUGUST 31, 2025

Budgetary Information

The Board of Trustees adopts an "appropriated budget" for the General Fund, the National School Breakfast and Lunch Program Fund, and the Debt Service Fund. The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The District presented the General Fund comparison schedule as required supplementary information. The Debt Service Fund and National School Breakfast and Lunch Program Fund budgetary comparison schedules are presented as required TEA schedules.

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

1. Prior to August 20 the District prepares a budget for the next succeeding fiscal year beginning September 1. The opening 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.

Prior to September 1, the budget is legally enacted by a motion to adopt 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. Amendments were made throughout the year for transfers to and from other funds and for transfers to and from other functions. The following amendments were significant.

- Budgeted local revenue in the General Fund was decreased by \$540,586 to account for decreased property tax collections resulting from the homestead exemption increase.
 - Budgeted state revenue in the General Fund increased by \$1,667,784 to compensate for the lost tax collections through a hold-harmless provision provided by the State. In addition to increased TRS On-Behalf revenues.
 - Budgeted federal revenue in the General Fund increased \$300,000 to account for an unforeseen increase in SHARS reimbursements from the State.
 - General Fund budgeted expenditures increased \$2,639,413 for salaries and contracted services.
 - Other financing sources in the General Fund increased \$2,281,489 to account for the sale of two major properties in addition to the issuance of new leases.
3. Each budget is controlled by the budget coordinator at the revenue and expenditure function level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.

BELTON INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM

FOR THE YEAR ENDED AUGUST 31, 2025

Measurement year ended August 31,	<u>2024</u>	<u>2023</u>	<u>2022</u>
District's proportion of the net pension liability (asset)	0.0730468%	0.0744012%	0.0658065%
District's proportionate share of the net pension liability (asset)	\$ 44,620,065	\$ 51,106,435	\$ 39,067,629
State's proportionate share of the net pension liability (asset) associated with the District	<u>67,299,892</u>	<u>74,441,182</u>	<u>69,794,520</u>
Total	<u>\$ 111,919,957</u>	<u>\$ 125,547,617</u>	<u>\$ 108,862,149</u>
District's covered payroll	\$ 107,479,305	\$ 101,010,246	\$ 94,665,326
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	41.52%	50.60%	41.27%
Plan fiduciary net position as a percentage of the total pension liability	77.51%	73.15%	75.62%

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.0637225%	0.0561062%	0.0532919%	0.0500841%	0.0500031%	0.0472361%	0.0453525%
\$ 16,227,867	\$ 30,049,360	\$ 27,702,785	\$ 27,567,478	\$ 15,988,290	\$ 17,849,838	\$ 16,031,505
<u>30,895,110</u>	<u>58,301,421</u>	<u>49,189,169</u>	<u>53,853,569</u>	<u>32,111,147</u>	<u>38,914,098</u>	<u>44,415,509</u>
<u>\$ 47,122,977</u>	<u>\$ 88,350,781</u>	<u>\$ 76,891,954</u>	<u>\$ 81,421,047</u>	<u>\$ 48,099,437</u>	<u>\$ 56,763,936</u>	<u>\$ 60,447,014</u>
\$ 89,363,827	\$ 77,446,712	\$ 68,749,686	\$ 65,657,907	\$ 63,726,646	\$ 61,341,434	\$ 58,463,299
18.16%	38.80%	40.30%	41.99%	25.09%	29.10%	27.42%
88.79%	75.54%	75.24%	73.74%	82.17%	78.43%	78.43%

BELTON INDEPENDENT SCHOOL DISTRICT

**SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM**

FOR THE YEAR ENDED AUGUST 31, 2025

Fiscal year ended August 31,	<u>2025</u>	<u>2024</u>	<u>2023</u>
Contractually required contribution	\$ 4,020,783	\$ 4,116,289	\$ 3,824,398
Contributions in relation to the contractually required contribution	<u>(4,020,783)</u>	<u>(4,116,289)</u>	<u>(3,824,398)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 106,209,515	\$ 107,479,305	\$ 101,010,246
Contribution as a percentage of covered payroll	3.79%	3.83%	3.79%

<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 3,070,726	\$ 2,719,447	\$ 2,295,618	\$ 1,867,871	\$ 1,688,704	\$ 1,515,430	\$ 1,638,666
<u>(3,070,726)</u>	<u>(2,719,447)</u>	<u>(2,295,618)</u>	<u>(1,867,871)</u>	<u>(1,688,704)</u>	<u>(1,515,430)</u>	<u>(1,638,666)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 94,665,326	\$ 89,363,827	\$ 77,446,712	\$ 68,749,686	\$ 65,657,907	\$ 63,726,646	\$ 61,341,434
3.24%	3.04%	2.96%	2.72%	2.57%	2.38%	2.67%

BELTON INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM

FOR THE YEAR ENDED AUGUST 31, 2025

Mesasurement year ended August 31,	<u>2024</u>	<u>2023</u>	<u>2022</u>
District's proportion of the net OPEB liability (asset)	0.0989596%	0.1004721%	0.0927696%
District's proportionate share of the net OPEB liability (asset)	\$ 30,035,746	\$ 22,242,818	\$ 22,212,770
State's proportionate share of the net OPEB liability (asset) associated with the District	<u>37,634,382</u>	<u>26,839,378</u>	<u>27,096,089</u>
Total	<u>\$ 67,670,128</u>	<u>\$ 49,082,196</u>	<u>\$ 49,308,859</u>
District's covered-employee payroll	\$ 107,479,305	\$ 101,010,246	\$ 94,665,326
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	27.95%	22.02%	23.46%
Plan fiduciary net position as a percentage of the total OPEB liability	13.70%	11.94%	11.52%

Note: This schedule is required to have 10 years of information but the information prior to 2017 is not available.

2021	2020	2019	2018	2017
0.0921432%	0.0848058%	0.0815581%	0.0793815%	0.0785869%
\$ 35,543,766	\$ 32,238,498	\$ 38,569,841	\$ 39,635,918	\$ 34,174,480
<u>47,620,726</u>	<u>43,320,813</u>	<u>51,250,692</u>	<u>56,028,057</u>	<u>49,471,494</u>
<u>\$ 83,164,492</u>	<u>\$ 75,559,311</u>	<u>\$ 89,820,533</u>	<u>\$ 95,663,975</u>	<u>\$ 83,645,974</u>
\$ 89,363,827	\$ 77,446,712	\$ 68,749,686	\$ 65,657,907	\$ 63,726,646
39.77%	41.63%	56.10%	60.37%	53.63%
6.18%	4.99%	2.66%	1.57%	0.91%

BELTON INDEPENDENT SCHOOL DISTRICT

**SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM**

FOR THE YEAR ENDED AUGUST 31, 2025

Fiscal year ended August 31,	<u>2025</u>	<u>2024</u>	<u>2023</u>
Contractually required contribution	\$ 860,357	\$ 898,367	\$ 863,179
Contributions in relation to the contractually required contribution	<u>(860,357)</u>	<u>(898,367)</u>	<u>(863,179)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 106,209,515	\$ 107,479,305	\$ 101,010,246
Contribution as a percentage of covered-employee payroll	0.81%	0.84%	0.85%

Note: This schedule is required to have 10 years of information but the information prior to 2018 is not available.

2022	2021	2020	2019	2018
\$ 761,955	\$ 719,898	\$ 645,728	\$ 580,418	\$ 549,224
<u>(761,955)</u>	<u>(719,898)</u>	<u>(645,728)</u>	<u>(580,418)</u>	<u>(549,224)</u>
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 94,665,326	\$ 89,363,827	\$ 77,446,712	\$ 68,749,686	\$ 65,657,907
0.80%	0.81%	0.83%	0.84%	0.84%

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COMBINING STATEMENTS

BELTON INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2025

Data Control Codes		206 ESEA Title X, C Homeless	211 ESEA I, A Improving Basic Program	224 IDEA Part B Formula
ASSETS				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -
1240	Due from other governments	352	257,273	157,452
1300	Inventories	-	-	-
1000	Total assets	<u>352</u>	<u>257,273</u>	<u>157,452</u>
LIABILITIES				
2110	Accounts payable	-	6,339	-
2160	Accrued wages payable	-	80,936	-
2170	Due to other funds	352	169,998	157,452
2300	Unearned revenues	-	-	-
	Total liabilities	<u>352</u>	<u>257,273</u>	<u>157,452</u>
FUND BALANCES				
Nonspendable:				
3410	Inventories	-	-	-
Restricted:				
3450	Federal or state grant restrictions	-	-	-
3545	Committed for campus activities	-	-	-
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total liabilities and fund balances	<u>\$ 352</u>	<u>\$ 257,273</u>	<u>\$ 157,452</u>

225 IDEA Part B Preschool	240 National Breakfast and Lunch Program	242 Summer Feeding Program	244 Vocational Ed Basic Grant	255 ESEA II, A Training and Recruiting	263 Title III, A English Lang. Acquisition
\$ 3,001	\$ 4,005,644	\$ -	\$ -	\$ -	\$ -
-	361,739	-	7,283	74,740	20,766
-	236,178	-	-	-	-
<u>3,001</u>	<u>4,603,561</u>	<u>-</u>	<u>7,283</u>	<u>74,740</u>	<u>20,766</u>
-	308,964	-	-	12,172	-
3,001	77,429	-	-	-	-
-	-	-	7,283	62,568	20,766
-	317,040	-	-	-	-
<u>3,001</u>	<u>703,433</u>	<u>-</u>	<u>7,283</u>	<u>74,740</u>	<u>20,766</u>
-	96,606	-	-	-	-
-	3,803,522	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>3,900,128</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ 3,001	\$ 4,603,561	\$ -	\$ 7,283	\$ 74,740	\$ 20,766

BELTON INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2025

Data Control Codes		289 Other Federal Special Revenue	397 Advanced Placement Incentives	410 State Instructional Materials
ASSETS				
1110	Cash and cash equivalents	\$ 1,080	\$ 15,008	\$ -
1240	Due from other governments	8,170	-	91,836
1300	Inventories	-	-	-
1000	Total assets	<u>9,250</u>	<u>15,008</u>	<u>91,836</u>
LIABILITIES				
2110	Accounts payable	-	-	3,104
2160	Accrued wages payable	-	-	-
2170	Due to other funds	-	-	88,452
2300	Unearned revenues	-	15,008	280
	Total liabilities	<u>-</u>	<u>15,008</u>	<u>91,836</u>
FUND BALANCES				
Nonspendable:				
3410	Inventories	-	-	-
Restricted:				
3450	Federal or state grant restrictions	9,250	-	-
3545	Committed for campus activities	-	-	-
3000	Total fund balances	<u>9,250</u>	<u>-</u>	<u>-</u>
4000	Total liabilities and fund balances	<u>\$ 9,250</u>	<u>\$ 15,008</u>	<u>\$ 91,836</u>

429 Other State Special Revenue Funds	461 Campus Activity Funds	499 Locally Funded Special Revenue Funds	Total Nonmajor Special Revenue
\$ 1,433	\$ 2,378,343	\$ 362,410	\$ 6,766,919
3,432	-	-	983,043
-	-	-	236,178
<u>4,865</u>	<u>2,378,343</u>	<u>362,410</u>	<u>7,986,140</u>
-	1,891	-	332,470
-	-	-	161,366
-	-	-	506,871
-	-	-	332,328
<u>-</u>	<u>1,891</u>	<u>-</u>	<u>1,333,035</u>
-	-	-	96,606
4,865	-	-	3,817,637
-	2,376,452	362,410	2,738,862
<u>4,865</u>	<u>2,376,452</u>	<u>362,410</u>	<u>6,653,105</u>
<u>\$ 4,865</u>	<u>\$ 2,378,343</u>	<u>\$ 362,410</u>	<u>\$ 7,986,140</u>

BELTON INDEPENDENT SCHOOL DISTRICT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes		206 ESEA Title X, C Homeless	211 ESEA I, A Improving Basic Program	224 IDEA Part B Formula
REVENUES				
5700	Local and intermediate sources	\$ -	\$ -	\$ -
5800	State program	-	-	-
5900	Federal program	<u>28,430</u>	<u>1,991,349</u>	<u>2,392,998</u>
5020	Total revenues	<u>28,430</u>	<u>1,991,349</u>	<u>2,392,998</u>
EXPENDITURES				
Current:				
0011	Instruction	-	1,439,413	-
0012	Instruction resources and media services	-	-	-
0013	Curriculum and instructional staff development	-	259,888	488,902
0021	Instructional leadership	-	-	-
0023	School leadership	-	15,000	-
0031	Guidance, counseling, evaluation services	-	-	1,494,640
0032	Social work services	28,430	119,225	-
0034	Student (pupil) transportation	-	-	-
0035	Food services	-	-	-
0036	Extracurricular activities	-	-	-
0041	General administration	-	-	-
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	-	40,146
0061	Community services	-	157,823	-
Intergovernmental:				
0093	Payments related to shared service arrangements	<u>-</u>	<u>-</u>	<u>369,310</u>
6030	Total expenditures	<u>28,430</u>	<u>1,991,349</u>	<u>2,392,998</u>
OTHER FINANCING SOURCES (USES)				
7915	Transfers in	-	-	-
8911	Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
7080	Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
1200	NET CHANGE IN FUND BALANCES	-	-	-
0100	FUND BALANCES, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
3000	FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

225 IDEA Part B Preschool	240 National Breakfast and Lunch Program	242 Summer Feeding Program	244 Vocational Ed Basic Grant	255 ESEA II, A Training and Recruiting	263 Title III, A English Lang. Acquisition
\$ -	\$ 2,724,462	\$ -	\$ -	\$ -	\$ -
-	126,302	-	-	-	-
<u>24,790</u>	<u>5,227,380</u>	<u>54,633</u>	<u>149,144</u>	<u>461,786</u>	<u>92,616</u>
<u>24,790</u>	<u>8,078,144</u>	<u>54,633</u>	<u>149,144</u>	<u>461,786</u>	<u>92,616</u>
24,790	-	-	53,837	-	28,737
-	-	-	-	-	-
-	-	-	2,013	461,786	54,776
-	-	-	93,294	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	9,017,075	82,574	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	9,103
-	-	-	-	-	-
<u>24,790</u>	<u>9,017,075</u>	<u>82,574</u>	<u>149,144</u>	<u>461,786</u>	<u>92,616</u>
-	-	27,941	-	-	-
-	(27,941)	-	-	-	-
-	(27,941)	27,941	-	-	-
-	(966,872)	-	-	-	-
-	4,867,000	-	-	-	-
\$ -	\$ 3,900,128	\$ -	\$ -	\$ -	\$ -

BELTON INDEPENDENT SCHOOL DISTRICT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes		289 Other Federal Special Revenue	397 Advanced Placement Incentives	410 State Instructional Materials
	REVENUES			
5700	Local and intermediate sources	\$ -	\$ -	\$ -
5800	State program	-	-	1,303,902
5900	Federal program	<u>224,090</u>	<u>-</u>	<u>-</u>
5020	Total revenues	<u>224,090</u>	<u>-</u>	<u>1,303,902</u>
	EXPENDITURES			
	Current:			
0011	Instruction	93,779	-	1,303,902
0012	Instruction resources and media services	-	-	-
0013	Curriculum and instructional staff development	13,590	-	-
0021	Instructional leadership	-	-	-
0023	School leadership	-	-	-
0031	Guidance, counseling, evaluation services	23,085	-	-
0032	Social work services	69,666	-	-
0034	Student (pupil) transportation	-	-	-
0035	Food services	-	-	-
0036	Extracurricular activities	-	-	-
0041	General administration	-	-	-
0052	Security and monitoring services	23,970	-	-
0053	Data processing services	-	-	-
0061	Community services	-	-	-
	Intergovernmental:			
0093	Payments related to shared service arrangements	<u>-</u>	<u>-</u>	<u>-</u>
6030	Total expenditures	<u>224,090</u>	<u>-</u>	<u>1,303,902</u>
	OTHER FINANCING SOURCES (USES)			
7915	Transfers in	-	-	-
8911	Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
7080	Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
1200	NET CHANGE IN FUND BALANCES	-	-	-
0100	FUND BALANCES, BEGINNING	<u>9,250</u>	<u>-</u>	<u>-</u>
3000	FUND BALANCES, ENDING	<u>\$ 9,250</u>	<u>\$ -</u>	<u>\$ -</u>

429 Other State Special Revenue Funds	461 Campus Activity Funds	499 Locally Funded Special Revenue Funds	Total Nonmajor Special Revenue
\$ -	\$ 2,887,441	\$ 155,009	\$ 5,766,912
1,122,896	-	-	2,553,100
-	-	-	10,647,216
<u>1,122,896</u>	<u>2,887,441</u>	<u>155,009</u>	<u>18,967,228</u>
10,141	502,955	66,248	3,523,802
-	81,866	7,520	89,386
-	646	-	1,281,601
-	-	-	93,294
-	42,824	-	57,824
-	-	-	1,517,725
-	-	-	217,321
-	1,530	-	1,530
-	-	-	9,099,649
-	1,834,693	1,057	1,835,750
-	1,055	-	1,055
1,087,105	-	-	1,111,075
24,000	-	33,921	98,067
-	-	-	166,926
-	-	-	369,310
<u>1,121,246</u>	<u>2,465,569</u>	<u>108,746</u>	<u>19,464,315</u>
-	-	-	27,941
-	-	-	(27,941)
-	-	-	-
1,650	421,872	46,263	(497,087)
<u>3,215</u>	<u>1,954,580</u>	<u>316,147</u>	<u>7,150,192</u>
<u>\$ 4,865</u>	<u>\$ 2,376,452</u>	<u>\$ 362,410</u>	<u>\$ 6,653,105</u>

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REQUIRED TEA SCHEDULES

BELTON INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DELINQUENT TAXES RECEIVABLE

FOR THE YEAR ENDED AUGUST 31, 2025

Last Ten Years Ended August 31,	1		2	3	10
	Tax Rates			Net Assessed/ Appraised Value for School Tax Purpose	Beginning Balance 9/1/2024
	Maintenance	Debt Service			
2016 and prior years	various	various		various	\$ 207,272
2017	1.170000	0.270000		2,260,436,690	51,300
2018	1.170000	0.433000		2,673,408,819	70,610
2019	1.170000	0.433000		3,090,789,145	86,924
2020	1.068300	0.396800		3,559,221,555	160,821
2021	0.968300	0.396800		4,049,813,494	222,052
2022	0.960300	0.396800		4,582,108,246	261,364
2023	0.942900	0.394200		5,573,848,702	465,043
2024	0.757500	0.394200		5,791,972,302	887,211
2025	0.755200	0.394200		6,260,127,719	-
1000 Totals					<u>\$ 2,412,597</u>
8000 - Taxes refunded					
9000 - Tax increment					

EXHIBIT J-1

20	31	32	40	50	99
Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance 8/31/2025	Total Taxes Refunded under Section 26.115 (c)
\$ -	\$ 26,809	\$ 4,850	\$ (1,130)	\$ 174,483	
-	5,742	1,325	(55)	44,178	
-	10,323	3,820	(215)	56,252	
-	18,371	6,799	(312)	61,442	
-	19,986	7,423	(26,146)	107,266	
-	6,687	2,740	(31,660)	180,965	
-	3,689	1,524	(55,860)	200,291	
-	13,058	6,602	(161,016)	284,367	
-	(38,985)	(20,288)	(544,046)	402,438	
<u>71,953,908</u>	<u>45,427,776</u>	<u>23,712,433</u>	<u>(1,811,936)</u>	<u>1,001,763</u>	
<u>\$ 71,953,908</u>	<u>\$ 45,493,456</u>	<u>\$ 23,727,228</u>	<u>\$ (2,632,376)</u>	<u>\$ 2,513,445</u>	
					<u>\$ 102,971</u>
	<u>\$ 493,459</u>				

BELTON INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-2

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - NATIONAL BREAKFAST AND LUNCH PROGRAM FUND

FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes		Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
		Original	Final		
	REVENUES				
5700	Local and intermediate sources	\$ 2,450,000	\$ 2,450,000	\$ 2,724,462	\$ 274,462
5800	State program	135,000	135,000	126,302	(8,698)
5900	Federal program	<u>5,540,000</u>	<u>5,540,000</u>	<u>5,227,380</u>	<u>(312,620)</u>
5020	Total revenues	<u>8,125,000</u>	<u>8,125,000</u>	<u>8,078,144</u>	<u>(46,856)</u>
	EXPENDITURES				
	Current:				
0035	Food service	<u>10,106,977</u>	<u>9,806,977</u>	<u>9,017,075</u>	<u>789,902</u>
6030	Total expenditures	<u>10,106,977</u>	<u>9,806,977</u>	<u>9,017,075</u>	<u>789,902</u>
1100	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,981,977)</u>	<u>(1,681,977)</u>	<u>(938,931)</u>	<u>(836,758)</u>
	OTHER FINANCING SOURCES (USES)				
8911	Transfers out	<u>-</u>	<u>-</u>	<u>(27,941)</u>	<u>(27,941)</u>
7080	Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(27,941)</u>	<u>(27,941)</u>
1200	NET CHANGE IN FUND BALANCES	<u>(1,981,977)</u>	<u>(1,681,977)</u>	<u>(966,872)</u>	<u>715,105</u>
0100	FUND BALANCES, BEGINNING	<u>4,867,000</u>	<u>4,867,000</u>	<u>4,867,000</u>	<u>-</u>
3000	FUND BALANCES, ENDING	<u>\$ 2,885,023</u>	<u>\$ 3,185,023</u>	<u>\$ 3,900,128</u>	<u>\$ 715,105</u>

BELTON INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-3

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - MAJOR DEBT SERVICE FUND

FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes		Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
		Original	Final		
	REVENUES				
5700	Local and intermediate sources	\$ 24,939,661	\$ 24,939,661	\$ 24,921,032	\$ (18,629)
5800	State program	<u>3,769,627</u>	<u>4,085,472</u>	<u>4,085,472</u>	<u>-</u>
5020	Total revenues	<u>28,709,288</u>	<u>29,025,133</u>	<u>29,006,504</u>	<u>(18,629)</u>
	EXPENDITURES				
	Debt service:				
0071	Principal on long-term debt	9,665,000	9,665,000	9,665,000	-
0072	Interest on long-term debt	15,528,238	15,528,238	15,528,238	-
0073	Bond issuance costs and fees	<u>40,000</u>	<u>40,000</u>	<u>30,735</u>	<u>9,265</u>
6030	Total expenditures	<u>25,233,238</u>	<u>25,233,238</u>	<u>25,223,973</u>	<u>9,265</u>
1200	NET CHANGE IN FUND BALANCES	3,476,050	3,791,895	3,782,531	(9,364)
0100	FUND BALANCES, BEGINNING	<u>12,557,449</u>	<u>12,557,449</u>	<u>12,557,449</u>	<u>-</u>
3000	FUND BALANCES, ENDING	<u>\$ 16,033,499</u>	<u>\$ 16,349,344</u>	<u>\$ 16,339,980</u>	<u>\$ (9,364)</u>

USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAMS
FOR THE YEAR ENDED AUGUST 31, 2025

Section A: Compensatory Education Programs

AP1	Did your district expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the district have written policies and procedures for its state compensatory education program?	Yes
AP3	Total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$ 8,598,829
AP4	Actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24, 26, 28, 29, 30)	\$ 7,542,919

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.	\$ 715,612
AP8	Actual direct program expenditures for bilingual education programs during the district's fiscal year. (PICs 25)	\$ 708,367

STATISTICAL SECTION

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STATISTICAL SECTION

This part of the District statistical annual comprehensive financial report presents detailed information as a context for understanding the information in the financial statements, note disclosures, and required supplementary information. The statistical section includes a number of schedules that fall within the following categories:

<u>Contents</u>	<u>Page</u>
Financial Trend Data These schedules contain trend information on how the District's financial performance and well-being have changed over time.	68 – 80
Revenue Capacity Data These schedules contain information on the District's most significant local revenue source, the property tax.	81 – 84
Debt Capacity Data These schedules present information to help assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	85 – 87
Demographic and Economic Information These schedules offer demographic and economic indicators to help understand the environment within which the District's financial activities take place.	88 – 91
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the service the District provides and the activities it performs.	92 – 96

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BELTON INDEPENDENT SCHOOL DISTRICT**TABLE 1**

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2025	2024	2023	2022	2021
Primary Government					
Governmental Activities					
Net investment in capital assets	\$ 67,076,165	\$ 66,736,585	\$ 57,362,953	\$ 60,852,231	\$ 60,207,232
Restricted	19,895,379	16,849,594	13,600,899	13,139,219	8,800,420
Unrestricted	<u>(34,430,418)</u>	<u>(27,957,292)</u>	<u>(10,369,708)</u>	<u>(24,095,231)</u>	<u>(24,313,542)</u>
Total Primary Government					
Net Position	<u>\$ 52,541,126</u>	<u>\$ 55,628,887</u>	<u>\$ 60,594,144</u>	<u>\$ 49,896,219</u>	<u>\$ 44,694,110</u>
	2020	2019	2018 ¹	2017	2016
Primary Government					
Governmental Activities					
Net investment in capital assets	\$ 60,723,581	\$ 57,163,338	\$ 55,952,818	\$ 52,701,794	\$ 48,771,113
Restricted	7,102,909	7,372,936	7,128,296	5,628,129	4,111,421
Unrestricted	<u>(23,421,233)</u>	<u>(19,744,493)</u>	<u>(24,043,627)</u>	<u>18,674,471</u>	<u>17,188,935</u>
Total Primary Government					
Net Position	<u>\$ 44,405,257</u>	<u>\$ 44,791,781</u>	<u>\$ 39,037,487</u>	<u>\$ 77,004,394</u>	<u>\$ 70,071,469</u>

1 - In 2018, the District implemented Governmental Accounting Standards Board Statement No. 75, causing unrestricted net position to become a deficit.

BELTON INDEPENDENT SCHOOL DISTRICT

CHANGE IN NET POSITION

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2025</u>	<u>2024</u>
Expenses - Governmental Activities:		
Instruction	\$ 91,967,003	\$ 97,626,153
Instructional Resources and Media Services	1,764,242	2,277,088
Curriculum and Staff Development	5,012,240	5,021,707
Instructional Leadership	2,681,232	2,745,405
School Leadership	8,973,855	9,270,808
Guidance, Counseling, and Evaluation Services	7,589,212	8,278,551
Social Work Services	407,438	632,677
Health Services	2,225,588	2,374,731
Student Transportation	6,306,879	7,132,659
Food Service	8,932,504	8,935,223
Extracurricular Activities	8,034,444	8,333,433
General Administration	4,659,902	4,529,868
Facilities Maintenance and Operations	15,414,867	15,404,126
Security and Monitoring Services	3,656,700	3,507,477
Data Processing Services	5,478,425	6,316,910
Community Services	167,928	33,187
Interest on Long-term Debt	14,016,369	14,429,604
Bond Issuance Costs and Fees	-	-
Payments Related to Shared Services Arrangements	369,310	346,218
Payments to Juvenile Justice Alternative Education Programs	-	-
Payments to Tax Increment Fund	493,459	478,695
Other Intergovernmental Charges	<u>746,754</u>	<u>709,772</u>
Total Governmental Activities	<u>188,898,351</u>	<u>198,384,292</u>
Program Revenues - Governmental Activities:		
Charges for Services:		
Instruction	351,763	339,000
Instructional Resources and Media Services	4,629	4,460
Curriculum and Staff Development	4,628	4,461
Student Transportation	92,569	89,211
Extracurricular Activities	3,291,564	3,009,166
Food Service	2,477,298	2,579,720
Facilities Maintenance and Operations	16,653	16,698
Data Processing Services	27,107	25,616
Community Services	9,257	8,921
Operating Grants and Contributions	21,911,904	26,493,786
Capital Grants and Contributions	<u>1,636,695</u>	<u>-</u>
Total Governmental Activities Program Revenues	<u>29,824,067</u>	<u>32,571,039</u>
Net (Expense)Revenue		
Governmental Activities	<u>(159,074,284)</u>	<u>(165,813,253)</u>
General Revenue - Governmental Activities:		
Property Taxes, Levied for General Purposes	45,970,527	42,935,445
Property Taxes, Levied for Debt Service	23,944,583	22,266,996
Grants and Contributions Not Restricted to Specific Programs	85,639,472	89,680,268
Investment Earnings	2,845,299	5,567,162
Miscellaneous	438,625	398,125
Extraordinary Items	<u>-</u>	<u>-</u>
Total Governmental Activities General Revenues and Extraordinary Items	<u>\$ 158,838,506</u>	<u>\$ 160,847,996</u>
Change in Net Position	<u>\$ (235,778)</u>	<u>\$ (4,965,257)</u>

Source: District Financial Statements

TABLE 2

	2023	2022	2021
\$	87,612,682	\$ 82,005,783	\$ 85,826,989
	2,033,900	1,350,884	1,866,592
	4,511,468	4,622,013	4,909,692
	2,518,447	2,209,411	2,203,636
	7,972,892	7,363,273	8,258,300
	7,021,717	5,962,719	6,542,151
	652,213	514,566	530,682
	2,091,864	2,162,608	3,343,389
	6,781,934	5,865,237	6,244,752
	7,408,932	6,979,639	6,373,441
	7,897,109	7,382,311	7,797,638
	4,273,816	5,300,828	4,140,991
	13,858,366	13,384,983	14,840,322
	2,379,856	1,571,044	1,753,832
	4,314,469	3,738,079	3,634,859
	33,161	26,213	25,925
	14,893,976	8,225,183	8,699,192
	-	-	-
	296,963	304,000	255,000
	-	5,665	9,724
	400,299	189,964	119,039
	678,678	618,980	569,075
	<u>177,632,742</u>	<u>159,783,383</u>	<u>167,945,221</u>
	343,371	247,148	217,827
	4,518	3,252	2,866
	4,518	3,252	2,866
	90,361	65,039	57,323
	2,939,964	2,412,795	1,818,710
	2,369,735	695,938	594,143
	25,973	91,765	81,733
	29,365	5,695	45,863
	9,036	6,504	5,732
	24,923,301	20,530,332	27,726,810
	-	-	-
	<u>30,740,142</u>	<u>24,061,720</u>	<u>30,553,873</u>
	<u>(146,892,600)</u>	<u>(135,721,663)</u>	<u>(137,391,348)</u>
	51,429,827	43,542,828	39,183,145
	21,458,485	17,949,704	16,000,636
	73,933,172	78,332,742	81,479,957
	10,442,846	556,156	61,687
	326,195	542,342	331,847
	-	-	622,729
\$	<u>140,923,772</u>	<u>140,923,772</u>	<u>137,680,001</u>
\$	<u>5,202,109</u>	<u>5,202,109</u>	<u>288,653</u>

BELTON INDEPENDENT SCHOOL DISTRICT

CHANGE IN NET POSITION

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2020</u>	<u>2019</u>
Expenses - Governmental Activities:		
Instruction	\$ 78,877,846	\$ 68,093,880
Instructional Resources and Media Services	1,526,649	1,527,395
Curriculum and Staff Development	3,782,794	2,879,738
Instructional Leadership	1,851,283	1,406,661
School Leadership	7,356,279	6,550,809
Guidance, Counseling, and Evaluation Services	5,553,624	4,394,269
Social Work Services	495,161	444,447
Health Services	1,867,751	1,680,688
Student Transportation	5,337,563	5,075,058
Food Service	5,947,306	6,309,410
Extracurricular Activities	6,200,055	6,107,671
General Administration	3,589,597	3,502,072
Facilities Maintenance and Operations	12,455,714	11,611,639
Security and Monitoring Services	1,794,505	1,080,055
Data Processing Services	2,921,025	2,765,147
Community Services	18,060	21,769
Interest on Long-term Debt	9,051,611	9,244,447
Bond Issuance Costs and Fees	-	299,804
Payments Related to Shared Services Arrangements	210,000	147,533
Payments to Tax Increment Fund	27,045	-
Payments to Juvenile Justice Alternative Education Program	3,861	11,667
Other Intergovernmental Charges	<u>593,444</u>	<u>542,839</u>
Total Governmental Activities Expenses	<u>149,461,173</u>	<u>133,696,998</u>
Program Revenues - Governmental Activities:		
Charges for Services:		
Instruction	167,303	193,159
Instructional Resources and Media Services	2,201	2,542
Curriculum and Staff Development	2,201	2,542
Student Transportation	44,027	50,831
Extracurricular Activities	1,508,266	2,128,171
Food Service	1,385,558	1,902,627
Facilities Maintenance and Operations	47,148	63,258
Data Processing Services	126,433	169,748
Community Services	4,403	5,083
Operating Grants and Contributions	25,222,861	21,276,341
Capital Grants and Contributions	<u>-</u>	<u>-</u>
Total Governmental Activities Program Revenues	<u>28,510,401</u>	<u>25,794,302</u>
Net (Expense)Revenue		
Governmental Activities	<u>(120,950,772)</u>	<u>(107,902,696)</u>
General Revenue - Governmental Activities:		
Property Taxes, Levied for General Purposes	37,872,415	36,091,960
Property Taxes, Levied for Debt Service	14,030,246	13,371,250
Grants and Contributions Not Restricted to Specific Programs	66,700,253	60,900,881
Investment Earnings	1,753,344	2,962,396
Miscellaneous	207,990	330,503
Extraordinary Items	<u>-</u>	<u>-</u>
Total Governmental Activities General Revenues and Extraordinary Items	<u>\$ 120,564,248</u>	<u>\$ 113,656,990</u>
Change in Net Position	<u>\$ (386,524)</u>	<u>\$ 5,754,294</u>

Source: District Financial Statements

1 - In 2018, changes in benefits for the TRS-care plan caused negative on-behalf revenues and expenses.

TABLE 2

	2018 ¹	2017	2016
\$	40,964,054	\$ 59,322,811	\$ 57,852,027
	952,714	1,165,886	1,076,018
	1,843,122	2,324,698	2,170,875
	1,043,423	1,870,945	1,659,893
	3,867,836	6,090,700	5,978,525
	2,161,955	3,536,567	3,442,225
	361,576	377,906	341,778
	801,666	1,199,120	1,187,868
	4,210,589	4,655,796	4,743,599
	5,364,347	5,713,748	5,404,954
	5,565,444	4,996,203	3,658,633
	2,332,846	2,779,038	2,793,275
	8,235,212	9,651,120	9,518,998
	731,642	772,778	724,147
	1,858,986	1,989,378	3,599,160
	23,539	56,461	42,663
	8,294,721	5,174,964	4,690,118
	538,235	1,099,244	301,985
	149,000	141,550	127,950
	-	-	-
	1,488	1,379	664
	<u>492,662</u>	<u>426,611</u>	<u>392,448</u>
	<u>89,795,057</u>	<u>113,346,903</u>	<u>109,707,803</u>
	303,961	322,020	286,975
	3,999	4,237	3,776
	3,999	4,237	3,776
	79,990	84,742	75,520
	1,997,234	2,109,635	386,386
	1,940,011	2,694,117	1,797,188
	52,522	110,902	39,878
	-	-	-
	7,999	8,474	7,552
	1,288,814	20,712,489	20,902,672
	-	-	-
	<u>5,678,529</u>	<u>26,050,853</u>	<u>23,503,723</u>
	<u>(84,116,528)</u>	<u>(87,296,050)</u>	<u>(86,204,080)</u>
	33,450,535	31,153,139	29,037,285
	12,330,247	7,184,622	6,703,698
	57,569,397	55,251,492	55,212,925
	2,376,372	271,725	90,498
	350,399	367,997	381,896
	-	-	722,690
\$	<u>106,076,950</u>	<u>94,228,975</u>	<u>92,148,992</u>
\$	<u>21,960,422</u>	<u>6,932,925</u>	<u>5,944,912</u>

BELTON INDEPENDENT SCHOOL DISTRICT

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2025	2024	2023	2022
General Fund				
Nonspendable	\$ 114,025	\$ 132,453	\$ 166,350	\$ 171,842
Committed	-	-	-	-
Assigned	-	8,156,903	5,415,391	4,413,666
Unassigned	<u>33,492,036</u>	<u>27,863,529</u>	<u>34,543,103</u>	<u>34,598,558</u>
Total General Fund	<u>\$ 33,606,061</u>	<u>\$ 36,152,885</u>	<u>\$ 40,124,844</u>	<u>\$ 39,184,066</u>
All Other Governmental Funds				
Nonspendable	\$ 96,606	\$ 288,663	\$ 389,084	\$ -
Restricted for:				
Federal and state programs	3,817,637	4,590,802	4,228,685	3,276,546
Debt service	16,339,980	12,557,449	9,975,303	10,410,750
Construction	22,992,721	35,525,990	130,112,075	174,328,878
Committed	2,738,862	2,270,727	2,140,337	1,904,574
Assigned for construction	-	-	110,917	126,877
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total All Other Governmental Funds	<u>\$ 45,985,806</u>	<u>\$ 55,233,631</u>	<u>\$ 146,956,401</u>	<u>\$ 190,047,625</u>

Source: District Financial Statements

TABLE 3

2021	2020	2019	2018	2017	2016
\$ 223,466	\$ 263,225	\$ 104,642	\$ 84,891	\$ 95,887	\$ 48,219
-	-	-	-	-	727,506
5,452,410	5,732,238	2,041,000	3,060,583	3,852,284	4,743,855
<u>33,783,544</u>	<u>31,718,229</u>	<u>37,608,118</u>	<u>29,252,090</u>	<u>22,535,391</u>	<u>19,607,281</u>
<u>\$ 39,459,420</u>	<u>\$ 37,713,692</u>	<u>\$ 39,753,760</u>	<u>\$ 32,397,564</u>	<u>\$ 26,483,562</u>	<u>\$ 25,126,861</u>
\$ -	\$ -	\$ -	\$ 132,665	\$ -	\$ 95,981
861,115	747,619	1,796,136	1,607,727	1,290,080	823,427
8,042,621	6,468,587	5,956,228	5,684,897	4,616,639	3,343,415
5,763,373	11,732,361	54,582,709	105,057,375	129,875,610	2,906,087
1,775,505	1,573,738	1,100,088	976,196	992,018	59,867
476,640	1,907,865	1,077,453	-	-	-
-	-	-	-	(360)	-
<u>\$ 16,919,254</u>	<u>\$ 22,430,170</u>	<u>\$ 64,512,614</u>	<u>\$ 113,458,860</u>	<u>\$ 136,773,987</u>	<u>\$ 7,228,777</u>

BELTON INDEPENDENT SCHOOL DISTRICT

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2025	2024
Revenues		
Local and Intermediate	\$ 81,588,433	\$ 80,092,190
State Programs	100,427,064	103,546,333
Federal Programs	<u>12,228,588</u>	<u>15,647,377</u>
Total Revenues	<u>194,244,085</u>	<u>199,285,900</u>
Expenditures		
Current:		
Instruction	87,768,321	93,295,777
Instructional Resources and Media Services	1,743,195	2,251,971
Curriculum and Staff Development	5,078,609	4,963,721
Instructional Leadership	2,668,957	2,682,356
School Leadership	9,222,288	9,248,401
Guidance, Counseling, and Evaluation Services	7,746,116	8,205,551
Social Work Services	409,962	680,437
Health Services	2,285,181	2,366,760
Student Transportation	5,697,554	6,384,113
Food Services	9,099,649	8,795,488
Extracurricular Activities	7,406,027	7,541,297
General Administration	4,527,587	4,389,752
Facilities Maintenance and Operations	14,455,159	14,825,196
Security and Monitoring Services	3,785,358	3,606,975
Data Processing Services	4,811,184	5,400,171
Community Services	166,926	32,919
Debt Service:		
Principal on Long-term Debt	10,552,201	9,677,064
Interest on Long-term Debt	15,593,607	15,980,323
Bond Issuance Costs and Fees	30,735	24,355
Capital Outlay:		
Facilities Acquisition and Construction	13,486,777	94,714,050
Intergovernmental:		
Payments to Shared Services Arrangements	369,310	346,218
Payments to Tax Increment Fund	493,459	478,695
Payments to Juvenile Justice Alternative Education Programs	-	-
Other Intergovernmental Charges	<u>746,754</u>	<u>709,772</u>
Total Expenditures	<u>208,144,916</u>	<u>296,601,362</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(13,900,831)</u>	<u>(97,315,462)</u>
Other Financing Sources (Uses)		
Transfers In	27,941	863,803
Transfers Out	(27,941)	(863,803)
Issuance of bonds	-	-
Issuance of leases	505,104	1,555,560
Issuance of SBITAs	-	-
Issuance of Refunding Bonds	-	-
Premium or Discount on Issuance of Bonds	-	-
Payments to Refunded Bonds Escrow Agent	-	-
Insurance recovery	-	-
Sale of Real and Personal Property	1,601,078	65,173
Leases	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>2,106,182</u>	<u>1,620,733</u>
Extraordinary Item	-	-
Net Change in Fund Balances	<u>\$ (11,794,649)</u>	<u>\$ (95,694,729)</u>
Debt Service as a Percentage of Noncapital Expenditures	13.67%	13.10%

Note: Debt service as a percentage of noncapital expenditures is determined by dividing debt service expenditures by total expenditures less facilities acquisition/construction expenditures and other capital assets (unit price over \$5,000).

TABLE 4

2023	2022	2021
\$ 89,410,624	\$ 66,335,761	\$ 58,421,998
82,999,081	87,455,849	90,632,011
<u>18,760,525</u>	<u>20,622,050</u>	<u>17,342,003</u>
<u>191,170,230</u>	<u>174,413,660</u>	<u>166,396,012</u>
82,542,028	80,654,547	78,046,681
2,134,863	1,802,066	1,837,719
4,656,281	5,218,632	4,814,209
2,676,336	2,373,728	2,150,801
8,294,296	8,024,306	8,115,259
7,290,417	6,518,780	6,426,589
663,202	534,412	523,413
2,177,549	2,339,184	2,325,095
6,348,005	6,037,629	5,595,664
7,547,739	7,022,650	6,122,693
7,395,199	7,065,938	6,977,212
4,463,603	3,932,468	3,851,036
13,797,562	14,309,083	14,200,165
2,461,042	1,604,544	1,730,761
5,052,803	3,696,076	2,943,211
33,258	26,718	25,281
7,970,394	6,757,689	8,629,973
16,423,482	9,318,192	9,757,537
20,570	1,616,848	217,230
51,453,124	5,907,235	5,738,651
296,963	304,000	255,000
400,299	189,964	119,039
-	5,665	9,724
<u>678,678</u>	<u>618,980</u>	<u>569,075</u>
<u>234,777,693</u>	<u>175,879,334</u>	<u>170,982,018</u>
<u>(43,607,463)</u>	<u>(1,465,674)</u>	<u>(4,586,006)</u>
-	3,606	-
-	(3,606)	-
-	-	-
1,313,443	197,107	-
105,615	-	-
-	183,635,000	13,610,000
-	10,915,961	2,752,936
-	(20,539,500)	(16,164,847)
-	110,123	-
37,959	-	-
-	-	-
<u>1,457,017</u>	<u>174,318,691</u>	<u>198,089</u>
-	622,729	-
<u>\$ (42,150,446)</u>	<u>\$ 173,475,746</u>	<u>\$ (4,387,917)</u>
13.54%	9.60%	11.23%

BELTON INDEPENDENT SCHOOL DISTRICT

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2020</u>	<u>2019</u>
Revenues		
Local and Intermediate	\$ 57,110,530	\$ 57,240,075
State Programs	77,324,551	68,559,550
Federal Programs	<u>9,899,926</u>	<u>12,079,395</u>
Total Revenues	<u>144,335,007</u>	<u>137,879,020</u>
Expenditures		
Current:		
Instruction	71,383,687	57,738,413
Instructional Resources and Media Services	1,435,171	1,454,288
Curriculum and Staff Development	3,545,462	2,724,042
Instructional Leadership	1,733,744	1,331,552
School Leadership	6,851,444	6,160,684
Guidance, Counseling, and Evaluation Services	5,153,197	4,105,138
Social Work Services	477,245	432,248
Health Services	1,741,588	1,598,859
Student Transportation	4,905,437	4,509,379
Food Services	5,598,929	6,542,844
Extracurricular Activities	6,730,467	5,088,939
General Administration	3,425,351	3,327,935
Facilities Maintenance and Operations	12,078,602	10,918,991
Security and Monitoring Services	1,735,000	1,058,242
Data Processing Services	3,114,419	2,337,310
Community Services	17,540	21,302
Debt Service:		
Principal on Long-term Debt	6,929,536	7,324,312
Interest on Long-term Debt	10,051,616	9,736,282
Bond Issuance Costs and Fees	24,436	299,804
Payment to Bond Refunding Escrow Agent	-	-
Capital Outlay:		
Facilities Acquisition and Construction	42,707,213	72,369,187
Intergovernmental:		
Payments to Shared Services Arrangements	210,000	147,533
Payments to Tax Increment Fund	3,861	11,667
Payments to Juvenile Justice Alternative Education Programs	27,045	-
Other Intergovernmental Charges	<u>593,444</u>	<u>542,839</u>
Total Expenditures	<u>190,474,434</u>	<u>199,781,790</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(46,139,427)</u>	<u>(61,902,770)</u>
Other Financing Sources (Uses)		
Transfers In	3,585,712	1,025,600
Transfers Out	(3,585,712)	(1,025,600)
Bonds Issued	-	18,870,000
Issuance of Refunding Bonds	-	-
Premium or Discount on Issuance of Bonds	-	1,119,580
Payments to Refunded Bonds Escrow Agent	-	-
Sale of Real and Personal Property	-	323,140
Leases	<u>2,018,915</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>2,018,915</u>	<u>20,312,720</u>
Extraordinary Item	-	-
Net Change in Fund Balances	<u>\$ (44,120,512)</u>	<u>\$ (41,590,050)</u>
Debt Service as a Percentage of Noncapital Expenditures	11.98%	13.70%

Note: Debt service as a percentage of noncapital expenditures is determined by dividing debt service expenditures by total expenditures less facilities acquisition/construction expenditures and other capital assets (unit price over \$5,000).

TABLE 4

2018	2017	2016
\$ 52,906,482	\$ 44,298,755	\$ 38,986,970
66,041,308	63,956,171	63,375,103
<u>11,425,814</u>	<u>10,759,114</u>	<u>8,149,340</u>
<u>130,373,604</u>	<u>119,014,040</u>	<u>110,511,413</u>
55,242,535	53,734,813	50,578,893
1,306,115	1,150,621	1,014,332
2,641,628	2,276,877	2,084,351
1,512,583	1,831,982	1,584,059
5,922,322	5,970,964	5,608,197
3,597,526	3,442,812	3,264,618
418,521	374,862	333,771
1,255,933	1,175,264	1,108,870
4,905,571	3,969,007	4,702,843
5,788,142	5,509,661	5,322,760
4,929,220	4,348,793	3,058,320
3,191,243	2,739,003	2,629,073
9,528,714	9,433,408	9,153,560
850,159	763,778	726,105
2,506,557	2,751,975	3,185,372
25,736	53,767	42,663
7,099,813	5,433,489	5,037,381
8,801,544	5,253,928	5,028,091
538,235	1,099,244	301,985
-	-	115,000
27,580,167	7,626,124	3,748,269
149,000	141,550	127,950
1,488	1,379	664
-	-	-
<u>492,662</u>	<u>426,611</u>	<u>392,448</u>
<u>148,285,414</u>	<u>119,509,912</u>	<u>109,149,575</u>
<u>(17,911,810)</u>	<u>(495,872)</u>	<u>1,361,838</u>
683,225	2,201,225	1,423,494
(683,225)	(2,201,225)	(1,423,494)
49,145,000	117,440,000	-
-	-	14,270,000
6,403,817	13,640,195	2,292,720
(55,038,132)	-	(16,275,816)
-	-	-
-	<u>317,588</u>	<u>2,471,763</u>
<u>510,685</u>	<u>131,397,783</u>	<u>2,758,667</u>
-	-	722,690
<u>\$ (17,401,125)</u>	<u>\$ 130,901,911</u>	<u>\$ 4,843,195</u>
17.64%	11.46%	10.43%

BELTON INDEPENDENT SCHOOL DISTRICT

GOVERNMENTAL FUNDS REVENUES BY SOURCE

LAST TEN FISCAL YEARS

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Local Sources:				
Property tax	\$ 69,220,745	\$ 64,404,968	\$ 72,299,763	\$ 61,320,546
Other	12,367,688	15,687,222	17,110,861	5,015,215
State sources	100,427,064	103,546,333	82,999,081	87,455,849
Federal sources	<u>12,228,588</u>	<u>15,647,377</u>	<u>18,760,525</u>	<u>20,622,050</u>
Total	<u>\$ 194,244,085</u>	<u>\$ 199,285,900</u>	<u>\$ 191,170,230</u>	<u>\$ 174,413,660</u>

Source: District Financial Statements and Notes to the Basic Financial Statements

TABLE 5

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 54,715,188 3,706,810	\$ 51,861,656 5,248,874	\$ 49,429,215 7,810,860	\$ 45,780,782 7,125,700	\$ 38,337,761 5,960,994	\$ 35,730,973 3,255,997
90,632,011	77,324,551	68,559,550	66,041,308	63,956,171	63,375,103
<u>17,342,003</u>	<u>9,899,926</u>	<u>12,079,395</u>	<u>11,425,814</u>	<u>10,759,114</u>	<u>8,149,340</u>
<u>\$ 166,396,012</u>	<u>\$ 144,335,007</u>	<u>\$ 137,879,020</u>	<u>\$ 130,373,604</u>	<u>\$ 119,014,040</u>	<u>\$ 110,511,413</u>

BELTON INDEPENDENT SCHOOL DISTRICT**TABLE 6****TOTAL ASSESSED AND NET TAXABLE
VALUE OF TAXABLE PROPERTY****LAST TEN FISCAL YEARS**

Fiscal Year	Total Assessed Value	Total Exemptions	Net Taxable Value	Maintenance and Operations Rate	Interest and Sinking Rate	Total Direct Rate
2025	\$ 10,194,418,795	\$ 3,934,291,076	\$ 6,260,127,719	\$ 0.7552	\$ 0.3942	\$ 1.1494
2024	9,205,440,525	3,413,468,223	5,791,972,302	0.7575	0.3942	1.1517
2023	7,679,227,381	2,105,378,691	5,573,848,690	0.9429	0.3942	1.3371
2022	6,284,714,089	1,702,605,843	4,582,108,246	0.9603	0.3968	1.3571
2021	5,620,697,588	1,570,884,094	4,049,813,494	0.9683	0.3968	1.3651
2020	5,019,217,110	1,459,995,555	3,559,221,555	1.0683	0.3968	1.4651
2019	4,328,308,542	1,237,519,397	3,090,789,145	1.1700	0.4330	1.6030
2018	4,024,512,196	1,351,103,377	2,673,408,819	1.1700	0.4330	1.6030
2017	3,664,050,039	1,403,613,349	2,260,436,690	1.1700	0.2700	1.4400
2016	3,416,991,824	1,293,436,127	2,123,555,697	1.1700	0.2700	1.4400

Note: Assessed value, exemptions, and net taxable value are July certified values.

Source: Bell County Appraisal District

BELTON INDEPENDENT SCHOOL DISTRICT**TABLE 7**PROPERTY TAX RATES - DIRECT AND
OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

<u>Government</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Belton ISD	1.14940	1.15170	1.33710	1.35710	1.36510
Bell County	0.32370	0.29140	0.31600	0.36800	0.39680
Bell County MUD #1	0.78300	0.78300	0.81900	0.83150	0.85000
Belton, City of	0.52250	0.53260	0.58500	0.63000	0.63000
Morgan's Point Resort, City of	0.62530	0.58000	0.58000	0.61920	0.59580
Temple JCD	0.20170	0.20170	0.20440	0.22370	0.18370
Temple, City of	0.62650	0.61300	0.61300	0.64000	0.65250
Total	<u>4.23210</u>	<u>4.15340</u>	<u>4.45450</u>	<u>4.66950</u>	<u>4.67390</u>
<u>Government</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Belton ISD	1.46510	1.60300	1.60300	1.44000	1.44000
Bell County	0.42080	0.42120	0.42120	0.42120	0.42120
Bell County MUD #1	0.85000	0.85000	0.85000	0.85000	0.85000
Belton, City of	0.65980	0.65980	0.65980	0.65980	0.65980
Morgan's Point Resort, City of	0.59580	0.64210	0.64210	0.64210	0.64210
Temple JCD	0.18860	0.19795	0.20470	0.20570	0.21000
Temple, City of	0.67270	0.66120	0.67720	0.65720	0.62980
Total	<u>4.85280</u>	<u>5.03525</u>	<u>5.05800</u>	<u>4.87600</u>	<u>4.85290</u>

Source: Bell County Appraisal District

BELTON INDEPENDENT SCHOOL DISTRICT

TABLE 8

PRINCIPAL PROPERTY TAXPAYERS

FISCAL YEAR 2025 AND
NINE YEARS AGO

# Principal Taxpayers	Type of Property	2024 Tax Year		
		Taxable Assessed Valuation	Percentage of Total Assessed Valuation	
1	Oncor Electric Delivery Co. LLC	Electric Utility/Power Plant	\$ 78,450,023	1.24%
2	River Springs at Barge Ranch	Apartments	42,206,193	0.67%
3	Turtle Creek Investments Ltd.	Apartments	37,539,084	0.59%
4	Village at Pepper Creek LP	Apartments	30,788,456	0.49%
5	Legacy Landing Group Ltd.	Apartments	23,720,260	0.37%
6	MFT-Pecan LLC	Apartments	23,000,000	0.36%
7	Colonial Corssing Co. Ltd.	Apartments	20,715,700	0.33%
8	SCPI8 Partners LP	Apartments	18,522,372	0.29%
9	Chappell Hill Equity III Ltd.	Apartments	17,993,636	0.28%
10	Chester E Etux Diane M Dickson	Individual Residence	16,604,127	0.26%
	Total		\$ <u>309,539,851</u>	<u>4.88%</u>
	Total Taxable Assessed Valuation		\$ <u>6,341,016,843</u>	<u>100.00%</u>

# Principal Taxpayers	Type of Property	2015 Tax Year		
		Taxable Assessed Valuation	Percentage of Total Assessed Valuation	
1	Oncor Electric Delivery Co. LLC	Electric Utility/Power Plant	\$ 35,886,199	1.69%
2	Turtle Creek Investments Ltd.	Financial/Banking	14,574,595	0.69%
3	HEB Grocery Co. LP	Grocery Store	14,042,881	0.66%
4	Wal-Mart Real Estate Business Trust	Retail Store	13,797,531	0.65%
5	MFT-Pecan LLC	Farm	12,960,063	0.61%
6	Miller Springs Materials LLC	Industrial Manufacturing	11,702,377	0.55%
7	Wire Rope Industries USA Inc.	Industrial Manufacturing	11,671,909	0.55%
8	Legacy Landing Group Ltd.	Commercial Building	11,503,513	0.54%
9	CMH Manufacturing	Industrial Manufacturing	8,628,970	0.41%
10	River Springs at Barge Ranch LP	Ranch	7,842,031	0.37%
	Total		\$ <u>142,610,069</u>	<u>6.72%</u>
	Total Taxable Assessed Valuation		\$ <u>2,123,555,687</u>	<u>100.00%</u>

Source: Municipal Advisory Council of Texas

BELTON INDEPENDENT SCHOOL DISTRICT

TABLE 9

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal Year	Adjusted Tax Levy*	Collected Within the Fiscal Year of the Levy			Total Collections to Date		
		Taxes Collected	Percent of Adjusted Tax Levy	Collections in Subsequent Years	Taxes Collected	Collected as Percent of Current Tax Levy	
2025	\$ 70,137,458	\$ 69,140,261	99%	-	\$ 69,140,261	99%	
2024	64,909,652	64,022,354	99%	(59,265)	63,963,089	99%	
2023	72,990,915	72,090,447	99%	150,686	72,241,133	99%	
2022	61,475,875	61,026,941	99%	158,761	61,185,702	100%	
2021	54,695,675	54,307,000	99%	174,329	54,481,329	100%	
2020	51,671,304	51,152,731	99%	387,716	51,540,447	100%	
2019	49,147,377	48,791,846	99%	291,773	49,083,619	100%	
2018	45,537,887	45,164,789	99%	314,882	45,479,671	100%	
2017	38,056,744	37,753,514	99%	257,412	38,010,926	100%	
2016	35,366,229	35,102,971	99%	225,997	35,328,968	100%	

*As of the current fiscal year

Source: Bell County Appraisal District and Annual Financial Statements

Use schedule C-3 for adjusted levy

For Taxes Collected use data mining report: Audit Tax 10 Years Current Years Collections

Use Schedule C-3 for collections in subsequent years

BELTON INDEPENDENT SCHOOL DISTRICT

TABLE 10

OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income	Estimated Population	Per Capita
	Bonds Payable	Leases	SBITAs				
2025	\$ 386,724,215	\$ 474,590	\$ 770,269	\$ 387,969,074	9.69%	60,908	\$ 6,370
2024	398,081,631	644,039	1,009,009	399,734,679	7.96%	61,442	6,506
2023	408,509,166	377,520	662,699	409,549,385	11.42%	60,633	6,755
2022	417,386,817	406,631	-	417,793,448	12.79%	59,880	6,977
2021	252,737,552	66,041	-	252,803,593	7.93%	57,390	4,405
2020	261,052,195	2,296,015	-	263,348,210	8.88%	54,041	4,873
2019	268,386,034	1,118,636	-	269,504,670	9.35%	63,508	4,244
2018	255,939,386	2,082,948	-	258,022,334	9.04%	61,782	4,176
2017	259,889,270	3,222,761	-	263,112,031	9.96%	59,482	4,423
2016	133,695,540	4,083,662	-	137,779,202	5.29%	58,314	2,363

Source: Belton Independent School District, Bell County Appraisal District and Municipal Advisory Council of Texas

BELTON INDEPENDENT SCHOOL DISTRICT**TABLE 11**

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt	Less Amounts Available for Debt Service	Net Bonded Debt	Ratio of Net Bonded Debt to Total Actual Property Value	Net Bonded Debt per Student
2025	\$ 386,724,215	\$ 16,339,980	\$ 370,384,235	3.63%	\$ 27,041
2024	398,081,631	12,557,449	385,524,182	4.19%	27,920
2023	408,509,166	11,024,346	397,484,820	5.18%	29,133
2022	417,386,817	10,410,750	406,976,067	6.48%	30,540
2021	252,737,552	8,042,621	244,694,931	6.10%	19,406
2020	261,052,195	6,468,587	254,583,608	5.07%	20,891
2019	268,386,034	5,956,228	262,429,806	6.06%	22,081
2018	255,939,386	5,684,897	250,254,489	6.22%	21,707
2017	259,889,270	4,616,639	255,272,631	6.97%	22,960
2016	133,695,540	3,343,415	130,352,125	3.81%	12,001

Source: District annual financial reports and records and Municipal Advisory Council Report

BELTON INDEPENDENT SCHOOL DISTRICT**TABLE 12**

ESTIMATED GENERAL OBLIGATION OVERLAPPING DEBT STATEMENT

FISCAL YEAR 2025

Taxing Body	Debt Outstanding	Percent Overlapping	Dollar Overlap
Bell County	\$ 109,355,000	20.80%	\$ 22,745,840
Bell County MUD #1	17,855,000	100.00%	17,855,000
Belton, City of	41,665,000	97.49%	40,619,209
Morgan's Point Resort, City of	1,802,592	100.00%	1,802,592
Temple JCD	115,115,000	24.94%	28,709,681
Temple, City of	486,125,000	25.44%	<u>123,670,200</u>
		Subtotal, overlapping debt	<u>\$ 235,402,522</u>
		Belton Independent School District direct debt	<u>\$ 387,969,075</u>
		Total direct and overlapping debt	<u>\$ 623,371,597</u>

Note: Overlapping governments are those that coincide at least in part, with geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of Belton Independent School District. This process recognizes that, when considering the District's ability to to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into the account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: Municipal Advisory Council of Texas

BELTON INDEPENDENT SCHOOL DISTRICT**TABLE 13**

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year	Unemployment Rate	Estimated Population	Median Household Income	Personal Income
2025	5.2%	60,908	\$ 65,762	\$ 4,005,431,896
2024	5.1%	61,442	81,753	5,023,067,826
2023	5.0%	60,633	59,122	3,584,744,226
2022	4.6%	59,880	54,556	3,266,813,280
2021	5.4%	57,390	55,539	3,187,383,210
2020	3.8%	54,041	54,884	2,965,986,244
2019	3.6%	63,508	45,365	2,881,040,420
2018	4.1%	61,782	46,195	2,854,019,490
2017	4.3%	59,482	44,398	2,640,881,836
2016	4.5%	58,314	44,691	2,606,110,974

Source: Municipal Advisory Council of Texas and US Census and US Labor and Statistics

Note: Median Household Income is for Bell County

BELTON INDEPENDENT SCHOOL DISTRICT

TABLE 14

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

Employer	Industry	2025			2016		
		Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Belton Independent School District	Education	2,151	1	15.57%	1,700	1	13.14%
Bell County	Government	1,214	2	8.79%	1,199	2	9.27%
University of Mary Hardin Baylor	Education	699	3	5.06%	627	3	4.85%
TRU Homes	Manufacturing/Distribution	600	4	4.34%	241	7	1.86%
HEB	Retail/Service	540	5	3.91%	325	5	2.51%
UPS-Customer Center	Distribution Center	315	6	2.28%	-		0.00%
Cedar Crest Hospital & Clinic	Healthcare	309	7	2.24%	198	9	1.53%
CGI	IT/Business Process Services	253	8	1.83%	228	8	1.76%
City of Belton	Government	200	9	1.45%	-		0.00%
Hill Country Transit District	Transportation	200	10	1.45%	-		0.00%
Custom Printing	Manufacturing/Distribution	-		0.00%	170	10	1.31%
James Construction Group	Construction	-		0.00%	600	4	4.64%
Walmart	Retail/Service	-		0.00%	323	6	2.50%
Totals		<u>6,481</u>		<u>46.92%</u>	<u>5,611</u>		<u>43.37%</u>

Source: Belton Economic Development Corporation

BELTON INDEPENDENT SCHOOL DISTRICT**TABLE 15**

FULL - TIME - EQUIVALENT DISTRICT EMPLOYEES BY TYPE

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Teachers</u>	<u>Professional Support</u>	<u>Campus Administration</u>	<u>Central Administration</u>	<u>Educational Aides</u>	<u>Auxiliary Staff</u>	<u>Total FTEs</u>
2025	979.2	230.4	59.7	20.0	185.5	558.7	2,033.5
2024	981.5	236.6	57.5	21.9	207.4	599.6	2,104.5
2023	976.3	212.3	53.4	21.0	195.3	577.0	2,035.3
2022	933.7	207.9	56.4	21.9	195.5	564.7	1,980.1
2021	868.1	196.1	54.5	25.0	178.5	550.7	1,872.9
2020	781.2	168.1	49.4	17.2	169.0	522.1	1,707.0
2019	750.1	141.6	44.9	18.4	155.6	478.7	1,589.3
2018	723.5	138.6	40.5	19.5	155.7	460.8	1,538.6
2017	702.1	135.4	39.6	20.0	165.0	485.5	1,547.6
2016	707.0	121.4	35.8	18.9	172.6	467.7	1,523.4

Source: Belton ISD Records

BELTON INDEPENDENT SCHOOL DISTRICT

TEACHER DATA

LAST TEN FISCAL YEARS

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total Number of Teachers	979.2	981.5	989.0	933.7
Teachers by Highest Degree Held				
No Degree	24.1	12.0	11.0	10.0
Bachelors	739.6	743.4	726.0	698.7
Masters	210.0	211.9	233.0	221.0
Doctorate	5.5	5.0	5.0	4.0
Teachers by Years of Experience				
Beginning Teachers	74.1	52.0	103.2	68.6
1-5 Years Experience	314.9	302.0	286.3	272.9
6-10 Years Experiences	189.0	192.0	198.9	203.7
11-20 Years Experience	263.6	286.0	269.4	267.7
Over 20 Years Experience	137.5	104.3	118.4	120.8
Average Salary by Years Experience				
Beginning Teachers	\$51,704	\$55,107	\$53,498	\$51,703
1-5 Years Experience	\$57,039	\$55,638	\$54,911	\$52,788
6-10 Years Experiences	\$58,784	\$54,723	\$55,963	\$54,564
11-20 Years Experience	\$62,130	\$60,533	\$59,984	\$58,501
Over 20 Years Experience	\$68,180	\$65,727	\$68,515	\$65,809
Overall Average Years with District	5.6	5.9	5.2	5.7
Overall Average Years Experience	10.2	10.3	9.7	10.8
Overall Average Teacher Salary	\$59,903	\$58,878	\$57,552	\$55,971
Turnover Rate for Teachers	25.60%	18.40%	21.14%	15.8%

Source: Belton ISD records

TABLE 16

2021	2020	2019	2018	2017	2016
878.0	796.0	750.1	723.5	702.1	707.0
9.0	8.0	8.0	6.3	4.0	5.4
661.0	604.0	573.9	549.4	541.9	573.0
203.0	182.0	166.2	166.9	154.2	125.3
5.0	2.0	2.0	1.0	2.0	3.3
27.5	19.0	30.8	21.9	23.8	37.4
266.0	202.0	190.7	186.2	193.3	182.0
187.9	199.0	175.5	186.0	166.5	185.5
263.9	260.0	249.6	232.3	223.3	202.8
122.2	116.0	103.5	97.0	95.2	99.0
\$53,024	\$50,467	\$46,734	\$45,604	\$47,389	\$40,613
\$52,007	\$51,300	\$48,247	\$47,383	\$47,899	\$47,189
\$53,893	\$52,571	\$49,591	\$49,014	\$48,941	\$48,259
\$57,819	\$55,808	\$52,432	\$51,181	\$51,670	\$51,829
\$66,688	\$66,585	\$59,683	\$59,132	\$61,532	\$60,861
5.7	6.2	6.3	6.4	6.4	6.4
8.6	9.1	11.2	11.2	11.0	11.0
\$55,761	\$54,728	\$51,469	\$50,463	\$51,486	\$49,750
13.9%	17.4%	16.2%	15.0%	15.5%	16.1%

BELTON INDEPENDENT SCHOOL DISTRICT

EXPENDITURES, ENROLLMENT AND PER PUPIL COST

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost per Pupil</u>	<u>Governmental Funds Expenditures</u>
2025	13,697	\$ 149,286,664	\$ 10,899	\$ 208,144,916
2024	13,808	151,877,424	10,999	296,601,362
2023	13,644	137,879,154	10,105	234,777,693
2022	13,326	133,673,556	10,031	175,879,334
2021	12,609	129,392,885	10,262	170,982,018
2020	12,186	113,842,939	9,342	190,477,682
2019	11,681	98,527,259	8,435	199,781,790
2018	11,488	94,176,654	8,198	148,285,414
2017	11,077	91,264,806	8,239	119,509,912
2016	10,828	88,131,590	8,139	109,149,575

Source: Belton ISD Records

TABLE 17

<u>Cost per Pupil</u>	<u>Teaching Staff</u>	<u>Pupil- Teacher Ratio</u>	<u>Students Receiving Free/ Reduced Lunch</u>
\$ 15,196	979	14.0	38.0%
21,480	982	14.1	41.7%
17,207	989	13.8	43.9%
13,198	933	14.3	40.2%
13,560	880	14.3	36.6%
15,631	796	15.3	44.5%
17,103	750	15.6	45.5%
12,908	724	15.9	45.4%
10,789	702	15.8	45.1%
10,080	707	15.3	46.1%

BELTON INDEPENDENT SCHOOL DISTRICT**TABLE 18**TOTAL EXPENSES OF GOVERNMENTAL ACTIVITIES,
ENROLLMENT AND PER PUPIL COST

LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Government- Wide Expenses ¹	Cost Per Pupil
2025	13,697	\$ 188,898,351	\$ 13,791
2024	13,808	198,384,292	14,367
2023	13,644	177,632,742	13,019
2022	13,326	159,783,383	11,990
2021	12,609	167,945,221	13,319
2020	12,186	149,464,421	12,265
2019	11,885	133,696,998	11,249
2018	11,529	89,795,057	7,789
2017	11,118	113,346,903	10,195
2016	10,862	109,707,803	10,100

Source: Belton Independent School District annual financial report

1 - In 2018, changes in benefits for the TRS-care plan caused negative on-behalf revenues and expenses.

SCHOOL BUILDING INFORMATION

<u>Campus</u>	<u>Year Constructed</u>	<u>Building Age</u>	<u>Building Capacity</u>	<u>2024-25 Enrollment</u>	<u>% of Capacity Used</u>
High Schools					
Belton High School	1979	46	2,607	1,763	67.6%
Belton New Tech High School	1970	55	500	284	56.8%
Lake Belton High School	2020	5	2,500	2,300	92.0%
Middle Schools					
Lake Belton Middle School	2000	25	916	803	87.7%
South Belton Middle School	2011	14	1,000	667	66.7%
North Belton Middle School	2014	11	1,000	979	97.9%
Belton Middle School	1993	32	971	661	68.1%
Elementary Schools					
Leon Heights Elementary School	1956	69	265	184	69.4%
Southwest Elementary School	1951	74	440	415	94.3%
Lakewood Elementary School	1986	39	792	572	72.2%
Sparta Elementary School	1988	37	685	549	80.1%
Joe M. Pirtle Elementary School	1999	26	792	575	72.6%
Tarver Elementary School	2007	18	792	494	62.4%
High Point Elementary School	2014	11	792	563	71.1%
Chisholm Trail Elementary	2014	11	792	766	96.7%
Belton Early Childhood School	1951	74	628	494	78.7%
Charter Oak Elementary School	2019	6	800	602	75.3%
James L Burrell Elementary School	2023	2	800	387	48.4%
Hubbard Branch Elementary School	2024	1	800	514	64.3%

Source: District records

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COMPLIANCE SECTION

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

Board of Trustees
Belton Independent School District
Belton, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Belton Independent School District, as of and for the year ended August 31, 2025, and the related notes to the financial statements, which collectively comprise Belton Independent School District’s basic financial statements, and have issued our report thereon dated January 26, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Belton Independent School District’s internal control over financial reporting (internal control) as a basis for designing 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 Belton Independent School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of Belton Independent School District’s internal control.

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

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

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Belton Independent School 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 Belton Independent School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
January 26, 2026

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Board of Trustees
Belton Independent School District
Belton, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Belton 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 August 31, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control over Compliance

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

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
January 26, 2026

BELTON INDEPENDENT SCHOOL DISTRICT

EXHIBIT K-1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED AUGUST 31, 2025

Federal Grantor/ Pass-through Grantor/ Grantor/Program Title	(1) Assistance Listing Number	(2a) Pass-through Entity Identifying Number	(3) Federal Expenditures
<u>U. S. DEPARTMENT OF AGRICULTURE</u>			
Passed through the Texas Education Agency:			
School Breakfast Program (SBP)	10.553	71402501	\$ 935,644
National School Lunch Program (NSLP)	10.555	71302501	<u>3,583,640</u>
Total Passed through the Texas Education Agency			<u>4,519,284</u>
Passed through the Texas Department of Agriculture:			
NSLP - Commodities - Non-cash Assistance	10.555	71402501	466,151
Supply Chain Assistance Grant	10.555	236TX400N8903	241,945
Summer Feeding Program	10.559	NT4XL1YGLGC5	<u>54,633</u>
Total Passed through the Texas Department of Agriculture			<u>762,729</u>
Subtotal Assistance Listing Number 10.555			<u>4,291,736</u>
Total Child Nutrition Cluster (ALN 10.553, 10.555, 10.559)			<u>5,282,013</u>
TOTAL U. S. DEPARTMENT OF AGRICULTURE			<u>5,282,013</u>
<u>U. S. DEPARTMENT OF DEFENSE</u>			
Direct program:			
Marine Corps JROTC Program	12.000	TX227812	<u>75,809</u>
TOTAL U. S. DEPARTMENT OF DEFENSE			<u>75,809</u>
<u>U. S. DEPARTMENT OF EDUCATION</u>			
Direct programs:			
Impact Aid	84.041	53-TX-2015-0021	<u>229,975</u>
Passed through the Texas Education Agency:			
Title I, Part A - Improving Basic Programs	84.010A	25610101014903	<u>1,991,349</u>
Total Assistance Listing Number 84.010A			<u>1,991,349</u>
IDEA B Formula - Special Education Grants to States	84.027A	256600010149036000	2,392,998
IDEA B Preschool - Special Education Preschool Grants	84.173A	256610010149036000	<u>24,790</u>
Total Special Education Cluster (IDEA)			<u>2,417,788</u>

The accompanying notes are an integral part of this schedule.

BELTON INDEPENDENT SCHOOL DISTRICT

EXHIBIT K-1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED AUGUST 31, 2025

Federal Grantor/ Pass-through Grantor/ Grantor/Program Title	(1) Assistance Listing Number	(2a) Pass-through Entity Identifying Number	(3) Federal Expenditures
U. S. DEPARTMENT OF EDUCATION (Continued)			
Passed through the Texas Education Agency (Continued):			
Career and Technical Education - Basic Grant	84.048A	24420006014903	\$ 149,144
Title III, Part A - English Language Acquisition	84.365A	25671001014903	92,616
Title II, Part A - Supporting Effective Instruction	84.367A	25694501014903	461,786
LEP Summer School	84.369A	69552302	2,727
Title IV, Part, A Subpart 1	84.424A	25680101014903	<u>221,363</u>
Total Passed through the Texas Education Agency			<u>5,336,773</u>
Passed through Region 10 Education Service Center:			
Texas Homeless Education Assistance Program	84.196A	234600057110009	<u>28,430</u>
Total Passed through Region 10 Education Service Center			<u>28,430</u>
TOTAL U. S. DEPARTMENT OF EDUCATION			<u>5,595,178</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Texas Health and Human Services Commission:			
Medicaid Administrative Claiming Program (Medicaid Cluster)	93.778	529-07-0157-00114	<u>68,003</u>
Total Passed through Texas Health and Human Services Commission			<u>68,003</u>
TOTAL U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>68,003</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 11,021,003</u>

The accompanying notes are an integral part of this schedule.

BELTON INDEPENDENT SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS

AUGUST 31, 2025

1. GENERAL

The Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all applicable federal award programs of Belton Independent School District. The District’s reporting entity is defined in Note I of the financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the SEFA.

2. BASIS OF ACCOUNTING

The SEFA is presented using the modified accrual basis of accounting. The District’s significant accounting policies, including the modified accrual basis of accounting, are presented in Note 1 of the basic financial statements. The SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some of the amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

3. PASS-THROUGH EXPENDITURES

None of the federal programs expended by the District were provided to subrecipients.

4. INDIRECT COSTS

The District did not elect to use a de minimis indirect cost rate as described at 2 CFR §200.414(f)—Indirect (F&A) costs.

5. RECONCILIATION OF FEDERAL REVENUES AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The following is a reconciliation of federal revenues and the total expenditures of federal awards for the year ended August 31, 2025:

Federal revenues on the Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Funds (Exhibit C-3)	\$ 12,228,588
School health and related services (SHARS)	<u>(1,207,585)</u>
Federal expenditures on the SEFA (Exhibit K-1)	<u>\$ 11,021,003</u>

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

Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued	Unmodified
Internal control over financial reporting: Material weakness(es) identified?	No
Significant deficiency(ies) identified, that were not considered a material weakness	None reported
Material noncompliance to the financial statements noted?	None

Federal Awards:

Internal control over major programs: Material weakness(es) identified?	No
Significant deficiency(ies) identified, that were not considered a material weakness	None reported

Type of auditor's report on compliance for major programs	Unmodified
--	------------

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	None
--	------

Identification of major programs:

Assistance Listing Number(s) 84.027, 84.173	Name of Federal Program or Cluster: Special Education Cluster
--	--

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

Auditee qualified as low-risk auditee?	Yes
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**Findings Relating to the Financial Statements Which are
Required to be Reported in Accordance With Generally
Accepted Government Auditing Standards**

None

Findings and Questioned Costs for Federal Awards

None



BELTON INDEPENDENT SCHOOL DISTRICT

P.O. Box 269 · Belton, TX 76513-0269 · (254) 215-2065 · Fax: (254) 215-2008

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED AUGUST 31, 2025

NONE