

CLEAR CREEK INDEPENDENT SCHOOL DISTRICT

Annual Comprehensive Financial Report

For the fiscal year end August 31, 2025

2425 E Main St • League City, TX 77573
Galveston & Harris County
ccisd.net

Annual Comprehensive Financial Report

**For the Fiscal Year Ended
August 31, 2025**

CLEAR CREEK INDEPENDENT SCHOOL DISTRICT

2425 East Main Street, League City, Texas 77573

Prepared By The Department of Financial Services:

**Alice Benzaia, CPA, RTSBA
Chief Financial Officer**

**Jeff Kohlenberg, CPA, RTSBA
Controller**



Clear Creek Independent School District

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Introductory Section



Principal Officials and Advisors

Board of Trustees

| Trustee | Office | Completed Years of Service | Term Expires May | Occupation |
|-------------------|----------------|----------------------------------|------------------------|------------------------|
| Jonathan Cottrell | President | 4 | 2027 | Realtor |
| Jessica Cejka | Vice President | 3 | 2028 | Realtor |
| Jeff Larson | Secretary | 4 | 2027 | Consultant |
| Jay Cunningham | Trustee | 10 | 2027 | Business Manager |
| Rebecca Lilley | Trustee | 8 months | 2028 | Healthcare |
| Jamieson Mackay | Trustee | 3 | 2026 | Credit Union Executive |
| Arturo Sanchez | Trustee | 8 | 2026 | External Relations |

Administrative Officials

| Official | Position | Years of Service | |
|----------------------|--|------------------|----------|
| | | Total | District |
| Dr. Karen Engle | Superintendent | 35 | 24 |
| Franklin Moses | Assistant Superintendent - Secondary Education | 27 | 4 |
| Holly Hughes | Assistant Superintendent - Elementary Education | 34 | 32 |
| Dr. Susan Silva | Assistant Superintendent - Student Support | 32 | 21 |
| Dr. Angela Stallings | Assistant Superintendent - Teaching and Learning | 33 | 2 |
| Dr. Robert Branch | Assistant Superintendent - Human Resources | 26 | 24 |
| Paul Miller | Assistant Superintendent - Support Services | 17 | 17 |
| Elaina Polsen | Chief Communications Officer | 19 | 19 |
| Alice Benzaia, CPA | Chief Financial Officer | 29 | 17 |
| Dustin Hardin | Chief Technology Officer | 19 | 4 |
| Leila Sarmecanic | General Counsel | 14 | 9 |
| Jeff Kohlenberg, CPA | Controller | 29 | 26 |

Consultants and Advisors

Weaver and Tidwell, L.L.P.
Independent Auditors, The Woodlands, Texas

Jackson Walker, L.L.P.
Bond Counsel, Houston, Texas

Post Oak Municipal Advisors, L.L.C.
Municipal Advisor, Houston, Texas

Certificate of the Board

Clear Creek Independent School District

Name of School District

Harris & Galveston

County

084-910

Co.-Dist Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and approved for the fiscal 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

Jeff Larson

Signature of Board President

Jonathan Cottrell

January 22, 2026

Members of the Board of Trustees and
Citizens of the Clear Creek Independent School District:

The Texas Education Code requires that all school districts file a complete set of financial statements with the Texas Education Agency ("TEA") within 150 days of the close of each fiscal year. The financial statements must be presented in conformity with generally accepted accounting principles ("GAAP") and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the Clear Creek Independent School District (the "District") for the fiscal year ended August 31, 2025. The Annual Comprehensive Financial Report is management's report of financial operations to the Board of Trustees (the "Board"), taxpayers, grantor agencies, employees, the TEA, and other interested parties.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by Weaver and Tidwell, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended August 31, 2025, are free of material misstatement. The independent audit involved 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 auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion and that the District's financial statements for the period ended August 31, 2025, 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 of the District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements 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 included in the Federal Awards section of the Annual Comprehensive Financial Report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

Profile of the District

The Clear Creek Independent School District is the 29th largest of the 1,200 school districts in Texas, encompasses 103 square miles and is located 20 miles south of Houston along Interstate 45/Gulf Freeway. The District was created in 1948 when schools in League City, Seabrook, Webster and Kemah consolidated to form the Clear Creek Independent School District. At the time the schools were unified, there were fewer than 1,000 students in four schools. The district now employs over 4,815 persons, with over 2,470 of those being teachers, librarians, and nurses. We are proud that more than 26% of our teaching staff have a master's degree or higher. The District now serves approximately 38,700 students and operates twenty-seven elementary schools, ten intermediate schools, five comprehensive high schools, two alternative secondary campuses, and one early college high school. The school district's boundaries are not the same as municipal boundaries; therefore, the District provides instructional services to children who live in the communities of League City, Seabrook, Webster, Kemah, El Lago, Nassau Bay, Clear Lake Shores and Taylor Lake Village, along with portions of Bacliff, Friendswood, Houston, and Pasadena. The District encompasses parts of Galveston and Harris counties.

With NASA/Johnson Space Center, the University of Houston-Clear Lake, San Jacinto Community College, College of the Mainland, the fishing and recreation areas of Galveston Bay, chemical and energy resource industries and the numerous high-tech and engineering companies that form the Clear Creek community, our district recognizes that strong and dynamic partnerships are vital to academic achievement, as well as character education. Our partnerships and academic offerings are unparalleled to any school system in the state or nation. Clear Creek ISD prides itself as being one of the premier school systems in Texas.

The purpose and responsibility of the District is to provide a thorough and efficient educational system for the children, pre-kindergarten through grade 12, enrolled in public schools within its boundaries, whereby each child has access to programs and services that are appropriate to his or her educational needs. In addition to its regular educational program, the District offers comprehensive programs in the areas of career and technical education, special education, bilingual education, compensatory education and gifted and talented education.

The District is fully accredited by the Texas Education Agency. Our students and staff continue to excel in many arenas. Student SAT scores tend to be higher than local, state and national averages. Approximately 85% of graduating seniors plan to attend college or technical schools. Our student body reflects the cultural diversity of Texas with over 60 home languages spoken. Of the approximately 38,700 students enrolled, 43.0% are Anglo, 35.2% are Hispanic, 8.9% are Asian and 7.8% are African American.

The heart of a school district is its people, and the Clear Creek Independent School District takes great pride in its highly qualified Board of Trustees, administration, faculty and staff, all of whom are dedicated to providing the best possible education environment for all students. Parent and community interest and support strengthen the school program.

The District is not included in any other governmental "reporting entity" since the Board of Trustees is elected by the public and has decision-making authority. Residents of the District elect a seven-member Board of Trustees, who serve overlapping three-year terms. There are no component units included in the reporting entity.

Economic Condition and Outlook

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Local Economy

The District currently enjoys a stable economic environment and local indicators point to continued growth. The economy of the District and its surrounding area is diversified, with oil and gas as the base industrial activity. The abundance of key natural resources along the Texas Gulf Coast has created the country's greatest concentration of petrochemical complexes within the overall coastal area. Though District industries are largely petrochemical in nature, they are not exclusively so. Originally a rice farming and ranching area, the lakes and waterways of the District offer not only boating and fishing sports and revenues from recreational tourist facilities, but also represent a hub of industrial development lining the nearby Houston Ship Channel.

The National Aeronautics and Space Administration (NASA) Lyndon B. Johnson Space Center (JSC) is the hub of Human Exploration. NASA-JSC is home to the International Space Station, Commercial Crew Program, Artemis, Orion, Mission Control and the Astronaut Corps. NASA-JSC is an important part of the Clear Lake economy, employing over 3,000 civil servants and over 8,000 contractors. In addition, Space Center Houston, a visitor complex and educational facility, has nearly a million visitors each year.

A major employment base in the area has been the Bayport Industrial Development ("Bayport"), a planned industrial development of approximately 10,750 acres with approximately 62 industrial plants in operation. Bayport is located in southeast Harris County approximately 23 miles from the central business district of the City of Houston. It includes a 40-foot-deep water port and channel facility connected to the Houston Ship Channel, barge dock facilities, a pipeline network and railroad service.

Presently serving the Clear Lake area are several general hospitals, one major mall, one university and two junior colleges.

A significant portion of the District is located in Harris County, the most populous county in the State of Texas, with a 2020 census population of 4,731,145, an increase of approximately 15.6% since 2010. The county's economy is based on industry, mineral production, shipping, and agriculture.

According to the Texas Almanac, Harris County is a highly industrialized county with manufacturing plants producing petroleum refining, chemical, food, fabricated metal products, non-electric machinery, primary metals, scientific instruments, paper and allied products and printing and publishing. Harris County is also a corporate management center, a center of energy, space and medical research centers and a center of international business. Harris County contains the nation's largest concentration of petrochemical plants and the largest U.S. wheat exporting port which is among the top U. S. ports in value of foreign trade and total tonnage.

The remaining portion of the District is located in Galveston County which is located on the Gulf Coast. Port activities dominate the economy but also included are insurance and finance centers, petrochemical plants, varied manufacturing, tourism, medical educational center, oceanographic research center, ship building, and commercial fishing. Galveston County had a 2010 United States Census population of 291,309 which grew to approximately 350,682 in 2020, an increase of 20.4%. According to the 2020 US Census, League City is the largest city with a population of 114,392 and Galveston, the county seat, is the second largest city with a population of 53,695.

Growth

The District currently has approximately 38,700 students. Although the District continues to experience residential growth and development, recent demographic studies show small enrollment declines each of the next ten years dropping enrollment to around 35,800. These declines are a result of aging demographics and a decline in birth rate.

Clear Creek ISD is meeting the challenge of new instructional opportunities and aging facilities by proactively analyzing facility needs and placing bond issues for taxpayer approval as necessary. In November 2023 Proposition B passed with over a 55% approval rate. This \$265 million bond program is being used for priority repairs of schools, improved surveillance, new and replacement school buses, and music instrument and athletic equipment replacements. Also in November 2023, Proposition C passed with over a 54% approval rate. This \$37 million bond program is being used for student and staff technology, cybersecurity systems, and technology infrastructure.

Financial Information

Accounting Systems

The Board of Trustees maintains a system of accounting controls designed to assist the administration in meeting its responsibility for accurately reporting the financial condition of the District. The system is designed to provide reasonable assurance that assets are safeguarded against loss, theft, or misuse so activities can be recorded and transacted by the administration for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

The cost of operating the District's schools and the revenues to cover these costs are accounted for through the General Fund. Special programs funded by state or federal government grants designed to accomplish a particular objective are accounted for in Special Revenue Funds. Food service operations are accounted for in an Enterprise Fund.

The District accounts for school construction financed by bond sales through the Capital Projects Fund. A specific portion of the tax rate is dedicated to payment of bond principal and interest. These transactions are recorded in the Debt Service Fund.

The District has established Internal Service Funds to account for the transactions of its self-insured workers' compensation, dental insurance, and short-term disability insurance plans. Income is derived primarily from charges to governmental funds based on employee salaries.

Included in the ACFR as Agency Funds are financial schedules of student activity funds. Accounting for these funds is managed centrally by the Finance Department, using the same uniform accounting procedures and guidelines as the General Fund.

The District's accounting records are maintained on a modified accrual basis for governmental fund types and a full accrual basis for the proprietary fund types as prescribed by Texas Education Agency Financial Accountability System Resource Guide (FASRG). Additionally, the District has prepared the Government-wide Financial Statements on the full accrual basis as required by Governmental Accounting Standards Board Statement No. 34.

Financial data is submitted by the District to the Texas Education Agency through the Public Education Information Management System (PEIMS). The data is then analyzed, reviewed and presented to the State Board of Education.

Budgetary Process

State law requires that every local education agency in Texas prepare and file an annual budget of anticipated revenues and expenditures with the Texas Education Agency. The annual budget serves as the foundation for the District's financial planning and control. The process is instructionally driven and begins in January with a series of meetings to develop broad-based budget goals. The Chief Financial Officer facilitates a number of planning meetings with key District decision makers to develop a list of budget priorities for Board consideration. The Board receives budget priorities from the Superintendent's Cabinet, the District Educational Improvement Council (DEIC), and the Citizens Financial Advisory Committee (an advisory group of local business leaders). Each group develops budget priorities for Board consideration.

The final step in the District's budget goal-setting process is a planning meeting with the Board of Trustees in March. The Board reviews input from all sources and adopts the budget goals, assumptions and priorities that will drive budget development.

Budget preparation begins with training sessions for campus leaders and program managers in February. The District uses site-based budgeting to enhance the ability of campus leaders to serve as effective instructional leaders. Site-based budgeting places the campus leader at the center of the budget preparation process. The site-based budget reflects the prioritized needs of the campus and coordinates with the Campus Improvement Plan and the District's Strategic Plan.

All budget managers are required to submit requests for appropriations based on the priorities established by the Board of Trustees. After the completed campus and program budget packages have been returned to the Finance Department, each budget is reviewed and the responsible campus leader, program manager or department director is asked follow-up questions as necessary. The review focuses on instructional impact and includes the allocation of existing funds as well as any additional funding requests. The Superintendent's Cabinet, comprised of District administrators, receives the draft budget and prioritizes budget requests and potential budget reductions based on the goals established by the Board.

Throughout the entire budget process, the Board of Trustees receives budget updates that include revisions to the long-range financial forecast, the preliminary budget, the compensation and salary plan, and the capital projects/capital improvement plan. If funds are available, the staffing plan for teachers is adopted at the April Board meeting. Adopting the plan this early in the budget process provides Clear Creek ISD with a competitive advantage in recruiting new teachers and retaining existing staff. The compensation and salary plan for support staff is generally adopted in July.

The proposed budget must be adopted prior to the September 1st fiscal year start date. The Board President must call a Board meeting for the purpose of discussing and adopting the budget and tax rate. A public notice of this meeting is required to be published at least 10 days, but not more than 30 days, prior to the public meeting.

The District maintains budgetary controls throughout its financial systems. The objective of the budgetary controls is to ensure compliance with legal provisions embodied in the official budget adopted by the Board. The Board adopts an official budget for the general fund, debt service fund and the child nutrition fund. Budgetary control is maintained at the organizational level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Outstanding encumbrances at the end of the fiscal year are a reserve of fund balance and are treated as expenditures in the subsequent year upon receipt of the goods and services.

Financial Planning

There are several departmental plans which fold into the district's overall comprehensive plan. The district maintains a Strategic Plan, a Compensation Plan and a Long-Range Facility Plan. Resources for the accomplishment of these goals will be identified in each department's action plan and will be used in the development of multi-year forecasts. Estimated taxable values are a major factor in forecasting, as the District currently generates more than 47% of general fund revenue from local taxes. Other major factors used in developing these forecasts include number of students enrolled and in average daily attendance, salaries, insurance, and cost of inflationary items such as utilities and fuel. Ultimately, these forecasts are prepared and reviewed several times a year and shared with the Board, staff, community, and other stakeholders.

Fund Balance

Recognizing that fund balance is key in maintaining a strong financial position, Board policy stipulates a goal of maintaining an adequate fund balance for both the general fund and debt service fund. The level of adequacy for the general fund unassigned fund balance is defined as 17% of the current budget, while the debt service fund goal is defined as 10% of the current year debt service requirements.

Local & State Funding

Local funding is derived from collections of ad valorem taxes levied on property located within the district's boundaries. School districts are authorized to levy two types of property taxes: a limited maintenance and operations ("M&O") tax to pay current expenses and an unlimited interest and sinking fund ("I&S") tax to pay debt service on bonds. School districts may not levy surplus M&O taxes for the purpose of paying debt service on bonds. A district is authorized to levy their M&O tax rate at a constitutionally mandated and voter-approved rate. Current law also requires school districts to demonstrate their ability to pay debt service on outstanding bonded indebtedness through the levy of an I&S tax at a rate not to exceed \$0.50 per \$100 of taxable value at the time bonds are issued. Once bonds are issued, however, districts may levy a tax sufficient to pay debt service on such bonds unlimited as to rate or amount. Because property values vary widely among school districts, the amount of local funding generated among school districts for the same tax rate is also subject to wide variation.

The State of Texas provides funding for public education via a financing formula which weights student attendance levels, property value per student, the District's tax effort, and regional variations in payroll and other costs.

Awards and Acknowledgments

Financial Reporting Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its ACFR for the fiscal year ended August 31, 2024. This was the 19th consecutive year that the District has received this prestigious award. We believe our current ACFR continues to meet the requirements and are submitting it to the GFOA to determine its eligibility for certification.

The District was also awarded the Certificate of Excellence in Financial Reporting by the Association of School Business Officials International (ASBO) for its ACFR for the fiscal year ended August 31, 2024. This was the 19th consecutive year that the District has received this prestigious award. We believe that our current ACFR continues to meet the requirements and are submitting it to the ASBO to determine its eligibility for certification.

The TEA has awarded the District a rating of "Superior Achievement" for the year ended August 31, 2024. This is the 23rd year of the State's financial accountability rating system for school districts (School FIRST) and Clear Creek ISD has maintained one of the two highest ratings for all twenty three years. The rating is based upon an analysis of staff and student data reported for the 2023-2024 school year and budgetary and actual financial data for the fiscal year ended August 31, 2024.

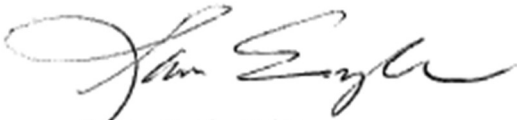
Acknowledgements

We appreciate the support of the Board, the residents of the District, and the business community, all who work cooperatively to ensure the best education for its students and the prudent development of the District. This cooperation is indicative of the strong support for the attainment of excellence in the District's educational programs.

Also, we would like to express an appreciation to all employees of the District's schools for their interest and support in planning and conducting the financial affairs of the District in a responsible and progressive manner.

Finally, a special thanks to the Financial Services Department for its diligence and dedicated service in helping prepare this report on a timely basis.

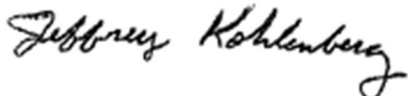
Respectfully submitted,



Karen Engle, Ed.D.
Superintendent



Alice Benzaia, CPA, RTSBA
Chief Financial Officer



Jeffrey Kohlenberg, CPA, RTSBA
Controller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Clear Creek Independent School District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

August 31, 2024

Christopher P. Merrill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Clear Creek 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.



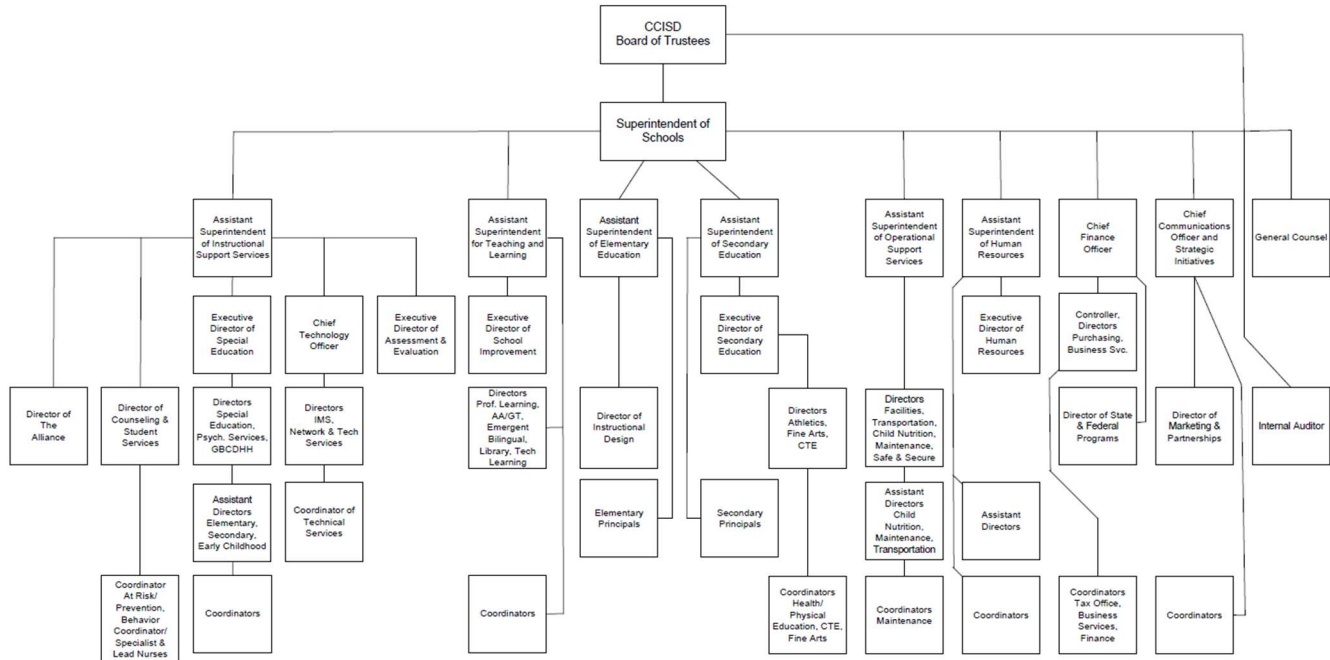
A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'.

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

Clear Creek Independent School District



Financial Section



Independent Auditor's Report

To the Board of Trustees of
Clear Creek Independent School District
League City, Texas

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, during the year ended August 31, 2025, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Beginning net position has been restated as a result of the implementation of this statement. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Supplementary Information, as listed in the table of contents, and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information and Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Supplementary Information and 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. 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 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 22, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

The Woodlands, Texas
January 22, 2026



Management's Discussion and Analysis

As management of the Clear Creek Independent School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended August 31, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages ix to xv of this report.

Financial Highlights

- Liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources at year-end by \$102,020,822 (net position/deficit). This deficit is primarily due to the recognition of net pension liability and net OPEB liability as required by GASB 68 and GASB 75, respectively.
- The District's total net position increased by \$258,731 due to current operations and decreased \$21,493,674 due to the implementation of GASB 101, *Compensated Absences*.
- As of the close of the year, the District's governmental funds had combined ending fund balances of \$423,102,483, an increase of \$89,479,282, from the preceding year.
- At the end of the year, unassigned fund balance of the general fund was \$97,279,931, or 25 percent of the year's total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves, including schedules required by the state oversight agency, the Texas Education Agency (TEA).

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position/(deficit). Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

The *government-wide financial statements* (governmental and business-type activities) of the District are principally supported by taxes and intergovernmental revenues. The governmental activities of the District include Instruction, Instructional Resources and Media Services, Curriculum and Instructional Staff Development, Instructional Leadership, School Leadership, Guidance, Counseling, and Evaluation Services, Social Work Services, Health Services, Student Transportation, Food Services, Extracurricular Activities, General Administration, Plant Maintenance and Operations, Security and Monitoring Services, Data Processing Services, Community Services, Interest and fiscal charges, Facilities Repairs and Maintenance, Payments Related to Shares Service Arrangements, Payments to Juvenile Justice Alternative Education programs, and Other Intergovernmental Charges.

The business-type activities include National School Breakfast and Lunch Program, Athletics Concessions and Advertising.

The government-wide financial statements can be found as noted in the table of contents.

Fund Financial Statements

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

Laws and contracts require the District to establish some funds, such as grants received from the U.S. Department of Education. The District's administration establishes many other funds to help control and manage money for particular purposes (such as campus activities).

Governmental funds

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

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

The District maintains individual governmental funds for general, special revenue, debt service, and capital projects funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund and capital projects fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in the financial statements. The District adopts an annual appropriated budget for its general fund, debt service fund, and the National School Breakfast and Lunch Program fund (an enterprise fund).

The basic governmental fund financial statements are noted in the table of contents.

Proprietary funds

The District maintains two types of proprietary funds. An internal service fund is a type of proprietary fund that uses an accounting process which accumulates and allocates costs internally among the District's various funds and functions. The District uses internal service funds to account for its Dental Insurance fund, Workers' Compensation Insurance fund and Disability Insurance fund. Because this service predominantly benefits governmental operations, their financial activities have been included within governmental activities in the government-wide financial statements.

Enterprise funds are used to report activities for which fees are charged to external users for goods or services (business-type activities). The District's enterprise funds are the National School Breakfast and Lunch Program fund, Athletics Concessions fund and Advertising fund. A fee is charged for these services.

Proprietary funds provide essentially the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements are noted in the table of contents of this report.

Fiduciary fund

A fiduciary fund is used to account for resources held for the benefit of students and employees. The District's *custodial fund* is used to account for resources held in a custodial capacity by the District and consists of funds that are the property of students or others. The fiduciary fund is *not* reflected in the government-wide financial statement because the resources of that fund are *not* available to support the District's own programs. A statement of fiduciary net position and a statement of changes in fiduciary net position are presented for fiduciary funds, as noted in the table of contents.

Notes to the Financial Statements

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

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The required supplementary information relates to comparison of the original adopted budget, the final amended budget, and the actual amounts for the fiscal year. This is required supplementary information for the general fund and any major special revenue fund. The District did not have any major special revenue funds; therefore, only the general fund is presented as required supplementary information. The required supplementary information also provides information on the District's cost-sharing multiple employer pension and OPEB plans of which the District is a participant. The required supplementary information can be found as noted in the table of contents of this report.

Supplementary and Other Information

The supplementary information is presented immediately following the required supplementary information and can be found as noted in the table of contents of this report. Other information includes the introductory section and statistical section as noted in the table of contents of this report.

Government-Wide Financial Analysis

As noted earlier, net position/(deficit) may, over time, serve as a useful indicator of a District's financial position. In the close of the District's most recent fiscal year. The liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources by \$102,020,822 at the close of the most recent fiscal year.

Clear Creek Independent School District's Net Position/(Deficit)

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------------------|-------------------------|------------------------|--------------------------|----------------------|-------------------------|------------------------|
| | August 31, 2025 | August 31, 2024 | August 31, 2025 | August 31, 2024 | August 31, 2025 | August 31, 2024 |
| Current and other assets | \$ 491,833,232 | \$ 407,509,488 | \$ 13,603,705 | \$ 15,133,835 | \$ 505,436,937 | \$ 422,643,323 |
| Capital assets, net of depreciation | 999,029,418 | 985,837,792 | 6,258,275 | 5,062,289 | 1,005,287,693 | 990,900,081 |
| Total assets | 1,490,862,650 | 1,393,347,280 | 19,861,980 | 20,196,124 | 1,510,724,630 | 1,413,543,404 |
| Total deferred outflows of resources | 63,404,850 | 85,413,802 | 1,153,759 | 1,471,788 | 64,558,609 | 86,885,590 |
| Long-term liabilities outstanding | 1,501,769,237 | 1,393,967,642 | 4,590,547 | 4,152,119 | 1,506,359,784 | 1,398,119,761 |
| Other liabilities | 60,699,735 | 65,311,525 | 1,052,024 | 1,181,067 | 61,751,759 | 66,492,592 |
| Total liabilities | 1,562,468,972 | 1,459,279,167 | 5,642,571 | 5,333,186 | 1,568,111,543 | 1,464,612,353 |
| Total deferred inflows of resources | 107,446,075 | 114,526,000 | 1,746,443 | 2,076,520 | 109,192,518 | 116,602,520 |
| Net position (deficit): | | | | | | |
| Net investment in capital assets | 5,193,647 | 3,908,837 | 6,258,275 | 5,062,289 | 11,451,922 | 8,971,126 |
| Restricted | 44,560,157 | 42,311,982 | 6,245,390 | 8,279,668 | 50,805,547 | 50,591,650 |
| Unrestricted | (165,401,351) | (141,264,904) | 1,123,060 | 916,249 | (164,278,291) | (140,348,655) |
| Total net position (deficit) | \$ (115,647,547) | \$ (95,044,085) | \$ 13,626,725 | \$ 14,258,206 | \$ (102,020,822) | \$ (80,785,879) |

The District's net position of \$11,451,922 is net investment in capital assets (e.g., land and improvements, buildings and improvements, furniture and equipment and construction in progress), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net position that is restricted for debt service and grants totaled \$50,805,547.

Unrestricted net position of (\$164,278,291) is reported as a deficit resulting from the recognition net pension and net OPEB liabilities, as well as related deferred outflows and deferred inflows, as required by GASB Statement No. 68, *Pension*, and GASB Statement No. 75, *OPEB*.

The District implemented GASB Statement No. 101, *Compensated Absences*, in fiscal year 2025 resulting in a restatement which decreased net position by \$21,493,674. Because the restatement is the result of a change in accounting principle, the information for 2024 in the tables in the MD&A have not been restated in accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections* - an amendment of GASB Statement No. 62. See Note 1 for more information.

Governmental Activities

Governmental activities increased the District's net position by \$252,788 from current operations. Key elements of this change are as follows:

Clear Creek Independent School District's Changes in Net Position

| | Governmental Activities | | Business-type Activities | | Total | |
|--|-------------------------|------------------------|--------------------------|----------------------|-------------------------|------------------------|
| | August 31, 2025 | August 31, 2024 | August 31, 2025 | August 31, 2024 | August 31, 2025 | August 31, 2024 |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 16,594,373 | \$ 16,522,899 | \$ 11,870,078 | \$ 11,821,930 | \$ 28,464,451 | \$ 28,344,829 |
| Operating grants and contributions | 39,985,561 | 58,209,180 | 6,883,595 | 8,355,164 | 46,869,156 | 66,564,344 |
| General revenues: | | | | | | |
| Property taxes, levied for general purposes | 207,450,990 | 201,702,866 | - | - | 207,450,990 | 201,702,866 |
| Property taxes, levied for debt service | 81,773,231 | 78,745,646 | - | - | 81,773,231 | 78,745,646 |
| Grants and contributions not restricted to specific programs | 159,190,628 | 175,531,802 | - | - | 159,190,628 | 175,531,802 |
| Investment earnings | 17,677,957 | 15,841,976 | 543,254 | 754,832 | 18,221,211 | 16,596,808 |
| Miscellaneous | 2,578,452 | 2,174,352 | - | - | 2,578,452 | 2,174,352 |
| Total revenues | 525,251,192 | 548,728,721 | 19,296,927 | 20,931,926 | 544,548,119 | 569,660,647 |
| Expenses | | | | | | |
| Instruction | 286,105,044 | 296,272,393 | - | - | 286,105,044 | 296,272,393 |
| Instructional resources and media services | 5,238,742 | 5,393,430 | - | - | 5,238,742 | 5,393,430 |
| Curriculum and instructional staff development | 16,391,534 | 15,003,768 | - | - | 16,391,534 | 15,003,768 |
| Instructional leadership | 5,053,304 | 5,112,652 | - | - | 5,053,304 | 5,112,652 |
| School leadership | 26,332,415 | 26,873,237 | - | - | 26,332,415 | 26,873,237 |
| Guidance, counseling, and evaluation services | 20,874,506 | 21,249,980 | - | - | 20,874,506 | 21,249,980 |
| Social work services | 1,075,421 | 1,177,303 | - | - | 1,075,421 | 1,177,303 |
| Health services | 4,558,847 | 4,817,162 | - | - | 4,558,847 | 4,817,162 |
| Student transportation | 18,327,398 | 15,850,311 | - | - | 18,327,398 | 15,850,311 |
| Food services | 363,709 | 325,456 | - | - | 363,709 | 325,456 |
| Extracurricular activities | 19,170,401 | 18,414,731 | - | - | 19,170,401 | 18,414,731 |
| General administration | 8,722,506 | 9,412,598 | - | - | 8,722,506 | 9,412,598 |
| Plant maintenance and operations | 41,986,037 | 39,852,145 | - | - | 41,986,037 | 39,852,145 |
| Security and monitoring services | 7,728,759 | 7,838,383 | - | - | 7,728,759 | 7,838,383 |
| Data processing services | 15,511,339 | 11,056,416 | - | - | 15,511,339 | 11,056,416 |
| Community services | 1,586,385 | 1,570,128 | - | - | 1,586,385 | 1,570,128 |
| Interest on long-term debt | 38,593,674 | 32,216,376 | - | - | 38,593,674 | 32,216,376 |
| Issuance costs and fees | 3,747,283 | 1,887,160 | - | - | 3,747,283 | 1,887,160 |
| Facilities repair and maintenance | 834,886 | 1,877,937 | - | - | 834,886 | 1,877,937 |
| Payments related to shared services arrangements | 731,320 | 798,220 | - | - | 731,320 | 798,220 |
| Payments to juvenile justice alternative education programs | 4,050 | 176 | - | - | 4,050 | 176 |
| Other intergovernmental charges | 2,260,844 | 2,535,211 | - | - | 2,260,844 | 2,535,211 |
| National School Breakfast/Lunch Program | - | - | 18,725,222 | 18,655,388 | 18,725,222 | 18,655,388 |
| Athletics Concessions | - | - | 205,891 | 214,512 | 205,891 | 214,512 |
| Advertising | - | - | 159,871 | 194,706 | 159,871 | 194,706 |
| Total expenses | 525,198,404 | 519,535,173 | 19,090,984 | 19,064,606 | 544,289,388 | 538,599,779 |
| Increase (decrease) in net position before transfers | 52,788 | 29,193,548 | 205,943 | 1,867,320 | 258,731 | 31,060,868 |
| Transfers | 200,000 | - | (200,000) | - | - | - |
| Change in net position | 252,788 | 29,193,548 | 5,943 | 1,867,320 | 258,731 | 31,060,868 |
| Net position - beginning | (95,044,085) | (124,237,633) | 14,258,206 | 12,390,886 | (80,785,879) | (111,846,747) |
| Implementation of GASB 101, <i>Compensated Absences</i> | (20,856,250) | - | (637,424) | - | (21,493,674) | - |
| Net position (deficit) - beginning, as restated | (115,900,335) | (124,237,633) | 13,620,782 | 12,390,886 | (102,279,553) | (111,846,747) |
| Net position (deficit) - ending | \$ (115,647,547) | \$ (95,044,085) | \$ 13,626,725 | \$ 14,258,206 | \$ (102,020,822) | \$ (80,785,879) |

Revenues, aggregating \$525,251,192, were generated primarily from two sources. Property taxes of \$289,224,221 represent 55 percent of total revenues, while grants and contributions (program and general) totaling \$199,176,189 represent 38 percent of total revenues. The remaining seven percent is generated from investment earnings, charges for services, and miscellaneous revenues. Revenues decreased primarily due to the ESSER grant ending (\$9.9M decrease) and a decrease of approximately \$10.3M in pension non-employer contributing entity contributions.

The primary functional expense of the District is Instruction (\$286,105,044), which represents 54 percent of total expenses. The remaining expense categories are individually less than 10 percent of total expenses. Instruction expenses decreased \$10.2M due to a decrease in pension expenses. Interest on long-term debt increased \$6.4M due to scheduled interest payments.

Business-type Activities

Business-type activities increased the District's net position by \$5,943.

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a District's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$423,102,483, an increase of \$89,479,282 in comparison with the prior year. Comments as to each individual major fund's change in fund balance follows.

The *general fund* is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$97,279,931 while the total fund balance was \$102,976,003. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 25 percent of total general fund expenditures, and total fund balance represents 26 percent of that same amount. The fund balance of the District's general fund increased by \$362,489 during the current fiscal year. The increase was achieved primarily due to transfers in from other funds.

The *debt service fund* has a total fund balance of \$44,216,822, all of which is restricted for debt service. The increase in fund balance during the current year of \$2,693,900 resulted from the issuance of refunding bonds.

The capital projects fund has a total fund balance of \$264,725,280, which is comprised of \$5,599,664 nonspendable, \$216,814,563 restricted for future construction projects and \$42,311,053 committed for construction and capital expenditures for equipment.

General Fund Budgetary Highlights

The District amends the budget as needed throughout the year.

There were no significant variations between the originally adopted budget and final amended budget.

There were no significant variance between the final budget and actual amounts.

Capital Asset and Long-term Liabilities

Capital Assets

The District's investment in capital assets for its governmental and business-type activities as of August 31, 2025, includes land, land improvements, buildings and improvements, furniture and equipment, and construction in progress. The investment in capital assets for the current year was \$999,029,418. The following table summarizes the investment in capital assets as of August 31, 2025 and 2024.

Clear Creek Independent School District's Capital Assets

(net of depreciation)

| | Governmental Activities | | Business-type Activities | | Total | |
|----------------------------|-------------------------|-----------------------|--------------------------|---------------------|-------------------------|-----------------------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Land | \$ 63,760,071 | \$ 65,072,093 | \$ - | \$ - | \$ 63,760,071 | \$ 65,072,093 |
| Land improvements | 40,051,907 | 37,092,850 | - | - | 40,051,907 | 37,092,850 |
| Buildings and improvements | 1,539,695,886 | 1,524,292,919 | 4,147,905 | 4,147,905 | 1,543,843,791 | 1,528,440,824 |
| Furniture and equipment | 99,896,070 | 79,208,149 | 8,797,027 | 6,801,661 | 108,693,097 | 86,009,810 |
| Construction in progress | 36,512,606 | 3,699,397 | - | - | 36,512,606 | 3,699,397 |
| Total | 1,779,916,540 | 1,709,365,408 | 12,944,932 | 10,949,566 | 1,792,861,472 | 1,720,314,974 |
| Accumulated depreciation | (780,887,122) | (723,527,616) | (6,686,657) | (5,887,277) | (787,573,779) | (729,414,893) |
| Net Capital Assets | \$ 999,029,418 | \$ 985,837,792 | \$ 6,258,275 | \$ 5,062,289 | \$ 1,005,287,693 | \$ 990,900,081 |

Commitments. At the end of the current fiscal year, the District's commitments with construction contractors totaled \$5,162,387.

Additional information on the District's capital assets can be found in Note 6 to the financial statements.

Long-term Liabilities

At year-end, the District had the following long-term liabilities:

Clear Creek Independent School District's Long-term Liabilities Outstanding

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------------|-------------------------|-------------------------|--------------------------|---------------------|-------------------------|-------------------------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| General obligation bonds (net) | \$ 1,270,631,096 | \$ 1,176,243,063 | \$ - | \$ - | \$ 1,270,631,096 | \$ 1,176,243,063 |
| Arbitrage payable | 1,699,009 | 533,302 | - | - | 1,699,009 | 533,302 |
| Compensated absences payable | 25,247,137 | 5,118,725 | 632,552 | - | 25,879,689 | 5,118,725 |
| Net pension liability | 126,747,779 | 151,954,110 | 2,458,056 | 2,975,249 | 129,205,835 | 154,929,359 |
| Net OPEB liability | 77,444,216 | 60,118,442 | 1,499,939 | 1,176,870 | 78,944,155 | 61,295,312 |
| Totals | \$ 1,501,769,237 | \$ 1,393,967,642 | \$ 4,590,547 | \$ 4,152,119 | \$ 1,506,359,784 | \$ 1,398,119,761 |

The District's total bonded debt increased by \$94,388,033 (8 percent) during the current fiscal year, which resulted primarily from issuing new bonds. State statutes do not limit the tax rate or amount of local tax support of school districts' bonded indebtedness. However, approval by the Attorney General of the State of Texas is required prior to the sale of bonds.

Additional information on the District's long-term liabilities can be found in Note 7 to the financial statements per the table of contents.

Economic Factors and Next Year's Budgets and Rates

Economic factors can have a significant impact on the District's finances. The average unemployment rate for both Galveston and Harris counties is 4.4% and 4.5% respectively, while the state and national averages are 4.2% and 4.3%, respectively. Inflationary trends in the region tend to be somewhat lower than the national consumer price index (CPI). In general, this positive factor helps the District keep costs lower than other parts of the country.

The District's elected and appointed officials considered many factors when setting the 2025-26 fiscal year general fund budget and tax rate. The adopted budget is based on the following significant assumptions:

- The District's enrollment was projected at 39,193.
- Property values were budgeted to increase 3.5% while the M&O tax rate was budgeted to remain at \$0.6990.
- General fund expenditures are budgeted to increase by approximately \$24.3 million from the 2024-25 original budget due to:
 - Salary increases between 8.0% and 11.0% for teaching staff and 3.0% for all other staff totaling \$18.3 million,
 - Increases of \$3.0 million in operational budget needs and inflationary factors,
 - Increases of \$2.5 million in staffing additions for special education,
 - Increases of \$1.7 million for the reclassification of IDEA-B grant expenditures back to the general fund,
 - Increases of \$1.0 million for the reclassification of security expenditures from a one-time grant,
 - Increases of \$0.9 million in benefits costs,
 - Decreases of \$2.6 million to align staffing with enrollment, and
 - Decreases of \$0.5 million from department level budgets.

Requests for Information

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. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, Clear Creek Independent School District, 2425 East Main Street, League City, Texas, 77573.

Basic Financial Statements



Clear Creek Independent School District
Statement of Net Position
August 31, 2025

Exhibit A-1

| | | 1 | 2 | 3 |
|--------------------------------|--|----------------------------|-----------------------------|------------------|
| Data Control Codes | | Primary Government | | |
| | | Governmental Activities | Business-type Activities | Total |
| ASSETS | | | | |
| 1110 | Cash and cash equivalents | \$ 274,460,762 | \$ 6,069,577 | \$ 280,530,339 |
| 1120 | Investments | 173,963,852 | 6,988,672 | 180,952,524 |
| 1220 | Property taxes receivables | 14,934,282 | - | 14,934,282 |
| 1230 | Allowance for uncollectable taxes | (6,720,426) | - | (6,720,426) |
| 1240 | Due from other governments | 20,680,967 | 512,455 | 21,193,422 |
| 1250 | Accrued interest | 1,675,156 | 57,902 | 1,733,058 |
| 1260 | Internal balances | 527,617 | (527,617) | - |
| 1290 | Other receivables | 236,786 | 9,869 | 246,655 |
| 1300 | Inventories | 1,788,924 | 492,847 | 2,281,771 |
| 1410 | Prepaid items | 9,506,812 | - | 9,506,812 |
| 1800 | Restricted cash | 778,500 | - | 778,500 |
| | Capital assets not subject to depreciation: | | | |
| 1510 | Land | 63,760,071 | - | 63,760,071 |
| 1580 | Construction in progress | 36,512,606 | - | 36,512,606 |
| | Capital assets net of depreciation: | | | |
| 1515 | Land improvements (net) | 10,641,401 | - | 10,641,401 |
| 1520 | Buildings and improvements (net) | 843,709,685 | 2,022,111 | 845,731,796 |
| 1530 | Furniture and equipment (net) | 44,405,655 | 4,236,164 | 48,641,819 |
| 1000 | Total assets | 1,490,862,650 | 19,861,980 | 1,510,724,630 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| 1705 | Deferred outflows - pension | 29,462,437 | 571,373 | 30,033,810 |
| 1706 | Deferred outflows - OPEB | 30,069,493 | 582,386 | 30,651,879 |
| 1710 | Deferred charge on refunding | 3,872,920 | - | 3,872,920 |
| 1700 | Total deferred outflows of resources | 63,404,850 | 1,153,759 | 64,558,609 |
| LIABILITIES | | | | |
| 2110 | Accounts payable | 17,758,917 | 407,108 | 18,166,025 |
| 2140 | Interest payable | 2,335,051 | - | 2,335,051 |
| 2150 | Payroll deductions and withholdings | 3,529,559 | - | 3,529,559 |
| 2160 | Accrued wages payable | 33,628,067 | 606,566 | 34,234,633 |
| 2180 | Due to other governments | 143,221 | - | 143,221 |
| 2190 | Due to student groups | 171,127 | - | 171,127 |
| 2200 | Accrued expenses | 1,078,468 | - | 1,078,468 |
| 2300 | Unearned revenue | 2,055,325 | 38,350 | 2,093,675 |
| | Noncurrent liabilities: | | | |
| 2501 | Due within one year | 66,247,275 | 214,717 | 66,461,992 |
| | Due in more than one year: | | | |
| 2502 | Bonds, leases and compensated absences payable | 1,231,329,967 | 417,835 | 1,231,747,802 |
| 2540 | Net pension liability | 126,747,779 | 2,458,056 | 129,205,835 |
| 2545 | Net OPEB liability | 77,444,216 | 1,499,939 | 78,944,155 |
| 2000 | Total liabilities | 1,562,468,972 | 5,642,571 | 1,568,111,543 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| 2605 | Deferred inflows - pension | 10,953,624 | 212,427 | 11,166,051 |
| 2606 | Deferred inflows - OPEB | 79,203,677 | 1,534,016 | 80,737,693 |
| 2610 | Deferred gain on refunding | 17,288,774 | - | 17,288,774 |
| 2600 | Total deferred inflows of resources | 107,446,075 | 1,746,443 | 109,192,518 |
| NET POSITION (DEFICIT) | | | | |
| 3200 | Net investment in capital assets | 5,193,647 | 6,258,275 | 11,451,922 |
| 3820 | Restricted for grants | 811,813 | - | 811,813 |
| 3820 | Restricted for food service | - | 6,245,390 | 6,245,390 |
| 3850 | Restricted for debt service | 43,748,344 | - | 43,748,344 |
| 3900 | Unrestricted | (165,401,351) | 1,123,060 | (164,278,291) |
| 3000 | TOTAL NET POSITION (DEFICIT) | \$ (115,647,547) | \$ 13,626,725 | \$ (102,020,822) |

The Notes to the Financial Statements are an integral part of this statement.

Clear Creek Independent School District

Statement of Activities

For the Fiscal Year Ended August 31, 2025

| Data Control Codes | Functions/Programs | 1 | 3 | 4 |
|--------------------------|--|-----------------------|-------------------------|--|
| | | Expenses | Program Revenues | |
| | | | Charges for Services | Operating Grants and Contributions |
| | PRIMARY GOVERNMENT | | | |
| | Governmental activities: | | | |
| 0011 | Instruction | \$ 286,105,044 | \$ 4,432,146 | \$ 25,061,749 |
| 0012 | Instructional resources and media services | 5,238,742 | 42,615 | 146,541 |
| 0013 | Curriculum and instructional staff development | 16,391,534 | 15,879 | 4,138,526 |
| 0021 | Instructional leadership | 5,053,304 | 448,745 | 819,837 |
| 0023 | School leadership | 26,332,415 | - | 705,619 |
| 0031 | Guidance, counseling, and evaluation services | 20,874,506 | 57 | 1,236,063 |
| 0032 | Social work services | 1,075,421 | - | 15,100 |
| 0033 | Health services | 4,558,847 | - | 142,803 |
| 0034 | Student transportation | 18,327,398 | - | 356,261 |
| 0035 | Food services | 363,709 | 2,149 | 5,175 |
| 0036 | Extracurricular activities | 19,170,401 | 10,403,777 | 213,460 |
| 0041 | General administration | 8,722,506 | - | 1,726,190 |
| 0051 | Plant maintenance and operations | 41,986,037 | 778,023 | 1,286,180 |
| 0052 | Security and monitoring services | 7,728,759 | - | 1,318,065 |
| 0053 | Data processing services | 15,511,339 | 286,149 | 601,717 |
| 0061 | Community services | 1,586,385 | 184,833 | 1,257,091 |
| 0072 | Interest and fiscal charges | 38,593,674 | - | - |
| 0073 | Issuance costs and fees | 3,747,283 | - | - |
| 0081 | Facilities repair and maintenance | 834,886 | - | 384,986 |
| 0093 | Payments related to shared services arrangements | 731,320 | - | - |
| 0095 | Payments to juvenile justice alternative education programs | 4,050 | - | 570,198 |
| 0099 | Other intergovernmental charges | 2,260,844 | - | - |
| TG | Total governmental activities | 525,198,404 | 16,594,373 | 39,985,561 |
| | Business-type activities: | | | |
| 35 | National School Breakfast/Lunch Program | 18,725,222 | 11,188,429 | 6,883,595 |
| 02 | Athletics Concessions | 205,891 | 234,380 | - |
| 03 | Advertising | 159,871 | 447,269 | - |
| | Total business-type activities | 19,090,984 | 11,870,078 | 6,883,595 |
| TP | TOTAL PRIMARY GOVERNMENT | \$ 544,289,388 | \$ 28,464,451 | \$ 46,869,156 |
| | General revenues: | | | |
| 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 | | | |
| GS | Gain on sale of capital asset | | | |
| FR | Transfers | | | |
| TR | Total general revenues and transfers | | | |
| CN | Change in net position | | | |
| NB | Net position (deficit) - beginning | | | |
| GB | Implementation of GASB 101, <i>Compensated Absences</i> | | | |
| | Net position (deficit) - beginning, as restated | | | |
| NE | NET POSITION (DEFICIT) - ENDING | | | |

The Notes to the Financial Statements are an integral part of this statement.

| 6 | 7 | 8 |
|---|-----------------------------|-------------------------|
| Net (Expense) Revenue and Change in Net Position | | |
| Governmental Activities | Business-type Activities | Total |
| \$ (256,611,149) | \$ - | \$ (256,611,149) |
| (5,049,586) | - | (5,049,586) |
| (12,237,129) | - | (12,237,129) |
| (3,784,722) | - | (3,784,722) |
| (25,626,796) | - | (25,626,796) |
| (19,638,386) | - | (19,638,386) |
| (1,060,321) | - | (1,060,321) |
| (4,416,044) | - | (4,416,044) |
| (17,971,137) | - | (17,971,137) |
| (356,385) | - | (356,385) |
| (8,553,164) | - | (8,553,164) |
| (6,996,316) | - | (6,996,316) |
| (39,921,834) | - | (39,921,834) |
| (6,410,694) | - | (6,410,694) |
| (14,623,473) | - | (14,623,473) |
| (144,461) | - | (144,461) |
| (38,593,674) | - | (38,593,674) |
| (3,747,283) | - | (3,747,283) |
| (449,900) | - | (449,900) |
| (731,320) | - | (731,320) |
| 566,148 | - | 566,148 |
| (2,260,844) | - | (2,260,844) |
| (468,618,470) | - | (468,618,470) |
| - | (653,198) | (653,198) |
| - | 28,489 | 28,489 |
| - | 287,398 | 287,398 |
| - | (337,311) | (337,311) |
| (468,618,470) | (337,311) | (468,955,781) |
| 207,450,990 | - | 207,450,990 |
| 81,773,231 | - | 81,773,231 |
| 159,190,628 | - | 159,190,628 |
| 17,677,957 | 543,254 | 18,221,211 |
| 658,409 | - | 658,409 |
| 1,920,043 | - | 1,920,043 |
| 200,000 | (200,000) | - |
| 468,871,258 | 343,254 | 469,214,512 |
| 252,788 | 5,943 | 258,731 |
| (95,044,085) | 14,258,206 | (80,785,879) |
| (20,856,250) | (637,424) | (21,493,674) |
| (115,900,335) | 13,620,782 | (102,279,553) |
| <u>\$ (115,647,547)</u> | <u>\$ 13,626,725</u> | <u>\$ (102,020,822)</u> |

Clear Creek Independent School District

Balance Sheet

Governmental Funds

August 31, 2025

| | | 199 | 599 | 699 |
|-------------------------------|---|----------------|-------------------|-----------------------|
| Data Control Codes | | General Fund | Debt Service Fund | Capital Projects Fund |
| ASSETS | | | | |
| 1110 | Cash and cash equivalents | \$ 33,448,691 | \$ 10,532,169 | \$ 217,811,891 |
| 1120 | Investments | 90,356,645 | 33,478,394 | 45,555,052 |
| 1220 | Property taxes receivables | 11,115,043 | 3,819,239 | - |
| 1230 | Allowance for uncollectable taxes | (5,001,769) | (1,718,657) | - |
| 1240 | Due from other governments | 18,389,614 | - | 421,620 |
| 1250 | Accrued interest | 1,106,554 | 168,714 | 378,403 |
| 1260 | Due from other funds | 1,512,037 | 375,445 | 3,487,997 |
| 1290 | Other receivables | 63,547 | - | 33,330 |
| 1300 | Inventories | 1,788,924 | - | - |
| 1410 | Prepaid items | 3,907,148 | - | 5,599,664 |
| 1810 | Restricted cash | - | - | 778,500 |
| 1000 | Total assets | 156,686,434 | 46,655,304 | 274,066,457 |
| 1000a | TOTAL ASSETS | \$ 156,686,434 | \$ 46,655,304 | \$ 274,066,457 |
| LIABILITIES | | | | |
| 2110 | Accounts payable | \$ 6,687,567 | \$ 436,053 | \$ 9,341,177 |
| 2150 | Payroll deduction and withholdings | 3,529,559 | - | - |
| 2160 | Accrued wages payable | 33,406,666 | - | - |
| 2170 | Due to other funds | 4,194,680 | - | - |
| 2180 | Due to other governments | 7,365 | 135,856 | - |
| 2190 | Due to student groups | 171,127 | - | - |
| 2300 | Unearned revenue | 215,393 | - | - |
| 2000 | Total liabilities | 48,212,357 | 571,909 | 9,341,177 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| 2600 | Unavailable revenue - property taxes | 5,498,074 | 1,866,573 | - |
| 2601 | Unavailable revenue - grants | - | - | - |
| | Total deferred inflows of resources | 5,498,074 | 1,866,573 | - |
| FUND BALANCES | | | | |
| | Nonspendable: | | | |
| 3410 | Inventories | 1,788,924 | - | - |
| 3430 | Prepaid items | 3,907,148 | - | 5,599,664 |
| | Restricted for: | | | |
| 3450 | Grants | - | - | - |
| 3470 | Capital acquisitions and contractual obligations | - | - | 216,814,563 |
| 3480 | Debt service | - | 44,216,822 | - |
| | Committed to: | | | |
| 3510 | Construction | - | - | 40,964,048 |
| 3530 | Capital expenditures for equipment | - | - | 1,347,005 |
| 3545 | Other | - | - | - |
| 3600 | Unassigned | 97,279,931 | - | - |
| 3000 | Total fund balances | 102,976,003 | 44,216,822 | 264,725,280 |
| 4000 | TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 156,686,434 | \$ 46,655,304 | \$ 274,066,457 |

The Notes to the Financial Statements are an integral part of this statement.

| Total Nonmajor Funds | 98 Total Governmental Funds |
|-------------------------------------|--|
| \$ 8,799,157 | \$ 270,591,908 |
| 4,573,761 | 173,963,852 |
| - | 14,934,282 |
| - | (6,720,426) |
| 1,869,733 | 20,680,967 |
| 21,485 | 1,675,156 |
| 170,494 | 5,545,973 |
| 43,221 | 140,098 |
| - | 1,788,924 |
| - | 9,506,812 |
| - | 778,500 |
| <u>15,477,851</u> | <u>492,886,046</u> |
| <u>\$ 15,477,851</u> | <u>\$ 492,886,046</u> |
| | |
| \$ 1,218,529 | \$ 17,683,326 |
| - | 3,529,559 |
| 221,401 | 33,628,067 |
| 1,008,191 | 5,202,871 |
| - | 143,221 |
| - | 171,127 |
| <u>1,839,932</u> | <u>2,055,325</u> |
| | |
| 4,288,053 | 62,413,496 |
| | |
| - | 7,364,647 |
| <u>5,420</u> | <u>5,420</u> |
| | |
| 5,420 | 7,370,067 |
| | |
| - | 1,788,924 |
| - | 9,506,812 |
| | |
| 811,813 | 811,813 |
| - | 216,814,563 |
| - | 44,216,822 |
| | |
| - | 40,964,048 |
| - | 1,347,005 |
| 10,372,565 | 10,372,565 |
| <u>-</u> | <u>97,279,931</u> |
| | |
| <u>11,184,378</u> | <u>423,102,483</u> |
| | |
| <u>\$ 15,477,851</u> | <u>\$ 492,886,046</u> |



Clear Creek Independent School District**Exhibit C-1R**

Reconciliation of the Balance Sheet for Governmental Funds
to the Statement of Net Position
August 31, 2025

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS (EXHIBIT C-1) \$ 423,102,483

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The governmental capital assets at year-end consist of:

| | | |
|---|----------------------|-------------|
| Governmental capital assets costs | \$ 1,779,916,540 | |
| Accumulated depreciation of governmental capital assets | <u>(780,887,122)</u> | 999,029,418 |

Property taxes and grant receivable, which will be collected subsequent to year-end, but are not available soon enough to pay expenditures and, therefore, are deferred in the funds. 7,370,067

Long-term liabilities, including bonds payable, arbitrage payable, compensated absences and net pension and OPEB liability, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Liabilities at year-end related to such items consist of:

| | | |
|--------------------------------|---------------------|-----------------|
| Bonds payable, at original par | \$ (1,151,620,000) | |
| Premium on bonds payable | (119,011,096) | |
| Accrued interest on the bonds | (2,335,051) | |
| Arbitrage payable | (1,699,009) | |
| Compensated absences | (25,247,137) | |
| Net pension liability | (126,747,779) | |
| Net OPEB liability | <u>(77,444,216)</u> | (1,504,104,288) |

Internal service funds are used by the District to charge the costs of workers' compensation, dental and disability insurance benefits to the individual funds. The assets and liabilities of the internal service funds are included with governmental activities. 2,995,998

Deferred charge on refunding is reported as deferred outflow in the statement of net position and is not reported in the governmental funds due to it is not a current financial resource available to pay for current expenditures. 3,872,920

Deferred gain on refunding is reported as deferred inflow in the statement of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. (17,288,774)

Deferred outflows of resources for pension represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenses/expenditures) until the 29,462,437

Deferred inflows of resources for pension represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. (10,953,624)

Deferred outflows of resources for OPEB represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenses/expenditures) until then. 30,069,493

Deferred inflows of resources for OPEB represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. (79,203,677)

TOTAL NET POSITON (DEFICIT) - GOVERNMENTAL ACTIVITIES (EXHIBIT A-1) \$ (115,647,547)

The Notes to the Financial Statements are an integral part of this statement.

Clear Creek Independent School District
Statement of Revenues, Expenditures, and Changes
in Fund Balances
Governmental Funds
For the Fiscal Year Ended August 31, 2025

| Data Control Codes | | 199 | 599 | 699 |
|--------------------------------|---|----------------|----------------------|--------------------------|
| | | General Fund | Debt Service Fund | Capital Projects Fund |
| REVENUES | | | | |
| 5700 | Local and intermediate sources | \$ 220,405,860 | \$ 83,817,686 | \$ 7,526,408 |
| 5800 | State program revenues | 166,813,558 | 11,531,266 | - |
| 5900 | Federal program revenues | 3,580,894 | - | 3,901,550 |
| 5020 | Total revenues | 390,800,312 | 95,348,952 | 11,427,958 |
| EXPENDITURES | | | | |
| Current: | | | | |
| 0011 | Instruction | 245,262,908 | - | 3,264,644 |
| 0012 | Instructional resources and media services | 4,693,244 | - | - |
| 0013 | Curriculum and instructional staff development | 11,581,524 | - | - |
| 0021 | Instructional leadership | 3,597,089 | - | - |
| 0023 | School leadership | 24,156,945 | - | - |
| 0031 | Guidance, counseling, and evaluation services | 18,392,898 | - | - |
| 0032 | Social work services | 965,767 | - | - |
| 0033 | Health services | 4,150,265 | - | - |
| 0034 | Student transportation | 15,744,638 | - | 9,583,349 |
| 0035 | Food services | 369,107 | - | - |
| 0036 | Extracurricular activities | 8,272,763 | - | 733,201 |
| 0041 | General administration | 7,884,970 | - | 9,150 |
| 0051 | Plant maintenance and operations | 34,739,888 | - | 3,201,577 |
| 0052 | Security and monitoring services | 5,514,651 | - | 479,987 |
| 0053 | Data processing services | 7,857,587 | - | 13,170,889 |
| 0061 | Community services | 186,328 | - | - |
| Debt service: | | | | |
| 0071 | Principal on long-term debt | - | 54,065,000 | - |
| 0072 | Interest on long-term debt | - | 45,541,804 | - |
| 0073 | Issuance costs and fees | - | 2,348,646 | 1,398,637 |
| Capital outlay: | | | | |
| 0081 | Facilities acquisition and construction | - | - | 55,359,700 |
| Intergovernmental: | | | | |
| 0093 | Payments related shares services arrangements | 161,122 | - | - |
| 0095 | Payments to juvenile justice alternative education programs | 4,050 | - | - |
| 0099 | Other intergovernmental charges | 2,260,844 | - | - |
| 6030 | Total expenditures | 395,796,588 | 101,955,450 | 87,201,134 |
| 1100 | Excess (deficiency) of revenues over expenditures | (4,996,276) | (6,606,498) | (75,773,176) |
| OTHER FINANCING SOURCES (USES) | | | | |
| 7901 | Refunding bonds issued | - | 183,225,000 | - |
| 7911 | Capital-related debt issued (regular bonds) | - | - | 159,630,000 |
| 7912 | Sale of real and personal property | 99,963 | - | 1,920,043 |
| 7915 | Transfers in | 5,258,802 | - | - |
| 7916 | Premium on issuance of bonds | - | 29,691,721 | 3,582,720 |
| 8911 | Transfers out | - | - | (3,530,941) |
| 8940 | Payment to escrow agent | - | (203,616,323) | - |
| 7080 | Total other financing sources (uses) | 5,358,765 | 9,300,398 | 161,601,822 |
| 1200 | Net change in fund balances | 362,489 | 2,693,900 | 85,828,646 |
| 0100 | Fund balances - beginning | 102,613,514 | 41,522,922 | 178,896,634 |
| 3000 | FUND BALANCES - ENDING | \$ 102,976,003 | \$ 44,216,822 | \$ 264,725,280 |

The Notes to the Financial Statements are an integral part of this statement.

| Total Nonmajor Funds | 98 Total Governmental Funds |
|-------------------------------------|--|
| \$ 13,194,724 | \$ 324,944,678 |
| 6,013,352 | 184,358,176 |
| 18,179,672 | 25,662,116 |
| 37,387,748 | 534,964,970 |
| 17,029,746 | 265,557,298 |
| 82,081 | 4,775,325 |
| 3,718,691 | 15,300,215 |
| 1,136,122 | 4,733,211 |
| 18,064 | 24,175,009 |
| 722,462 | 19,115,360 |
| - | 965,767 |
| 19,247 | 4,169,512 |
| 68,328 | 25,396,315 |
| 2,149 | 371,256 |
| 9,353,340 | 18,359,304 |
| - | 7,894,120 |
| - | 37,941,465 |
| 1,297,344 | 7,291,982 |
| 576,025 | 21,604,501 |
| 1,386,857 | 1,573,185 |
| - | 54,065,000 |
| - | 45,541,804 |
| - | 3,747,283 |
| 384,986 | 55,744,686 |
| 570,198 | 731,320 |
| - | 4,050 |
| - | 2,260,844 |
| 36,365,640 | 621,318,812 |
| 1,022,108 | (86,353,842) |
| - | 183,225,000 |
| - | 159,630,000 |
| - | 2,020,006 |
| - | 5,258,802 |
| - | 33,274,441 |
| (427,861) | (3,958,802) |
| - | (203,616,323) |
| (427,861) | 175,833,124 |
| 594,247 | 89,479,282 |
| 10,590,131 | 333,623,201 |
| \$ 11,184,378 | \$ 423,102,483 |

Clear Creek Independent School District
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Fiscal Year Ended August 31, 2025

Exhibit C-3

TOTAL NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (EXHIBIT C-2) \$ 89,479,282

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense.

| | | |
|---------------------------------|---------------------|------------|
| Capital assets <i>increased</i> | \$ 73,661,143 | |
| Depreciation expense | <u>(59,157,495)</u> | 14,503,648 |

The net effect of miscellaneous transactions involving capital assets (transfers, adjustments and dispositions) is an increase (decrease) to net position. (1,312,022)

Because property taxes and grants will be collected after the District's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Unavailable tax revenues increased (decreased) by this amount this year. 932,299

Issuance of bonds provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.

| | | |
|------------------------------|---------------------|---------------|
| Par value | \$ (342,855,000) | |
| Premium on issuance of bonds | <u>(33,274,441)</u> | (376,129,441) |

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 54,065,000

Payment to escrow agent to refund bonds from refunding proceeds. 203,616,323

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The increase (decrease) in interest reported in the statement of activities consist of the following:

| | | |
|--|--------------------|-----------|
| Accrued interest on current interest bonds payable (<i>increased</i>) <i>decreased</i> | \$ (740,943) | |
| Arbitrage payable (increased) decreased | (1,165,707) | |
| Amortization of bond premium | 10,082,461 | |
| Amortization of deferred gain on refunding | 1,192,094 | |
| Amortization of deferred charge on refunding | <u>(2,419,775)</u> | 6,948,130 |

The (increase) decrease in compensated absences is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. 727,838

Internal service funds are used by the District to charge the costs of workers' compensation, dental and disability insurance benefits to the individual funds. The net activity of the internal service funds were reported in the government-wide statements. (735,104)

The net change in net pension liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:

| | | |
|---|-------------------|-------------|
| Deferred outflows increased (decreased) | \$ (28,304,187) | |
| Deferred inflows (increased) decreased | (1,129,529) | |
| Net pension liability (increased) decreased | <u>25,206,331</u> | (4,227,385) |

The net change in net OPEB liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:

| | | |
|--|---------------------|------------|
| Deferred outflows increased (decreased) | \$ 12,664,264 | |
| Deferred inflows (increased) decreased | 17,045,730 | |
| Net OPEB liability (increased) decreased | <u>(17,325,774)</u> | 12,384,220 |

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES (EXHIBIT B-1) \$ 252,788

The Notes to the Financial Statements are an integral part of this statement.

Clear Creek Independent School District
Statement of Net Position
Proprietary Funds
August 31, 2025

Exhibit D-1

| | Business-type Activities | | | Governmental Activities |
|--|---|---------------------------|------------------------|-------------------------|
| | Total | | | Internal Service Funds |
| | National School Breakfast/Lunch Program | Nonmajor Enterprise Funds | Total Enterprise Funds | |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 4,897,012 | \$ 1,172,565 | \$ 6,069,577 | \$ 3,868,854 |
| Investments | 6,988,672 | - | 6,988,672 | - |
| Receivables: | | | | |
| Due from other governments | 512,455 | - | 512,455 | - |
| Accrued interest | 57,902 | - | 57,902 | - |
| Due from other funds | 20,852 | - | 20,852 | 184,515 |
| Other receivables | 961 | 8,908 | 9,869 | 96,688 |
| Inventories | 492,847 | - | 492,847 | - |
| Total current assets | 12,970,701 | 1,181,473 | 14,152,174 | 4,150,057 |
| Noncurrent assets: | | | | |
| Building and improvements, net of accumulated depreciation | 1,969,465 | 52,646 | 2,022,111 | - |
| Furniture and equipment, net of accumulated depreciation | 4,198,831 | 37,333 | 4,236,164 | - |
| Total noncurrent assets | 6,168,296 | 89,979 | 6,258,275 | - |
| Total assets | 19,138,997 | 1,271,452 | 20,410,449 | 4,150,057 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred outflows - pension | 571,373 | - | 571,373 | - |
| Deferred outflows - OPEB | 582,386 | - | 582,386 | - |
| Total deferred outflows of resources | 1,153,759 | - | 1,153,759 | - |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable | 400,777 | 6,331 | 407,108 | 75,591 |
| Accrued wages payable | 606,566 | - | 606,566 | - |
| Due to other funds | 534,737 | 13,732 | 548,469 | - |
| Accrued expenses | - | - | - | 1,078,468 |
| Compensated absences, current | 214,717 | - | 214,717 | - |
| Unearned Revenue | - | 38,350 | 38,350 | - |
| Total current liabilities | 1,756,797 | 58,413 | 1,815,210 | 1,154,059 |
| Noncurrent liabilities: | | | | |
| Compensated absences, noncurrent | 417,835 | - | 417,835 | - |
| Net pension liability | 2,458,056 | - | 2,458,056 | - |
| Net OPEB liability | 1,499,939 | - | 1,499,939 | - |
| Total noncurrent liabilities | 4,375,830 | - | 4,375,830 | - |
| Total liabilities | 6,132,627 | 58,413 | 6,191,040 | 1,154,059 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred inflows - pension | 212,427 | - | 212,427 | - |
| Deferred inflows - OPEB | 1,534,016 | - | 1,534,016 | - |
| Total deferred inflows of resources | 1,746,443 | - | 1,746,443 | - |
| NET POSITION | | | | |
| Investment in capital assets | 6,168,296 | 89,979 | 6,258,275 | - |
| Restricted for grants | 6,245,390 | - | 6,245,390 | - |
| Unrestricted | - | 1,123,060 | 1,123,060 | 2,995,998 |
| TOTAL NET POSITION | \$ 12,413,686 | \$ 1,213,039 | \$ 13,626,725 | \$ 2,995,998 |

The Notes to the Financial Statements are an integral part of this statement.

Clear Creek Independent School District
Statement of Revenues, Expenses, and Changes
in Net Position
Proprietary Funds
For the Fiscal Year Ended August 31, 2025

Exhibit D-2

| | Business-type Activities | | | Governmental Activities |
|---|--|--|-------------------------------|--------------------------------|
| | National School Breakfast/Lunch Program | Total Nonmajor Enterprise Funds | Total Enterprise Funds | Internal Service Funds |
| OPERATING REVENUES | | | | |
| Charges for services | \$ 11,188,429 | \$ 681,649 | \$ 11,870,078 | \$ 3,497,779 |
| Total operating revenues | 11,188,429 | 681,649 | 11,870,078 | 3,497,779 |
| OPERATING EXPENSES | | | | |
| Payroll costs | 6,967,168 | 118,701 | 7,085,869 | - |
| Professional and contracted services | 107,220 | 37,276 | 144,496 | 256,821 |
| Supplies and materials | 10,911,983 | 110,754 | 11,022,737 | - |
| Other operating costs | 16,915 | 8,107 | 25,022 | - |
| Claims expense | - | - | - | 2,982,996 |
| Depreciation | 721,936 | 90,924 | 812,860 | - |
| Total operating expenses | 18,725,222 | 365,762 | 19,090,984 | 3,239,817 |
| Operating income (loss) | (7,536,793) | 315,887 | (7,220,906) | 257,962 |
| NONOPERATING REVENUES | | | | |
| Investment earnings | 543,254 | - | 543,254 | 106,934 |
| National School Breakfast Program | 1,192,395 | - | 1,192,395 | - |
| National School Lunch Program | 4,824,438 | - | 4,824,438 | - |
| Donated commodities | 735,315 | - | 735,315 | - |
| State program revenue | 60,920 | - | 60,920 | - |
| Other federal revenue | 70,527 | - | 70,527 | - |
| Transfers Out | - | (200,000) | (200,000) | (1,100,000) |
| Total nonoperating revenues | 7,426,849 | (200,000) | 7,226,849 | (993,066) |
| Change in net position | (109,944) | 115,887 | 5,943 | (735,104) |
| Net position - beginning | 13,161,054 | 1,097,152 | 14,258,206 | 3,731,102 |
| Implementation of GASB 101, <i>Compensated Absences</i> | (637,424) | - | (637,424) | - |
| Net position - beginning, as restated | 12,523,630 | 1,097,152 | 13,620,782 | 3,731,102 |
| NET POSITION - ENDING | <u>\$ 12,413,686</u> | <u>\$ 1,213,039</u> | <u>\$ 13,626,725</u> | <u>\$ 2,995,998</u> |

The Notes to the Financial Statements are an integral part of this statement.

Clear Creek Independent School District
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended August 31, 2025

Exhibit D-3

| | Business-type Activities | | | Governmental Activities |
|--|--|--|-------------------------------|--------------------------------|
| | National School Breakfast/Lunch Program | Total Nonmajor Enterprise Funds | Total Enterprise Funds | Internal Service Funds |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Cash received from customers | \$ 11,444,912 | \$ 720,501 | \$ 12,165,413 | \$ - |
| Cash received from user charges | - | - | - | 3,559,789 |
| Cash payments for employees' services and benefits | - | - | - | (3,110,031) |
| Cash payments to suppliers for goods and services | (10,400,366) | (157,524) | (10,557,890) | - |
| Cash payments for payroll costs | (7,145,085) | (118,701) | (7,263,786) | - |
| Cash payments for other operating expenses | (16,915) | (8,107) | (25,022) | (256,922) |
| Net cash provided by (used for) operating activities | (6,117,454) | 436,169 | (5,681,285) | 192,836 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Transfers to other funds | - | (200,000) | (200,000) | (1,100,000) |
| Operating grants received | 6,207,402 | - | 6,207,402 | - |
| Net cash provided by (used for) noncapital financing activities | 6,207,402 | (200,000) | 6,007,402 | (1,100,000) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Acquisition of capital assets | (2,008,846) | - | (2,008,846) | - |
| Net cash (used for) capital and related financing activities | (2,008,846) | - | (2,008,846) | - |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest and dividends received on investments | 538,492 | - | 538,492 | 106,934 |
| Purchase of investments | 525,634 | - | 525,634 | - |
| Net cash provided by investing activities | 1,064,126 | - | 1,064,126 | 106,934 |
| Net increase (decrease) in cash and cash equivalents | (854,772) | 236,169 | (618,603) | (800,230) |
| Cash and cash equivalents at beginning of year | 5,751,784 | 936,396 | 6,688,180 | 4,669,084 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | \$ 4,897,012 | \$ 1,172,565 | \$ 6,069,577 | \$ 3,868,854 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES | | | | |
| Operating income (loss) | \$ (7,536,793) | \$ 315,887 | \$ (7,220,906) | \$ 257,962 |
| Depreciation | 721,936 | 90,924 | 812,860 | - |
| Donated commodities | 735,315 | - | 735,315 | - |
| Change in assets and liabilities: | | | | |
| (Increase)decrease in due from other funds | 573 | 228 | 801 | 48,427 |
| (Increase)decrease in other receivables | (931) | (8,908) | (9,839) | 13,583 |
| (Increase)decrease in inventories | (4,944) | - | (4,944) | - |
| (Increase)decrease in deferred outflows - pension | 559,693 | - | 559,693 | - |
| (Increase)decrease in deferred outflows - OPEB | (241,664) | - | (241,664) | - |
| Increase(decrease) in accounts payable | (111,534) | 3,492 | (108,042) | (127,136) |
| Increase(decrease) in accrued wages payable | 33,127 | - | 33,127 | - |
| Increase(decrease) in due to other funds | 336,333 | (3,804) | 332,529 | - |
| Increase(decrease) in unearned revenue | (79,492) | 38,350 | (41,142) | - |
| Increase(decrease) in compensated absences | (4,872) | - | (4,872) | - |
| Increase(decrease) in net pension liability | (517,193) | - | (517,193) | - |
| Increase(decrease) in net OPEB liability | 323,069 | - | 323,069 | - |
| Increase(decrease) in deferred inflows - pension | 20,072 | - | 20,072 | - |
| Increase(decrease) in deferred inflows - OPEB | (350,149) | - | (350,149) | - |
| NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES | \$ (6,117,454) | \$ 436,169 | \$ (5,681,285) | \$ 192,836 |
| Schedule of non-cash capital and related financing activities | | | | |
| Donated commodities received | \$ 735,315 | \$ - | \$ 735,315 | \$ - |

The Notes to the Financial Statements are an integral part of this statement.

Clear Creek Independent School District

Statement of Fiduciary Net Position

Fiduciary Funds

August 31, 2025

Exhibit E-1

| | 865 Custodial Fund |
|---------------------------|-----------------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 759,891 |
| Other receivables | <u>886</u> |
| Total assets | 760,777 |
| LIABILITIES | |
| Accounts payable | <u>5,575</u> |
| Total liabilities | 5,575 |
| NET POSITION | |
| Restricted for: | |
| Student activities | <u>755,202</u> |
| TOTAL NET POSITION | <u><u>\$ 755,202</u></u> |

The Notes to the Financial Statements are an integral part of this statement.

Clear Creek Independent School District
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended August 31, 2025

Exhibit E-2

| | 865 Custodial Fund |
|--------------------------------------|-----------------------------------|
| ADDITIONS | |
| Contributions of gifts | <u>\$ 800,119</u> |
| Total additions | 800,119 |
| DEDUCTIONS | |
| Payroll costs | 17,489 |
| Student activities | <u>751,088</u> |
| Total deductions | <u>768,577</u> |
| Net change in fiduciary net position | 31,542 |
| Net position - beginning | <u>723,660</u> |
| NET POSITION - END OF YEAR | <u><u>\$ 755,202</u></u> |

The Notes to the Financial Statements are an integral part of this statement.



Clear Creek Independent School District

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

Clear Creek Independent School District (the "District") is an independent public educational agency operating under applicable laws and regulations of the State of Texas. The District is autonomously governed by a seven-member Board of Trustees elected by the District's residents.

The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified by the American Institute of Certified Public Accountants; and it complies with the requirements of the appropriate version of Texas Education Agency's *Financial Accountability System Resource Guide* (the "Resource Guide" or "FASRG") and the requirements of contracts and grants of agencies from which it receives funds.

The District's Financial Statements are in accordance with GASB Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, which provides additional guidance for the implementation of GASB Statement No. 34, and GASB Statement No. 38, *Certain Financial Statement Disclosures*, which changes the note disclosure requirements in the financial statements for governmental entities.

GASB Statement No. 34 established a financial reporting model for state and local governments that included the addition of management's discussion and analysis, government-wide financial statements, required supplementary information and the elimination of the effects of internal service activities to the already required fund financial statements and notes.

The GASB determined that fund accounting has and will continue to be essential in helping governments to achieve fiscal accountability and should, therefore, be an essential part of financial reporting. The GASB also determined that government wide financial statements are needed to allow users of financial reports to assess a government's operational accountability. The GASB Statement No. 34 reporting model integrates fund-based financial reporting and government-wide financial reporting as complementary components of a single comprehensive financial reporting model.

The following is a summary of the most significant accounting policies.

A. Reporting Entity

The District is considered an independent entity for financial reporting purposes and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared, based on considerations regarding the potential for inclusion of other entities, organizations, or functions, as part of the District's financial reporting entity. Based on these considerations, the District's basic financial statements do not include any other entities. Additionally, as the District is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the District's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the District is part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the District's financial reporting entity status is that of a primary government are: that it has a separately elected governing body; it is legally separate; and it is fiscally independent of other state and local governments.

Clear Creek Independent School District

Notes to the Financial Statements

Additionally prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable; and considerations pertaining to other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Board of Trustees (the "Board") is elected by the public and has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) in its Statement No. 61, *The Financial Reporting Entity*. The District has also implemented GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The District receives support from various PTO, booster clubs and foundation organizations. None of these organizations meet the criteria specified by GASB 39 to be included in the District's financial statements. Therefore, 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 non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to students or users 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 revenues are reported instead as *general revenues*.

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

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

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

The fiduciary fund financial statements reflect the District's custodial fund and are reported using the *economic resources measurement focus* and the *accrual basis* of accounting.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected 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 service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Clear Creek Independent School District

Notes to the Financial Statements

Grant revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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 revenues from debt service taxes and earnings on investments which are used for payment of interest and principal on the District's bonded indebtedness.
- The *capital projects fund* is used to account for proceeds from sales of bonds and other revenues to be used for authorized construction and technology projects/enhancements.

The District reports the following nonmajor governmental fund:

- The *special revenue funds* are used to account for resources restricted to, or committed for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a special revenue fund. Generally, unused balances are returned to the grantor at the close of the specified project periods.

The District reports the following major enterprise fund:

- The *national school breakfast/lunch program* is used to account for allowable expenses as determined under the National School Breakfast and Lunch Program for the operations and improvement of Child Nutrition programs.

The District reports the following nonmajor enterprise funds:

- The *athletic concessions fund* and the *advertising fund*. These enterprise funds account for District's activities for which outside users are charged a fee roughly equal to the cost of providing the goods or services of those activities.

Additionally, the District reports the following fund types:

- The *internal service funds* account for the District's dental, workers compensation, and disability insurance benefits provided to employees of the District.
- The *custodial fund* is used to account for resources held in custodial capacity by the District and consists of funds that are the property of students or others.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from 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 governmental activities (governmental and the internal service fund) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (the enterprise fund) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Clear Creek Independent School District

Notes to the Financial Statements

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. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Amounts reported as *program revenues* include 1) charges to students or users for goods, services, or privileges provided and 2) operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes, grants and contributions not restricted to specific programs, investment earnings, miscellaneous and gain on sale of assets.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service fund are charges to the funds and/or employees for self-funded health insurance services. Operating expenses for the internal service fund include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Implementation of New Accounting Standards

GASB Statement No. 101, *Compensated Absences* (GASB 101), improves the information needs of financial statements users by updating the recognition and measurement guidance for compensated absences under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2023, with earlier application encouraged. GASB 101 was implemented in the District's fiscal year 2025 financial statements with a restatement of \$21,493,674 to net position as of September 1, 2024 to reflect the changes adopted to conform to the new standard.

GASB Statement No. 102, *Certain Risk Disclosures* (GASB 102), improves financial reporting by providing users of financial statements with essential information regarding certain concentrations of constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. The requirements of this statement are effective for reporting periods beginning after June 15, 2024, with earlier application encouraged. GASB 102 was implemented in the District's fiscal year 2025 financial statements with no impact to amounts or disclosures previously reported.

E. Cash, Cash Equivalents, and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, investment pools, and short term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments, with maturity of three months or less when purchased, to be cash equivalents. For cash management purposes, the District transfers balances to either a money market or an externally pooled investment account. The cash is transferred back to the District as needed.

Investments consist primarily of U.S. treasury notes, certificates of deposit, and commercial paper. The District's certificates of deposit and commercial paper are carried at amortized cost. The District's U.S. treasury notes investments are carried at fair value based on quoted market prices at year end, in accordance with U.S. generally accepted accounting principles.

Clear Creek Independent School District

Notes to the Financial Statements

The District categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application*, provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities. The fair value hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's local government investment pools are recorded at amortized cost or net asset value as permitted by GASB Statement No. 79 *Certain Investment Pools and Pool Participants*. The investment pools held by the District are not subject to the fair value hierarchy.

F. Receivables and Payables

During the course of operations, transactions occur between individual funds for specified purposes. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet or statement of net position.

Property taxes are levied by October 1st 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 1st of the year following the year in which imposed. On January 1st of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Appraised values are established by the Central Appraisal District (CAD) of Galveston County, Texas and Harris County, Texas. Taxes are levied by the District's Board of Trustees based on the appraised values received from the Galveston Central Appraisal District and the Harris Central Appraisal District. Billing and collection of tax levies are performed by the District.

Property tax rates, established in accordance with state law, are levied on real and personal property within the District's boundaries for use in financing general government and debt service expenditures. Revenues from property taxes are recognized when levied to the extent they are available. The District considers property taxes susceptible to accrual and recognized as revenue if they are collected within 60 days of the end of the current fiscal period. However, not all outstanding property taxes are expected to be collected within one year of the date of the financial statements.

Tax rates levied to finance general government and debt service expenditures for the fiscal year were \$0.6990 and \$0.2700, respectively, based on an assessed property valuation of approximately \$30.1 billion resulting in an adjusted tax levy of approximately \$291.4 million. Allowances for uncollectible taxes 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.

G. Inventories and Prepaid Items

Inventories consisting of supplies and materials are stated at cost (average cost method) and they include consumable custodial, maintenance, transportation, instructional and office supplies. Inventories of governmental funds are recorded as expenditures when the supplies and materials are used or consumed (consumption method) rather than when purchased. Inventories of food commodities inventory are recorded at fair market value supplied by the Texas Department of Agriculture on the date received. Commodity inventory items are recorded as expenditures when distributed to individual campuses and revenue is recognized for an equal amount.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the consumption method of accounting.

Clear Creek Independent School District

Notes to the Financial Statements

H. Capital Assets

Capital assets are tangible and intangible assets, which include land, construction in progress, land improvements, buildings and improvement and furniture and equipment are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the District as tangible and intangible assets with an initial individual cost of more than \$5,000 and \$200,000, respectively, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Costs of the Facilities Acquisition and Construction function that relate to overall planning of District facilities, managing overall District assets and overall construction projects are treated as period costs and are not capitalized unless related to specific assets. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. When assets are retired or otherwise disposed of, the related costs or other recorded amounts are removed.

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

| Capital Asset Class | Lives |
|----------------------------|-------|
| Land improvements | 10-25 |
| Buildings and improvements | 20-40 |
| Furniture and equipment | 5-20 |

I. Compensated Absences

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee benefit account) during or upon separation from employment. Based on the criteria listed, the following types of leave qualify for liability recognition for compensated absences – local and state personal leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

State Personal Leave

The District is required under Texas Education Code 22.003 to provide eligible employees with a minimum of five days of personal leave per year (state leave) with no limit on accumulation and no restrictions on transfer between Districts. State leave benefits are eligible for payment upon separation from employment, with limitations.

Local Leave

The District’s policy provides eligible employees with up to seven days of local personal leave per year (local leave) with limits on accumulation. Local leave benefits are eligible for payment upon separation from employment, with limitations.

A liability for the estimated value of leave benefits that will be paid upon separation of service or used by employees as time off is included in the liability for compensated absences. The District pays any accrued compensated absences out of the General Fund or National School Breakfast/Lunch Program Fund.

Clear Creek Independent School District

Notes to the Financial Statements

J. Long-Term Obligations

The District's long-term obligations consist of bonded indebtedness, arbitrage payable, compensated absences, and net pension and other postemployment benefits liabilities. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities and proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund. The current requirements for pension and other postemployment benefit plans are accounted for in the general fund and proprietary funds. Other unfunded long-term liabilities are generally liquidated with resources of the general fund.

K. Deferred Outflows/Inflows of Resources

Deferred outflows of resources represents a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until then. Deferred inflows of resources represents an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension and OPEB activities are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and OPEB plan, except for projected and actual earnings differences on investments which are amortized on a closed basis over a 5-year period.
- District contributions to the pension and OPEB plans after the measurement date of each plan are recognized as a reduction of the applicable liability in the subsequent fiscal year.
- Deferred charge/gain on refunding is amortized over the shorter of the life of the refunded or refunding debt.
- Property taxes and grants are recognized in the period the amount becomes available.

L. Pension

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 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.

Clear Creek Independent School District

Notes to the Financial Statements

M. Other Postemployment Benefits (OPEB)

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 postemployment 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.

N. Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or 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 and proprietary 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 – net position to have been depleted before unrestricted – net position is applied.

O. Fund Balance Classifications and Assumptions

The following classifications describe the relative strength of the spending constraints:

Non-spendable fund balance - amounts that are not in spendable form or are required to be maintained intact. As such, the inventory and prepaid items have been properly classified in the Governmental Funds Balance Sheet (Exhibit C-1).

Restricted fund balance - amounts that can be spent only for specific purposes because of local, state or federal laws, or externally imposed conditions by grantors or creditors. The fund balances for grant funds are classified as restricted.

Committed fund balance - amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e. the Board of Trustees). To be reported as committed, amounts cannot be used for any other purposes unless the District takes the same highest level of action to remove or change the constraint. The amount reported in this category includes capital projects fund committed for construction and capital equipment, nonmajor governmental funds committed for campus activity, student device insurance fund, and music enrichment. The District establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. A fund balance commitment is further indicated in the budget document as a commitment of the fund.

Assigned fund balance - amounts the District intends to use for a specific purpose. Intent can be expressed by the District or by an official or body to which the Board of Trustees delegates the authority. Per Policy CE local, assigned fund balance amounts are established by the Superintendent or his designee. Unlike commitments, assignments generally exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

Unassigned fund balance - amounts that are available for any purpose. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Clear Creek Independent School District

Notes to the Financial Statements

P. 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 database for policy development and funding plans.

Q. Use of Estimates

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

R. Recent Accounting Pronouncements

GASB Statement No. 103, *Financial Reporting Model Improvements* (GASB 103), improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. The requirements of this statement are effective for reporting periods beginning after June 15, 2025, with earlier application encouraged. GASB 103 will be implemented in the District's fiscal year 2026 financial statements and the impact has not yet been determined.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* (GASB 104), establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures. It also establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this statement are effective for reporting periods beginning after June 15, 2025, with earlier application encouraged. GASB 104 will be implemented in the District's fiscal year 2026 financial statements and the impact has not yet been determined.

Note 2. Stewardship, Compliance, and Accountability

Budgetary Information

The Board adopts an appropriated budget for the general fund, debt service fund, and the National School Breakfast and Lunch Program proprietary fund on a basis consistent with generally accepted accounting principles. Budgetary information for the general fund appears in the required supplementary information subsection where the District compares the final amended budget to actual revenues and expenditures. Per regulatory requirements, the debt service fund and the National School Breakfast and Lunch Program proprietary fund are required to be reported with the original budget, final amended budget and actual revenues and expenditures. These schedules are included in supplementary information subsection. All other governmental funds adopt project-length budgets. All annual appropriations lapse at fiscal year-end.

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

1. Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board.

Clear Creek Independent School District

Notes to the Financial Statements

The appropriated budget is prepared by fund, function, and campus/department. The District's campus/department heads may make transfers of appropriations within a campus/department. Transfers of appropriations between campus/departments require the approval of the District's management. Transfers of appropriations between functions require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level within a fund. The District made several supplemental budgetary appropriations throughout the year, primarily in the general fund.

Encumbrances

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as restricted, committed, or assigned fund balances as appropriate. The encumbrances do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Encumbrances are reported in the financial statements as restricted, committed, or assigned for specific purposes in the governmental funds. As of August 31, 2025, significant encumbrances included in governmental fund balances are as follows:

| | Encumbrances Included in: | |
|---------------------------|---------------------------|-------------------|
| | Restricted | Committed |
| | Fund Balance | Fund Balance |
| Capital projects fund | \$ 17,278,929 | \$ 485,787 |
| Total encumbrances | \$ 17,278,929 | \$ 485,787 |

Note 3. Cash, Cash Equivalents, and Investments

A. Cash Deposits

Deposits and investment transactions of the District are regulated by State statutes through provisions of Chapter 23, Subchapter E, Sections 23.71 through 23.8 (the School Depository Act) of the Texas Education Code and other Code sections referenced therein and through provisions of the Texas Revised Civil Statutes, Title 47, Articles 2529c, and 2548a regarding security for District funds in depository institutions.

In accordance with applicable statutes, the District has a depository contract with an area bank (depository) providing for interest to be earned on deposited funds and for banking charges the District incurs as a result of banking services received. All depository contracts have a term of two years, commencing with the start of every odd-numbered fiscal year. Depository contracts are awarded on the basis of competitive bids received from area banks and can be awarded to more than one bank if the bids received are relatively equal.

The District may place funds with the depository in interest and non-interest-bearing accounts. Statutes and the depository contract require that all funds in the depository institution be fully secured by federal depository insurance or a combination of federal depository insurance and acceptable collateral securities and/or an acceptable surety bond. The collateral securities must be delivered to the District or placed with an independent trustee institution with safekeeping receipts delivered to the District. In accordance with State statutes pertaining to lawful collateralization of District deposits, safekeeping receipts are issued in the name of the depository with proper indication that the collateral securities are pledged by the depository to secure funds of the District.

Acceptable collateral securities include direct obligations of the United States of America (U.S.), bonds of any agency of the U.S. (except Farmers Home Administration Insured Notes), Bonds of the State of Texas or of any county, school district, city, or town of the State of Texas that have been rated A or better by Moody's Investors Service, Inc., as authorized by Chapter 2257 Collateral for Public Funds of the Government Code. The District must approve all collateral securities prior to the security being pledged. The depository can change collateral securities pledged to secure District funds only upon obtaining the written approval of the District.

Clear Creek Independent School District

Notes to the Financial Statements

At August 31, 2025, the carrying amount of the District's cash on deposit, excluding restricted cash, was \$10,235,245 and the bank balances were \$14,809,513. The District's deposits were secured with \$45,053,209 of pledged collateral and \$250,000 of FDIC coverage.

B. Restricted Cash

The District has an unused line of credit of \$778,500 available at one of the financial institutions where it holds its deposits, and extends through March 21, 2026. The purpose of the line of credit is to meet the owner-controlled insurance program self-insured retention collateral requirement for ongoing capital projects. As of August 31, 2025, there have been no cash advances drawn on the line of credit.

The District's cash deposits held at the financial institution are fully collateralized by a letter of credit used to secure any cash advances to the District under the line of credit. As of August 31, 2025, the District's capital projects fund reported restricted cash of \$778,500.

C. Cash Equivalents

At August 31, 2025, the District's cash equivalents consist of local government investment pools measured at amortized cost or net asset value, with maturities of three months or less from the date of acquisition.

Local Government Investment Pools

TexPool Prime, measured at amortized cost, is duly chartered and overseen by the State Comptroller's Office, administered and managed by Federated Hermes, Inc. State Street Bank serves as the custodial bank. The portfolio consists of U.S. Government securities; collateralized repurchase and reverse repurchase agreements; money market mutual funds; commercial paper and certificates of deposit.

The investment pool transacts at a net asset value of \$1.00 per share, has a weighted average maturity of 60 days or less and weighted average life of 120 days or less, investments held are highly rated by a nationally recognized statistical rating organization, have no more than 5% of portfolio with one issuer (excluding US government securities), and can meet reasonably foreseeable redemptions. The investment pool has a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

Lone Star is duly chartered by the State of Texas Interlocal Cooperation Act, is administered by First Public, LLC, a subsidiary of the Texas Association of School Boards, and managed by Mellon Investments Corporation and American Beacon Advisors. State Street Bank and Trust Company is the custodial bank.

The investment pool has a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

The objective of the Lone Star Corporate Overnight Fund, which is measured at amortized cost, is to provide safety of principal, daily liquidity, and the highest possible rate of return. This fund seeks to maintain a net asset value of one dollar, and its dollar-weighted average maturity is 60 days or fewer. The fund may invest in all securities authorized under the Public Funds Investment Act; however, the fund has additional restrictions for SEC regulated money market mutual funds and fully collateralized repurchase agreements.

Clear Creek Independent School District

Notes to the Financial Statements

Texas CLASS was created in accordance with the requirements contained in section 2256.016 of the Public Funds Investment Act (PFIA). The Texas CLASS Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate in the Trust (the Participants), Public Trust Advisors, LLC (Public Trust) as Program Administrator, and UMB Bank, N.A. as Custodian.

Texas CLASS is an external investment pool measured at fair value, i.e. net asset value. The investment pool's strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. There are no unfunded commitments related to the investment pool. Texas CLASS has a redemption notice period of one day and may redeem daily. The investment pool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pool's liquidity. The Texas CLASS portfolio consists of U.S. Government securities; collateralized repurchase and reverse repurchase agreements; AAA rated money market mutual funds; and commercial paper.

Texas Fixed Income Trust Cash Pool (TX-FIT CP), which is measured at net asset value, was established as authorized local government investment pool under Texas Government Code and is held in trust under the U.S. Fixed Income Trust, a Delaware statutory trust. U.S. Bank National Association serves as the custodial bank, U.S. Bank Global Fund Services serves as the Administrator, and Water Walker Investments serves as the pool's investment advisor. The TX-FIT CP portfolio consists primarily of commercial paper; FDIC insured deposits; certificates of deposit; municipal bonds; and money market mutual funds.

The investment pool transacts at a stable net asset value of \$1.00 per share, has a weighted average maturity of 60 days or less and weighted average life of 120 days or less, investments held are highly rated by a nationally recognized statistical rating organization, and can meet reasonably foreseeable redemptions. The investment pool has no limitations or restrictions on participant withdrawals, does not charge liquidity fees, and has not put in place a redemption gate.

D. Investments

The District's investment policy is in accordance with the Public Funds Investment Act, the Public Funds Collateral Act, and federal and state laws. The District further limits its investments to obligations of the U.S. Treasury or the State of Texas, certain U.S. Agencies, certificates of deposit, collateralized mortgage obligations, no-load money market mutual funds, certain municipal securities, or repurchase agreements.

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

Clear Creek Independent School District

Notes to the Financial Statements

At August 31, 2025, the District's unrestricted and restricted cash, cash equivalents, and investment balances, including fiduciary funds, were as follows:

| | Balance | Percent of Total Portfolio | Credit Risk* |
|--|-----------------------|----------------------------------|-----------------|
| Cash deposits | \$ 11,013,745 | 2.4% | N/A |
| Petty cash | 43,265 | 0.0% | N/A |
| Investment pools: | | | |
| LoneStar Corporate Overnight Fund | 7,302,548 | 1.6% | AAAm |
| Texpool Prime | 30,635,771 | 6.6% | AAAm |
| Texas CLASS | 140,850,510 | 30.4% | AAAm |
| Texas FIT Cash Pool | 92,222,891 | 19.9% | AAAf/S1 |
| Total cash and cash equivalents | 282,068,730 | 60.9% | |
| Certificates of Deposit | 70,739,193 | 15.3% | Not Rated** |
| US Treasury Notes | 102,763,574 | 22.2% | AA+ |
| Commercial Paper | 7,449,757 | 1.6% | A-1+ |
| Total investments | 180,952,524 | 39.1% | |
| Total cash, cash equivalents, and investments | \$ 463,021,254 | 100.0% | |

*Standard & Poor's Rating

**Certificates of deposit are collateralized and/or insured.

At August 31, 2025, the District had the following investments:

| Investment Type | August 31, 2025 | Markets for Identical Assets (Level 1) | Percent of Total Investments | Weighted Average Maturity (Days) |
|---|-----------------------|---|------------------------------------|---|
| Investments not subject to fair value: | | | | |
| Investment measured at amortized cost: | | | | |
| Commercial paper | \$ 7,449,757 | \$ - | 4.1% | 54 |
| Certificates of Deposit | 70,739,193 | - | 39.1% | 340 |
| Investments subject to fair value: | | | | |
| US Treasury Notes | 102,763,574 | 102,763,574 | 56.8% | 261 |
| Total investments | \$ 180,952,524 | \$ 102,763,574 | 100.0% | |
| Investment portfolio weighted average maturity | | | | 284 |

U.S. Treasury Notes are classified in Level 1 of the fair value hierarchy and are valued using prices quoted in active markets for those securities.

Clear Creek Independent School District

Notes to the Financial Statements

Credit Risk

State law and the District’s investment policy limits investments in all categories to top ratings issued by nationally recognized statistical rating organizations. The District’s investment policy requires the investment portfolio to be diversified in terms of investment instruments, maturity scheduling, and financial institutions in order to reduce the risk of loss resulting from over- concentration of assets in a specific class of investments, specific maturity, or specific issuer.

At year-end, the District’s investments were rated as noted in the preceding tables. All credit ratings met acceptable levels required by legal guidelines prescribed in both the PFIA and the District’s investment policy.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect the value of the investments. In accordance with the Investment Policy, the District reduces its exposure to declines in fair market values by limiting the weighted average maturity of its investment portfolio to no more than 180 days, with the exception of debt service and capital projects funds which are limited to no more than 24 months without specific board approval.

At August 31, 2025, the District’s exposure to interest rate risk as measured by the segmented time distribution by investment type is summarized below:

| Investments | Carrying Value | Investment |
|--------------------------|-----------------------|----------------------------------|
| | | Maturity in Years Less than 1 |
| Certificates of deposit | \$ 70,739,193 | \$ 70,739,193 |
| US Treasury Notes | 102,763,574 | 102,763,574 |
| Commercial Paper | 7,449,757 | 7,449,757 |
| Total investments | \$ 180,952,524 | \$ 180,952,524 |

Concentration of Credit Risk

The District’s investment policy does not limit an investment in any one issuer. The investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over-concentration of assets in a specific class of investments, specific maturity, or specific issuer.

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 bank balance at the local bank were insured and collateralized with securities held by the District’s agent in the District’s name.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District is not exposed to custodial risk due to the investments are insured or registered in the District’s name, or the investments are held by the District or its agent.

Clear Creek Independent School District

Notes to the Financial Statements

Note 4. Receivables and Unearned Revenue

Tax revenues of the general and debt service funds are reported net of uncollectible amounts. Total change in uncollectible amounts related to revenues of the current period increased (decreased) revenues as follows:

| | |
|--|---------------------------|
| Change in uncollectibles related to general fund property taxes | \$ (44,897) |
| Change in uncollectibles related to debt service fund property taxes | <u>19,467</u> |
| Increase (decrease) in revenues due to change in uncollectibles | <u>\$ (25,430)</u> |

The District expects to collect the delinquent taxes receivable within a period of greater than one year.

Governmental funds do not recognize revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenues reported in the governmental funds were as follows:

| | <u>Unearned Revenues</u> |
|----------------------------------|------------------------------|
| Unearned federal grant revenue | \$ 16,753 |
| Unearned local and state revenue | <u>2,038,572</u> |
| Total unearned revenues | <u>\$ 2,055,325</u> |

Note 5. Interfund Receivables, Payables, and Transfers

Interfund balances consist of short-term lending/borrowing arrangements that result primarily from payroll, warehouse ordering and other regularly occurring charges that are paid by the general fund and then charged back to the appropriate other fund. Additionally, some lending/borrowing may occur between two or more nonmajor governmental funds.

| Payable Fund | Receivable Fund | | | | | | Total |
|--------------------------------|----------------------------|--------------------------|----------------------------|-----------------------------|--------------------------|-------------------------|----------------------------|
| | General Fund | Debt Service Fund | Capital Projects Fund | Nonmajor Governmental Funds | Internal Service Funds | Child Nutrition Fund | |
| Governmental activities | | | | | | | |
| General fund | \$ - | \$ 375,445 | \$ 3,487,997 | \$ 153,607 | \$ 177,631 | \$ - | \$ 4,194,680 |
| Nonmajor governmental funds | <u>982,579</u> | <u>-</u> | <u>-</u> | <u>16,887</u> | <u>1,605</u> | <u>7,120</u> | <u>1,008,191</u> |
| Total governmental activities | 982,579 | 375,445 | 3,487,997 | 170,494 | 179,236 | 7,120 | 5,202,871 |
| Business-type activities | | | | | | | |
| Child Nutrition Fund | 529,458 | - | - | - | 5,279 | - | 534,737 |
| Nonmajor enterprise funds | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>13,732</u> | <u>13,732</u> |
| Total business-type activities | 529,458 | - | - | - | 5,279 | 13,732 | 548,469 |
| Totals | <u>\$ 1,512,037</u> | <u>\$ 375,445</u> | <u>\$ 3,487,997</u> | <u>\$ 170,494</u> | <u>\$ 184,515</u> | <u>\$ 20,852</u> | <u>\$ 5,751,340</u> |

Clear Creek Independent School District

Notes to the Financial Statements

Interfund transfers are defined as “flows of assets without equivalent flow of assets in return and without a requirement for repayment.” The following is a summary of the District’s transfers for the fiscal year ended August 31, 2025:

| Transfers Out | Transfers In | |
|--------------------------------------|---------------------|---------------------|
| | General Fund | Total |
| Governmental activities | | |
| Capital projects fund | \$ 3,530,941 | \$ 3,530,941 |
| Nonmajor governmental funds | 427,861 | 427,861 |
| Nonmajor enterprise funds | 200,000 | 200,000 |
| Internal service funds | 1,100,000 | 1,100,000 |
| Total governmental activities | \$ 5,258,802 | \$ 5,258,802 |

The transfer from capital projects fund to the general fund is to cover budgeted operating deficits. A transfer from nonmajor governmental funds to the general fund of approximately \$27k is to close the special events fund to the general fund. The remaining transfers to the general fund related to surplus funds.

Note 6. Capital Assets

Capital asset activity for the governmental activities of the District for the year ended August 31, 2025, are as follows:

| | Beginning Balance | Additions | Retirements, Transfers, and Adjustments | Ending Balance |
|--|-----------------------|----------------------|---|-----------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 65,072,093 | \$ - | \$ (1,312,022) | \$ 63,760,071 |
| Construction in progress | 3,699,397 | 45,770,237 | (12,957,028) | 36,512,606 |
| Total capital assets, not being depreciated | 68,771,490 | 45,770,237 | (14,269,050) | 100,272,677 |
| Capital assets, being depreciated: | | | | |
| Land improvements | 37,092,850 | 2,959,057 | - | 40,051,907 |
| Buildings and improvements | 1,524,292,919 | 2,445,939 | 12,957,028 | 1,539,695,886 |
| Furniture and equipment | 79,208,149 | 22,485,910 | (1,797,989) | 99,896,070 |
| Total capital assets, being depreciated | 1,640,593,918 | 27,890,906 | 11,159,039 | 1,679,643,863 |
| Less accumulated depreciation for: | | | | |
| Land improvements | (27,975,451) | (1,435,055) | - | (29,410,506) |
| Buildings and improvements | (646,542,240) | (49,443,961) | - | (695,986,201) |
| Furniture and equipment | (49,009,925) | (8,278,479) | 1,797,989 | (55,490,415) |
| Total accumulated depreciation | (723,527,616) | (59,157,495) | 1,797,989 | (780,887,122) |
| Total capital assets, being depreciated, net | 917,066,302 | (31,266,589) | 12,957,028 | 898,756,741 |
| Governmental activities capital assets, net | \$ 985,837,792 | \$ 14,503,648 | \$ (1,312,022) | \$ 999,029,418 |

Clear Creek Independent School District

Notes to the Financial Statements

Capital asset activity for the business-type activities of the District for the year ended August 31, 2025, are as follows:

| | Beginning Balance | Additions | Retirements, Transfers, and Adjustments | Ending Balance |
|---|----------------------|---------------------|---|---------------------|
| Business-type activities: | | | | |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | \$ 4,147,905 | \$ - | \$ - | \$ 4,147,905 |
| Furniture and equipment | 6,801,661 | 2,008,846 | (13,480) | 8,797,027 |
| Total capital assets, being depreciated | 10,949,566 | 2,008,846 | (13,480) | 12,944,932 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | (1,962,941) | (162,853) | - | (2,125,794) |
| Furniture and equipment | (3,924,336) | (650,007) | 13,480 | (4,560,863) |
| Total accumulated depreciation | (5,887,277) | (812,860) | 13,480 | (6,686,657) |
| Total capital assets, being depreciated, net | 5,062,289 | 1,195,986 | - | 6,258,275 |
| Business-type activities capital assets, net | \$ 5,062,289 | \$ 1,195,986 | \$ - | \$ 6,258,275 |

Depreciation expense of the governmental and business-type activities were charged to the functions/programs as follows:

| | |
|---|----------------------|
| Governmental activities: | |
| 11 Instruction | \$ 36,919,648 |
| 12 Instructional resources and media services | 706,478 |
| 13 Curriculum and instructional staff development | 1,743,377 |
| 21 Instructional leadership | 541,473 |
| 23 School leadership | 3,636,367 |
| 31 Guidance, counseling, and evaluation services | 2,768,699 |
| 32 Social work services | 145,377 |
| 33 Health services | 624,743 |
| 34 Student transportation | 2,370,055 |
| 36 Extracurricular activities | 1,245,307 |
| 41 General administration | 1,186,931 |
| 51 Plant maintenance and operations | 5,228,057 |
| 52 Security and monitoring services | 830,125 |
| 53 Data processing services | 1,182,810 |
| 61 Community services | 28,048 |
| Total governmental activities | 59,157,495 |
| Business-type activities: | |
| 35 Food services | 721,936 |
| 36 Extracurricular activities | 90,924 |
| Total business-type activities | 812,860 |
| Total depreciation expense | \$ 59,970,355 |

Clear Creek Independent School District

Notes to the Financial Statements

Construction Commitments

The District has active construction projects as of August 31, 2025. At year-end, the District's commitments with contractors are as follows:

| Project | Approved Construction Budget | Completed to Date | Estimated Remaining Commitment |
|---|------------------------------------|----------------------|--------------------------------------|
| Governmental activities: | | | |
| Repairs and Renovations - Various Elementary Campuses | \$ 17,204,684 | \$ 15,867,125 | \$ 1,337,559 |
| Repairs and Renovations - Agriculture Centers | 2,059,142 | 1,827,103 | 232,039 |
| Repairs and Renovations - Clear Creek High School | 4,761,871 | 4,387,406 | 374,465 |
| Repairs and Renovations - Westbrook Intermediate | 5,348,821 | 4,943,632 | 405,189 |
| Repairs and Renovations - Various Campuses | 3,201,245 | 2,476,125 | 725,120 |
| Roof Repair and Replacement - Various Campuses | 5,146,176 | 3,605,870 | 1,540,306 |
| Bistro and Culinary Arts Lab - Clear Lake High School | 2,788,932 | 2,353,575 | 435,357 |
| Camera Replacement and Upgrade - Various Campuses | 1,164,122 | 1,051,770 | 112,352 |
| Total | \$ 41,674,993 | \$ 36,512,606 | \$ 5,162,387 |

The remaining construction commitments will be provided by the fund balance in the capital projects fund. The construction and equipment of school facilities is being financed by general obligation bonds.

Note 7. Long-term Liabilities

The District's long-term liabilities consist of bond indebtedness, arbitrage payable, compensated absences, and net pension liability and net OPEB liability. The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund. Current funding requirements for pension and OPEB plans are accounted for in the governmental and proprietary funds. Other unfunded long-term liabilities are generally liquidated with resources of the general fund.

Changes in Long-term Liabilities

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

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|-------------------------|-----------------------|-------------------------|-------------------------|------------------------|
| Governmental Activities: | | | | | |
| General obligation bonds | \$ 1,044,840,000 | \$ 342,855,000 | \$ (252,140,000) | \$ 1,135,555,000 | \$ 58,080,000 |
| Direct placement general obligation bonds | 20,835,000 | - | (4,770,000) | 16,065,000 | 10,000 |
| Bond premiums/discounts | 110,568,063 | 33,274,441 | (24,831,408) | 119,011,096 | - |
| Total bonds payable | 1,176,243,063 | 376,129,441 | (281,741,408) | 1,270,631,096 | 58,090,000 |
| Arbitrage payable | 533,302 | 1,165,707 | - | 1,699,009 | 896,213 |
| Compensated absences* | 25,974,975 | - | (727,838) | 25,247,137 | 7,261,062 |
| Net pension liability | 151,954,110 | 12,000,753 | (37,207,084) | 126,747,779 | - |
| Net OPEB liability | 60,118,442 | 22,679,469 | (5,353,695) | 77,444,216 | - |
| Governmental activities long-term liabilities | \$ 1,414,823,892 | \$ 411,975,370 | \$ (325,030,025) | \$ 1,501,769,237 | \$ 66,247,275 |
| Business-type Activities: | | | | | |
| Compensated absences* | \$ 637,424 | \$ - | \$ (4,872) | \$ 632,552 | \$ 214,717 |
| Net pension liability | 2,975,249 | 232,734 | (749,927) | 2,458,056 | - |
| Net OPEB liability | 1,176,870 | 369,653 | (46,584) | 1,499,939 | - |
| Business-type activities long-term liabilities | \$ 4,789,543 | \$ 602,387 | \$ (801,383) | \$ 4,590,547 | \$ 214,717 |

*Compensated absences are reported as a net change for the year as allowed under the provisions of GASB 101, paragraph 30. Beginning balance is restated for the implementation of GASB 101, *Compensated Absences*.

Clear Creek Independent School District

Notes to the Financial Statements

General Obligation Bonds

The District issues general obligation bonds to provide funds for the renovation, acquisition and construction of major capital facilities. The general obligation bonds are direct obligations and pledge the full faith and credit of the District.

In November 2024, the District issued Unlimited Tax Refunding Bonds, Series 2024A, in the par amount of \$129,690,000. The Bonds refunded \$143,845,000 of Unlimited Tax School Building and Refunding Bonds, Series 2015A, and were issued to lower overall annual debt service requirements of the District and to pay the costs of issuance of the Bonds. Additionally, the entity contributed cash of \$860,000. The refunding resulted in a debt service savings of \$15,294,974 and an economic gain of \$12,189,567 (present value of the debt service savings). The net carrying value of the old debt was more than the reacquisition price by \$8,594,355. This amount is amortized over the life of the new debt as a deferred gain on refunding. The Bonds are scheduled to mature from February 15, 2026 to February 15, 2040.

In November 2024, the District issued Unlimited Tax Refunding Bonds, Series 2024B, in the par amount of \$10,705,000. The Bonds refunded \$11,600,000 of Unlimited Tax Refunding Bonds, Series 2015B, and were issued to lower overall annual debt service requirements of the District and to pay the costs of issuance of the Bonds. Additionally, the entity contributed cash of \$140,000. The refunding resulted in a debt service savings of \$1,097,622 and an economic gain of \$974,949 (present value of the debt service savings). The net carrying value of the old debt was more than the reacquisition price by \$612,900. This amount is amortized over the life of the new debt as a deferred gain on refunding. The Bonds are scheduled to mature from February 15, 2029.

In August 2025, the District issued Unlimited Tax School Building and Refunding Bonds, Series 2025, in the par amount of \$202,460,000. The Bonds refunded \$47,400,000 of Variable Rate Unlimited Tax School Building Bonds, Series 2013B, and were issued to lower overall annual debt service requirements of the District, for construction, acquisition and equipment of school buildings, purchase of new school buses, cost of instructional technology and to pay the costs of issuance of the Bonds. Additionally, the entity contributed cash of \$853,200. The refunding resulted in a debt service savings of \$3,049,170 and an economic gain of \$1,957,425 (present value of the debt service savings). The net carrying value of the old debt was more than the reacquisition price by \$821,115. This amount is amortized over the life of the new debt as a deferred gain on refunding. The Bonds are scheduled to mature from February 15, 2027 to February 15, 2045.

Clear Creek Independent School District

Notes to the Financial Statements

General obligation bonds currently outstanding are as follows:

| Series | Original Issue | Interest Rate | Maturity Date | Debt Outstanding |
|--|-------------------|------------------|------------------|-------------------------|
| Governmental activities: | | | | |
| General obligation bonds: | | | | |
| Unlimited Tax Refunding Bonds - Series 2012B | \$ 37,830,000 | 0.19-3.70% | 2026 | \$ 9,830,000 |
| Variable Rate Unlimited Tax School Building Bonds - Series 2013B | 137,065,000 | 2.00-3.00% | 2038 | 40,415,000 |
| Unlimited Tax Refunding Bonds - Series 2016 | 38,580,000 | 2.00-5.00% | 2033 | 35,450,000 |
| Unlimited Tax School Building Bonds - Series 2018 | 141,380,000 | 3.00-5.00% | 2041 | 126,815,000 |
| Unlimited Tax School Building Bonds - Series 2019A | 96,600,000 | 3.00-5.00% | 2041 | 86,385,000 |
| Unlimited Tax Refunding Bonds - Series 2020A | 79,850,000 | 1.73-5.00% | 2033 | 74,600,000 |
| Unlimited Tax Refunding Bonds - Series 2020B | 62,630,000 | 5.00% | 2028 | 36,655,000 |
| Unlimited Tax School Building Bonds - Series 2021 | 106,120,000 | 3.00-5.00% | 2041 | 96,540,000 |
| Unlimited Tax School Building Bonds - Series 2022 | 29,105,000 | 4.00-5.00% | 2041 | 27,265,000 |
| Unlimited Tax School Building Bonds - Series 2022A | 27,875,000 | 4.00-5.00% | 2041 | 25,855,000 |
| Unlimited Tax Refunding Bonds - Series 2023 | 64,760,000 | 5.00% | 2039 | 63,020,000 |
| Unlimited Tax School Building and Refunding Bonds - Series 2024 | 173,285,000 | 4.00-5.00% | 2044 | 169,870,000 |
| Unlimited Tax Refunding Bonds - Series 2024A | 129,690,000 | 4.5-5.0% | 2040 | 129,690,000 |
| Unlimited Tax Refunding Bonds - Series 2024B | 10,705,000 | 5.00% | 2029 | 10,705,000 |
| Unlimited Tax School Building and Refunding Bonds - Series 2025 | 202,460,000 | 3.0-5.0% | 2045 | 202,460,000 |
| Total general obligation bonds | | | | 1,135,555,000 |
| Direct placement general obligation bonds: | | | | |
| Unlimited Tax Refunding Bonds - Series 2019 | 16,125,000 | 3.00-5.00% | 2027 | 16,065,000 |
| Total direct placement general obligation bonds | | | | 16,065,000 |
| Totals | | | | \$ 1,151,620,000 |

Debt service requirements to maturity are as follows:

| Year Ending August 31, | Governmental Activities | | | Governmental Activities | | |
|---------------------------|--------------------------|-----------------------|-------------------------|---|-------------------|-----------------------|
| | General Obligation Bonds | | | Direct Placement General Obligation Bonds | | |
| | Principal | Interest | Total Requirements | Principal | Interest | Total Requirements |
| 2026 | \$ 58,080,000 | \$ 51,435,937 | \$ 109,515,937 | \$ 10,000 | \$ 343,684 | \$ 353,684 |
| 2027 | 45,430,000 | 49,249,367 | 94,679,367 | 16,055,000 | 171,789 | 16,226,789 |
| 2028 | 64,405,000 | 46,503,492 | 110,908,492 | - | - | - |
| 2029 | 66,530,000 | 43,230,117 | 109,760,117 | - | - | - |
| 2030 | 69,285,000 | 39,859,142 | 109,144,142 | - | - | - |
| 2031-2035 | 362,545,000 | 147,810,861 | 510,355,861 | - | - | - |
| 2036-2040 | 328,770,000 | 67,624,950 | 396,394,950 | - | - | - |
| 2041-2045 | 140,510,000 | 13,057,050 | 153,567,050 | - | - | - |
| Totals | \$ 1,135,555,000 | \$ 458,770,916 | \$ 1,594,325,916 | \$ 16,065,000 | \$ 515,473 | \$ 16,580,473 |

Defeased Debt

In previous years, the District defeased certain outstanding bonds by placing proceeds of new bonds in irrevocable escrow accounts to provide for all future debt service payments on the old bonds. Accordingly, the escrow accounts are not included in the District's financial statements. At August 31, 2025, there was no amount of defeased debt outstanding.

Clear Creek Independent School District

Notes to the Financial Statements

Federal Arbitrage

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of (1) the amount earned on investments purchased with bond proceeds over (2) the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five-year anniversary date of the bond issue. The District has estimated that it has an arbitrage liability in the amount of \$1,699,009 as of August 31, 2025.

Note 8. Fund Balance and Net Position

Committed Fund Balance

The other committed fund balance in the governmental funds consists of the following:

| | Nonmajor Governmental Funds |
|--|-----------------------------------|
| Campus Activities | \$ 8,589,443 |
| Student Tablet Insurance | 1,684,460 |
| Music Enrichment | 98,662 |
| Total other committed fund balances | \$ 10,372,565 |

Note 9. Revenues from Local, Intermediate and Out-of-State Sources

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

| | General | Debt Service | Capital Projects | Nonmajor Governmental Funds | Totals |
|-------------------------------------|-----------------------|----------------------|---------------------|-----------------------------------|-----------------------|
| Property taxes | \$ 205,376,218 | \$ 81,051,704 | \$ - | \$ - | \$ 286,427,922 |
| Penalties, interest and other taxes | 3,211,725 | 470,564 | - | - | 3,682,289 |
| Investment income | 7,321,811 | 2,295,418 | 7,526,408 | 427,386 | 17,571,023 |
| Co-curricular student activities | 756,078 | - | - | 9,642,075 | 10,398,153 |
| Donations | 1,200 | - | - | 657,439 | 658,639 |
| Facility rentals | 778,023 | - | - | - | 778,023 |
| SSA - Member districts | 55,144 | - | - | 2,168,522 | 2,223,666 |
| Tuition and fees | 2,238,340 | - | - | - | 2,238,340 |
| Student tablet insurance | - | - | - | 286,149 | 286,149 |
| Other | 667,321 | - | - | 13,153 | 680,474 |
| Totals | \$ 220,405,860 | \$ 83,817,686 | \$ 7,526,408 | \$ 13,194,724 | \$ 324,944,678 |

Clear Creek Independent School District

Notes to the Financial Statements

Note 10. Defined Benefit Pension Plan

Plan Description

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

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard 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 TRS's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.texas.gov/learning-resources/publications> by writing to TRS at P.O. Box 149676 Street, 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% (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 where 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 postemployment benefit changes, including automatic cost of living adjustments (COLAs). Ad hoc postemployment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as previously noted in the Plan Description above.

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

Contributions

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

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

Clear Creek Independent School District

Notes to the Financial Statements

Rates for such plan fiscal years are as follows:

| | Contribution Rates | |
|--|--------------------|-------|
| | 2025 | 2024 |
| Member | 8.25% | 8.25% |
| Non-employer contributing entity (State) | 8.25% | 8.25% |
| Employers (District) | 8.25% | 8.25% |

The contribution amounts for the District’s fiscal year 2025 are as follows:

| | |
|--------------------------------------|---------------|
| District contributions | \$ 12,806,971 |
| Member contributions | 25,150,690 |
| NECE on-behalf contributions (State) | 16,739,275 |

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

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 the fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities or the State of Texas as the employer for senior colleges, universities and medical schools) are required to pay the employer contribution rate in the following instances:

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

- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment-after-retirement surcharge.
- Public education employer contribution - all public schools, charter schools and regional education service centers must contribute 1.9% of the member’s salary beginning in fiscal year 2024, gradually increasing to 2.0% in fiscal year 2025.

Clear Creek Independent School District

Notes to the Financial Statements

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

On August 31, 2025, the District reported a liability of \$129,205,835 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 are as follows:

| | |
|---|------------------------------|
| District's proportionate share of the net pension liability | \$ 129,205,835 |
| State's proportionate share of the net pension liability associated with the District | <u>171,751,730</u> |
| Total | <u><u>\$ 300,957,565</u></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 August 31, 2023 rolled forward to August 31, 2024. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2023 through August 31, 2024.

At the measurement date of August 31, 2024, the District's proportion of the collective net pension liability was 0.211521% which was a decrease of 0.014027% from its proportion measured as of August 31, 2023.

For the fiscal year ended August 31, 2025, the District recognized pension expense of \$37,624,130 and revenue of \$20,527,202 for support provided by the State.

On August 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ 7,121,649 | \$ 1,008,776 |
| Changes of assumptions | 6,671,174 | 894,376 |
| Difference between projected and actual earnings on pension plan investments | 785,397 | - |
| Changes in proportion and difference between District's contributions and the proportionate share of contributions | 2,648,619 | 9,262,899 |
| District contributions paid subsequent to the measurement date | <u>12,806,971</u> | <u>-</u> |
| Totals | <u><u>\$ 30,033,810</u></u> | <u><u>\$ 11,166,051</u></u> |

Clear Creek Independent School District

Notes to the Financial Statements

\$12,806,971 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| | Year Ending August 31, |
|--------------|----------------------------|
| 2026 | \$ (991,040) |
| 2027 | 12,565,879 |
| 2028 | (66,340) |
| 2029 | (5,046,689) |
| 2030 | <u>(401,022)</u> |
| Total | <u>\$ 6,060,788</u> |

Actuarial Methods and Assumptions

The actuarial valuation of the total pension liability was performed as of August 31, 2023. Update procedures were used to roll forward the total pension liability to August 31, 2024 and was determined using the following actuarial methods and assumptions:

| | |
|---|---|
| Actuarial cost method | Individual entry age normal |
| Asset valuation method | Fair value |
| Single discount rate | 7.00% |
| Long-term expected rate of return | 7.00% |
| Municipal bond rate as of August 2024 | 3.87% The source for the rate is the Bond Buyers 20 Index which represents the estimated yield of a portfolio of 20 general obligation bonds maturing in 20 years based on a survey of municipal bond traders. |
| Last year ending August 31 in projection period (100 years) | 2123 |
| Inflation | 2.30% |
| Salary increases | 2.95% to 8.95% including inflation |
| Ad hoc postemployment benefit changes | None |
| Active mortality rates | The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioners Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published projection scale ("U-MP"). The active mortality rates were based on the published PUB (2010) Mortality Tables for Teachers, below median, also with full generational mortality. |

The actuarial methods and assumptions are primarily based on a study of actual experience for the four-year period ending August 31, 2021 and adopted in July 2022.

Clear Creek Independent School District

Notes to the Financial Statements

Discount Rate and Long-term Expected Rate of Return

A single discount rate of 7.00% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash flows used to determine the single discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity will be made at the rates set by the legislature in 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 these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments 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 TRS's target asset allocation as of August 31, 2024 are summarized below:

| Asset Class | Target Allocation** | Long-term Expected Geometric Real Rate of Return*** | Expected Contribution to Long-term Portfolio Returns |
|--|---------------------|---|--|
| Global equity: | | | |
| 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 | 14.0% | 6.7% | 1.2% |
| Stable value: | | | |
| Government bonds | 16.0% | 1.9% | 0.4% |
| Absolute return* | - | 4.0% | - |
| Stable value hedge funds | 5.0% | 3.0% | 0.2% |
| Real return: | | | |
| Real estate | 15.0% | 6.6% | 1.2% |
| Energy, natural resources and infrastructure | 6.0% | 5.6% | 0.4% |
| Commodities | - | 2.5% | - |
| Risk parity: | | | |
| Risk parity | 8.0% | 4.0% | 0.4% |
| Asset allocation leverage: | | | |
| Cash | 2.0% | 1.0% | - |
| Asset allocation leverage cash | -6.0% | 1.3% | -0.1% |
| Inflation expectation | | | 2.4% |
| Volatility drag**** | | | -0.7% |
| Total | 100.0% | | 7.9% |

* Absolute return includes credit sensitive investments.

** Target allocations are based on the FY 2024 policy model.

*** Capital market assumptions (CMA) come from 2024 SAA Study CMA Survey (as of 12/31/2023).

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

Clear Creek Independent School District

Notes to the Financial Statements

Discount Rate Sensitivity Analysis

The following table presents the District’s proportionate share of the TRS net pension liability calculated using the discount rate of 7.00%, as well as what the District’s proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|---|------------------------|-------------------------------------|------------------------|
| District's proportionate share of the net pension liability | \$ 206,374,457 | \$ 129,205,835 | \$ 65,266,145 |

Change of Assumptions Since the Prior Measurement Date

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

Change of Benefit Terms Since the Prior Measurement Date

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

Note 11. Defined Other Postemployment Benefit Plans

Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined benefit Other Postemployment Benefit (OPEB) plan that has a special funding situation. TRS-Care was established in 1986 by the Texas Legislature and is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees in accordance with the Texas Insurance Code, Chapter 1575. 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 <https://www.trs.texas.gov/learning-resources/publications> by writing to TRS at P.O. Box 149676, Austin, TX, 78714-0185; or by calling 1-800-223-8778.

Benefits Provided

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

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

Clear Creek Independent School District

Notes to the Financial Statements

The premium rates for retirees are reflected in the following:

TRS-Care Monthly Plan Premium Rates

| | Medicare | Non-medicare |
|--|----------|--------------|
| Retiree and surviving spouse | \$ 135 | \$ 200 |
| Retiree and spouse | 529 | 689 |
| Retiree or surviving spouse and children | 468 | 408 |
| Retiree and family | 1,020 | 999 |

Contributions

Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts 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 0.65% 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 employer. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act.

Rates for such plan fiscal years are as follows:

| | Contribution Rates | |
|--|--------------------|-------|
| | 2025 | 2024 |
| Active employee | 0.65% | 0.65% |
| Non-employer contribution entity (State) | 1.25% | 1.25% |
| Employers (District) | 0.75% | 0.75% |
| Federal/private funding* | 1.25% | 1.25% |

*Contributions paid from federal funds and private grants are remitted by the employer (District) and paid at the State rate.

The contribution amounts for the District's fiscal year 2025 are as follows:

| | |
|--------------------------------------|--------------|
| District contributions | \$ 2,437,986 |
| Member contributions | 1,983,090 |
| NECE on-behalf contributions (State) | 3,667,429 |

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

The State of Texas also contributed \$2,190,041, \$1,569,383 and \$1,529,680 in 2025, 2024, and 2023, respectively, for on-behalf payments for Medicare Part D.

Clear Creek Independent School District

Notes to the Financial Statements

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

On August 31, 2025, the District reported a liability of \$78,944,155 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided by 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 are as follows:

| | |
|--|------------------------------|
| District's proportionate share of the net OPEB liability | \$ 78,944,155 |
| State's proportionate share of the net OPEB liability associated with the District | <u>98,915,955</u> |
| Total | <u><u>\$ 177,860,110</u></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 August 31, 2023 rolled forward to August 31, 2024. The District's proportion of the net OPEB liability was based on the District's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2023 through August 31, 2024.

At the measurement date of August 31, 2024, the employer's proportion of the collective net OPEB liability was 0.260099% which was a decrease of 0.016775% from its proportion measured as of August 31, 2023.

For the fiscal year ended August 31, 2025, the District recognized net OPEB revenue of \$23,072,227 due to recognition of deferred inflows in excess of deferred outflows and current year expense. OPEB revenue of (\$12,857,249) was recognized for support provided by the State.

At August 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to other postemployment benefits from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ 15,130,944 | \$ 39,397,413 |
| Changes of assumptions | 10,103,919 | 25,758,564 |
| Difference between projected and actual earnings on OPEB plan investments | - | 221,069 |
| Changes in proportion and difference between District's contributions and the proportionate share of contributions | 2,979,030 | 15,360,647 |
| District contributions paid subsequent to the measurement date | <u>2,437,986</u> | <u>-</u> |
| Totals | <u><u>\$ 30,651,879</u></u> | <u><u>\$ 80,737,693</u></u> |

Clear Creek Independent School District

Notes to the Financial Statements

\$2,437,986 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended August 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <u>Year Ending</u> <u>August 31,</u> | |
|---|-------------------------------|
| 2026 | (12,264,542) |
| 2027 | (8,689,092) |
| 2028 | (10,876,643) |
| 2029 | (9,339,378) |
| 2030 | (5,920,011) |
| Thereafter | <u>(5,434,134)</u> |
| Total | <u>\$ (52,523,800)</u> |

Actuarial Methods and Assumptions

The actuarial valuation of the total OPEB liability 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 following assumptions used for the valuation of the TRS-Care OPEB liability are identical to the assumptions employed in the August 31, 2023 TRS pension actuarial valuation that was rolled forward to August 31, 2024:

| <u>Demographic Assumptions</u> | <u>Economic Assumptions</u> |
|--------------------------------|-----------------------------|
| Rates of mortality | General inflation |
| Rates of retirement | Wage inflation |
| Rates of termination | |
| Rates of disability | |

See Note 10 for detail on these assumptions. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2021.

The active mortality rates were based on PUB(2010), Amount-Weighted, Below-Median Income, Teacher male and female tables (with a two-year set forward for males). 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.

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

Clear Creek Independent School District

Notes to the Financial Statements

The following methods and additional assumptions were used in the TRS-Care OPEB valuation:

| | |
|---------------------------------------|--|
| Actuarial cost method | Individual entry age normal |
| Single discount rate | 3.87% as of August 31, 2024 |
| Aging factors | Based on the Society of Actuaries' 2013 Study "Health Care Costs - From Birth to Death". |
| Election rates | Normal retirement: 62% participation prior to age 65 and 25% after age 65. Pre-65 retirees: 30% of pre-65 retirees are assumed to discontinue coverage at age 65. |
| Expenses | Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs. |
| Ad hoc postemployment benefit changes | None |

Discount Rate

A single discount rate of 3.87% was used to measure the total OPEB liability at August 31, 2024. This was a decrease of 0.26% in the discount rate since the August 31, 2023 measurement date. The plan is essentially a "pay-as-you-go" plan and based on the assumption that contributions are made at the statutorily required rates, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments to current plan members and therefore, the single discount rate is equal to the prevailing municipal bond rate. The source for the rate is the same used for the pension plan.

Sensitivity Analysis of Rates

Discount Rate

The following table presents the District's proportionate share of the TRS-Care net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that was 1% less than and 1% greater than the discount rate that was used (3.87%) in measuring the net OPEB liability.

| | 1% Decrease (2.87%) | Current Discount Rate (3.87%) | 1% Increase (4.87%) |
|--|------------------------|-------------------------------------|------------------------|
| District's proportionate share of the net OPEB liability | \$ 93,789,345 | \$ 78,944,155 | \$ 66,949,018 |

Healthcare Cost Trend Rates

The following table presents the District's proportionate share of net OPEB liability using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% lower or 1% higher than the assumed health-care cost trend rate:

| | 1% Decrease | Current Healthcare Cost Trend Rate | 1% Increase |
|--|---------------|--|---------------|
| District's proportionate share of the net OPEB liability | \$ 64,288,294 | \$ 78,944,155 | \$ 98,042,203 |

Clear Creek Independent School District

Notes to the Financial Statements

Change of Assumptions Since the Prior Measurement Date

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

- The discount rate changed from 4.13% as of August 31, 2023 to 3.87% as of August 31, 2024. Additionally, the tables used to model the impact of aging on the underlying claims were revised.

Change of Benefit Terms Since the Prior Measurement Date

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

Note 12. Risk Management

The District is exposed to various risks related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District's risk management program encompasses various means of protecting the District against loss by obtaining property, casualty, and liability coverage through commercial insurance carriers. Settled claims have not exceeded insurance coverage in any of the previous three fiscal years. There has not been any significant reduction in insurance coverage from the previous year.

In addition, the District is a member of the Texas Association of School Board's Joint Account Self-insurance Fund ("TASB Fund"). The TASB Fund was created to formulate, develop and administer a program of modified self-funding for the property and/or liability coverage for its membership, provide claims administration, and develop a comprehensive loss control program. The District pays contributions to the TASB Fund for its general and educators' liability coverage. The District's provides that the TASB Fund will be self-sustaining through member premiums and will provide, through commercial companies, reinsurance contracts.

Dental Coverage

The District participates in a self-funded dental coverage program. Liabilities of the fund are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities also include an estimated amount for claims that have been incurred but not reported ("IBNR"). The result of the process to estimate the claims liability is based upon the District's historical experience.

Changes in the balances of claims liabilities during the past two fiscal years are as follows:

| <u>Fiscal Year</u> | <u>Beginning of Year Accrual</u> | <u>Current Year Estimates</u> | <u>Claim Payments</u> | <u>End of Year Accrual</u> |
|------------------------|--------------------------------------|-----------------------------------|---------------------------|--------------------------------|
| 2024 | \$ 150,000 | \$ 1,746,772 | \$ (1,746,772) | \$ 150,000 |
| 2025 | 150,000 | 1,833,524 | (1,833,524) | 150,000 |

The claims liability at year-end represents amount due for dental plan claim liabilities.

Workers Compensation

During the year ended August 31, 2025, employees of the District were provided with workers' compensation benefits which were self-funded from accumulated assets, provided directly from the District, which is the plan sponsor. All claims were submitted, processed, and approved by a third-party administrator acting as an agent of the District. The plan is documented by contractual agreement.

Clear Creek Independent School District

Notes to the Financial Statements

Liabilities of the fund are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities also include an estimated amount for claims that have been incurred but not reported ("IBNR"). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of these factors. The estimate of claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from stop-loss or subrogation, are another component of the claim's liability estimate. An excess coverage insurance policy covers individual claims in excess of \$500,000 up to the statutory limits for any given claim. There were no significant reductions in insurance coverage from the prior year and settlements have not exceeded coverage for each of the past three fiscal years.

Changes in the balances of claims liabilities during the past two fiscal years are as follows:

| Fiscal Year | Beginning of Year Accrual | Current Year Estimates | Claim Payments | End of Year Accrual |
|-------------|---------------------------|------------------------|----------------|---------------------|
| 2024 | \$ 815,468 | \$ 747,219 | \$ (747,219) | \$ 815,468 |
| 2025 | 815,468 | 699,547 | (699,547) | 815,468 |

Disability Coverage

The District participates in a self-funded short-term disability program. Liabilities of the fund are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities also include an estimated amount for claims that have been incurred but not reported ("IBNR"). The result of the process to estimate the claims liability is based upon the District's historical experience.

Changes in the balances of claims liabilities during the past two fiscal years are as follows:

| Fiscal Year | Beginning of Year Accrual | Current Year Estimates | Claim Payments | End of Year Accrual |
|-------------|---------------------------|------------------------|----------------|---------------------|
| 2024 | \$ 113,000 | \$ 465,015 | \$ (465,015) | \$ 113,000 |
| 2025 | 113,000 | 449,925 | (449,925) | 113,000 |

The claims liability at year-end represents amount due for disability claim liabilities.

Note 13. Litigation, Commitments and Contingencies

From time to time, the District is a defendant in legal proceedings relating to its operations as a school district. In the best judgment of the District's management, the outcome of any present legal proceedings will not have any adverse material effect on the accompanying financial statements.

The District received significant financial assistance from federal and state governmental agencies in the form of grants. The disbursements of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies and the TEA. Any disallowed claims resulting from such audits could become a liability of the General Fund. However, in the opinion of management, such disallowed claims, if any, will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District at year end.

Clear Creek Independent School District

Notes to the Financial Statements

Note 14. Shared Service Arrangements

The District participates in a Shared Service Arrangement (SSA) for the Galveston-Brazoria Co-op for the Hearing Impaired with eight other school districts. Approximately \$595,000 of the total SSA expenditures are attributable to the District. According to guidance provided in the Texas Education Agency's Financial Accountability and Resource Guide, the District has accounted for the fiscal agent's activities of the SSA in Special Revenue Fund No. 458, SSA- Regional Day School Deaf (Local), and will be accounted for using Model 3 in the SSA section of the resource guide.

Presented below are the revenues and expenditures attributable to the District's participation.

| | |
|--|---------------------|
| Revenues | |
| 5700 Local revenue from member districts | \$ 2,168,522 |
| | <u>\$ 2,168,522</u> |
| Expenditures | |
| 6100 Payroll costs | \$ 1,232,495 |
| 6200 Contracted services | 743,945 |
| 6300 Supplies and materials | 150,266 |
| 6400 Miscellaneous operating costs | <u>41,816</u> |
| | <u>\$ 2,168,522</u> |

The District is the fiscal agent for a Shared Services Arrangement ("SSA") which provides a system of direct and support services to eligible hearing-impaired students of member districts. In addition to the District, other member districts include Alvin ISD, Dickinson ISD, Friendswood ISD, Galveston ISD, Hitchcock ISD, Pearland ISD, Santa Fe ISD and Texas City ISD. All services are provided by the fiscal agent. The member districts provide the funds to the fiscal agent. According to guidance provided in the Texas Education Agency's Financial Accountability and Resource Guide, the District has accounted for the fiscal agent's activities of the SSA in the special revenue funds listed below and will be accounted for using Model 3 in the SSA section of the resource guide.

Expenditures of the SSA are summarized below:

| | 315 | 340 |
|---|---------------------------------------|--|
| | SSA -IDEA B - Discretionary (Deaf) | SSA -IDEA C - Early Intervention (Deaf) |
| Alvin Independent School District | \$ 51,861 | \$ 775 |
| Clear Creek Independent School District | 45,122 | 675 |
| Dickinson Independent School District | 16,020 | 240 |
| Friendswood Independent School District | 323 | 5 |
| Galveston Independent School District | 2,939 | 44 |
| Hitchcock Independent School District | 10,142 | 152 |
| Pearland Independent School District | 12,401 | 185 |
| Santa Fe Independent School District | 10,465 | 156 |
| Texas City Independent School District | <u>15,053</u> | <u>225</u> |
| Totals | <u>\$ 164,326</u> | <u>\$ 2,457</u> |

Clear Creek Independent School District

Notes to the Financial Statements

Note 15. Related Organizations

The Clear Creek Education Foundation ("Foundation"), a non-profit entity which was organized in 1992 to provide funds for the advancement of teaching objectives, is a "related organization" of the District as defined by *Governmental Accounting Standards Board Statement No. 39*. The members of the Board of the Foundation serve without financial compensation. The operations of the Foundation are not financially significant to the overall operations of the District, and therefore are not reported in the District's financial statements. The nonmajor governmental fund 493, reported in the District's financial statements is for activity related to the grants received by the District from the Foundation.

Note 16. Nonmonetary Transactions

During 2025, the District received commodities purchased by the Texas Department of Agriculture with a value of \$735,315. The commodities purchased by the State on behalf of the District, have been recorded in the National School Breakfast and Lunch Program special revenue fund as both federal revenue and expenditures, and reported on the schedule of expenditures of federal awards.

Note 17. Tax Abatement

The District entered into a property tax abatement agreement with a local business under Texas Tax Code, Title 3. Subtitle B. Chapter 313. Texas Economic Development Act (the Act) beginning tax year 2021 (fiscal year 2022) through 2030 (fiscal year 2031). Under the Act, Texas school districts may grant property tax abatements according to the category of taxable value of property in the District for the preceding tax year. The qualified property is limited to the lesser of the market value of the qualified property or \$100,000,000. The qualified property is limited only from maintenance and operation (M&O) property tax. The tax abatement, which is approved by the Texas Comptroller's office and the District's Board, are granted for the purpose of enhancing the local community; improving the public education system; creating high-paying jobs; and advancing economic development goals.

For the fiscal year ended August 31, 2025, the District foregoes collecting property taxes totaling \$4,693,960 resulting from the M&O tax rate of \$0.6990 per \$100 of taxable value. The qualified property per the agreements had a taxable value of \$847,025,526 and was limited to a taxable value of \$100,000,000. However, in foregoing the property tax revenue, the local business receiving such property tax abatement has committed to compensate the District for the loss of M&O revenue.



Required Supplementary Information

Clear Creek Independent School District
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended August 31, 2025

Exhibit G-1

| Data Control Codes | | 1 | 2 | 3 | Variance with Final Budget Positive (Negative) |
|--------------------------------|---|------------------|----------------|----------------|---|
| | | Budgeted Amounts | | Actual | |
| | | Original | Final | | |
| REVENUES | | | | | |
| 5700 | Local and intermediate sources | \$ 222,860,361 | \$ 222,985,361 | \$ 220,405,860 | \$ (2,579,501) |
| 5800 | State program revenues | 168,124,639 | 168,124,639 | 166,813,558 | (1,311,081) |
| 5900 | Federal program revenues | 5,640,000 | 5,640,000 | 3,580,894 | (2,059,106) |
| 5020 | Total revenues | 396,625,000 | 396,750,000 | 390,800,312 | (5,949,688) |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| 0011 | Instruction | 249,555,552 | 249,010,552 | 245,262,908 | 3,747,644 |
| 0012 | Instructional resources and media services | 4,860,662 | 4,860,662 | 4,693,244 | 167,418 |
| 0013 | Curriculum and instructional staff development | 11,684,789 | 11,684,789 | 11,581,524 | 103,265 |
| 0021 | Instructional leadership | 3,743,609 | 3,743,609 | 3,597,089 | 146,520 |
| 0023 | School leadership | 24,605,511 | 24,605,511 | 24,156,945 | 448,566 |
| 0031 | Guidance, counseling, and evaluation services | 16,883,430 | 18,643,430 | 18,392,898 | 250,532 |
| 0032 | Social work services | 1,015,955 | 1,035,955 | 965,767 | 70,188 |
| 0033 | Health services | 4,300,300 | 4,320,300 | 4,150,265 | 170,035 |
| 0034 | Student transportation | 15,655,200 | 15,955,200 | 15,744,638 | 210,562 |
| 0035 | Food services | 418,500 | 418,500 | 369,107 | 49,393 |
| 0036 | Extracurricular activities | 8,660,889 | 8,660,889 | 8,272,763 | 388,126 |
| 0041 | General administration | 9,242,913 | 9,367,913 | 7,884,970 | 1,482,943 |
| 0051 | Plant maintenance and operations | 36,842,100 | 36,842,100 | 34,739,888 | 2,102,212 |
| 0052 | Security and monitoring services | 6,326,595 | 6,326,595 | 5,514,651 | 811,944 |
| 0053 | Data processing services | 7,871,895 | 7,996,895 | 7,857,587 | 139,308 |
| 0061 | Community services | 207,000 | 227,000 | 186,328 | 40,672 |
| Intergovernmental: | | | | | |
| 0093 | Payments related shares services arrangements | 460,100 | 460,100 | 161,122 | 298,978 |
| 0095 | Payments to juvenile justice alternative education programs | 20,000 | 20,000 | 4,050 | 15,950 |
| 0099 | Other intergovernmental charges | 2,645,000 | 2,645,000 | 2,260,844 | 384,156 |
| 6030 | Total expenditures | 405,000,000 | 406,825,000 | 395,796,588 | 11,028,412 |
| 1100 | Excess (deficiency) of revenues over expenditures | (8,375,000) | (10,075,000) | (4,996,276) | 5,078,724 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| 7912 | Sale of real and personal property | - | - | 99,963 | 99,963 |
| 7915 | Transfers in | 8,375,000 | 8,375,000 | 5,258,802 | (3,116,198) |
| 7080 | Total other financing sources (uses) | 8,375,000 | 8,375,000 | 5,358,765 | (3,016,235) |
| 1200 | Net change in fund balance | - | (1,700,000) | 362,489 | 2,062,489 |
| 0100 | Fund balance - beginning | 102,613,514 | 102,613,514 | 102,613,514 | - |
| 3000 | FUND BALANCE - ENDING | \$ 102,613,514 | \$ 100,913,514 | \$ 102,976,003 | \$ 2,062,489 |

The Notes to the Required Supplementary Information are an integral part of this schedule.

Clear Creek Independent School District

Exhibit G-2

Schedule of the District's Proportionate Share
of the Net Pension Liability
Teacher Retirement System of Texas
For the Last Ten Fiscal Years*

| Year | District's Proportion of Net Pension Liability | District's Proportionate Share of the Net Pension Liability | State's Proportionate Share of the Net Pension Liability Associated with the District | Total | District's Covered Payroll | District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|------|---|---|--|----------------|----------------------------------|---|---|
| 2025 | 0.2115210% | \$ 129,205,835 | \$ 171,751,730 | \$ 300,957,565 | \$ 293,241,045 | 44.06% | 77.51% |
| 2024 | 0.2255475% | 154,929,359 | 204,380,936 | 359,310,295 | 293,081,543 | 52.86% | 73.15% |
| 2023 | 0.2336138% | 138,690,526 | 189,860,902 | 328,551,428 | 290,601,798 | 47.73% | 75.62% |
| 2022 | 0.2260479% | 57,566,391 | 89,565,856 | 147,132,247 | 283,560,456 | 20.30% | 88.79% |
| 2021 | 0.2204033% | 118,043,506 | 192,436,694 | 310,480,200 | 277,773,487 | 42.50% | 75.54% |
| 2020 | 0.2299992% | 119,560,786 | 185,312,647 | 304,873,433 | 262,826,184 | 45.49% | 75.24% |
| 2019 | 0.2248418% | 123,758,393 | 203,647,106 | 327,405,499 | 254,550,975 | 48.62% | 73.74% |
| 2018 | 0.2158994% | 69,033,003 | 123,940,931 | 192,973,934 | 247,724,612 | 27.87% | 82.17% |
| 2017 | 0.2081907% | 78,672,174 | 150,104,516 | 228,776,690 | 238,409,493 | 33.00% | 78.00% |
| 2016 | 0.2138008% | 75,575,737 | 144,452,743 | 220,028,480 | 229,772,090 | 32.89% | 78.43% |

* The amounts presented for the fiscal years were determined as of the Plan's fiscal year end, August 31 of the prior year.

Clear Creek Independent School District
Schedule of the District's Pension Contributions
Teacher Retirement System of Texas
For the Last Ten Fiscal Years

Exhibit G-3

| Year | Contractually Required Contributions | Contributions in Relation to the Contractually Required Contributions | Contribution Deficiency (Excess) | District's Covered Payroll | Contributions as a Percentage of Covered Payroll |
|-------------|---|--|---|---|---|
| 2025 | \$ 12,806,971 | \$ (12,806,971) | \$ - | \$ 305,099,735 | 4.20% |
| 2024 | 11,919,398 | (11,919,398) | - | 293,241,045 | 4.06% |
| 2023 | 11,555,861 | (11,555,861) | - | 293,081,543 | 3.94% |
| 2022 | 10,900,666 | (10,900,666) | - | 290,601,798 | 3.75% |
| 2021 | 9,645,706 | (9,645,706) | - | 283,560,456 | 3.40% |
| 2020 | 9,095,620 | (9,095,620) | - | 277,773,487 | 3.27% |
| 2019 | 8,051,784 | (8,051,784) | - | 262,826,184 | 3.06% |
| 2018 | 7,573,622 | (7,573,622) | - | 254,550,975 | 2.98% |
| 2017 | 7,075,923 | (7,075,923) | - | 247,724,612 | 2.86% |
| 2016 | 6,614,746 | (6,614,746) | - | 238,409,493 | 2.77% |

The Notes to the Required Supplementary Information are an integral part of this schedule.

Clear Creek Independent School District

Exhibit G-4

Schedule of the District's Proportionate Share
of the Net OPEB Liability
Teacher Retirement System of Texas
For the Last Eight Fiscal Years*

| Year | District's Proportion of Net OPEB Liability | District's Proportionate Share of the Net OPEB Liability | State's Proportionate Share of the Net OPEB Liability Associated with the District | Total | District's Covered Payroll | District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability |
|------|--|--|---|----------------|----------------------------------|--|--|
| 2025 | 0.2600994% | \$ 78,944,155 | \$ 98,915,955 | \$ 177,860,110 | \$ 293,241,045 | 26.92% | 13.70% |
| 2024 | 0.2768745% | 61,295,312 | 73,962,216 | 135,257,528 | 293,081,543 | 20.91% | 14.94% |
| 2023 | 0.2919846% | 69,912,816 | 85,282,652 | 155,195,468 | 290,601,798 | 24.06% | 11.52% |
| 2022 | 0.2904561% | 112,041,907 | 150,111,186 | 262,153,093 | 283,560,456 | 39.51% | 6.18% |
| 2021 | 0.2903938% | 110,391,808 | 148,340,129 | 258,731,937 | 277,773,487 | 39.74% | 4.99% |
| 2020 | 0.2948113% | 139,419,865 | 185,257,814 | 324,677,679 | 262,826,184 | 53.05% | 2.66% |
| 2019 | 0.2945161% | 147,054,575 | 222,707,255 | 369,761,830 | 254,550,975 | 57.77% | 1.57% |
| 2018 | 0.2780786% | 120,925,973 | 199,147,753 | 320,073,726 | 247,724,612 | 48.81% | 0.91% |

* The amounts presented for the fiscal years were determined as of the Plan's fiscal year end, August 31 of the prior year.
Ten years of data is not available.

Clear Creek Independent School District**Exhibit G-5**

Schedule of the District's OPEB Contributions
Teacher Retirement System of Texas
For the Last Ten Fiscal Years

| Year | Contractually Required Contributions | Contributions in Relation to the Contractually Required Contributions | Contribution Deficiency (Excess) | District's Covered Payroll | Contributions as a Percentage of Covered Payroll |
|-------------|---|--|---|---|---|
| 2025 | \$ 2,437,986 | \$ (2,437,986) | \$ - | \$ 305,099,735 | 0.80% |
| 2024 | 2,357,346 | (2,357,346) | - | 293,241,045 | 0.80% |
| 2023 | 2,392,710 | (2,392,710) | - | 293,081,543 | 0.82% |
| 2022 | 2,392,812 | (2,392,812) | - | 290,601,798 | 0.82% |
| 2021 | 2,269,512 | (2,269,512) | - | 283,560,456 | 0.80% |
| 2020 | 2,204,519 | (2,204,519) | - | 277,773,487 | 0.79% |
| 2019 | 2,087,610 | (2,087,610) | - | 262,826,184 | 0.79% |
| 2018 | 2,029,186 | (2,029,186) | - | 254,550,975 | 0.80% |
| 2017 | 1,445,731 | (1,445,731) | - | 247,724,612 | 0.58% |
| 2016 | 1,391,555 | (1,391,555) | - | 238,409,493 | 0.58% |

The Notes to the Required Supplementary Information are an integral part of this schedule.

Clear Creek Independent School District

Notes to the Required Supplementary Information

Note 1. Budgets and Budgetary Accounting

Each school district in Texas is required by law to prepare annually a budget of anticipated revenues and expenditures for the General Fund, Debt Service Fund, and the National School Breakfast and Lunch Program Fund (which is an enterprise fund) before the beginning of the fiscal year. For fiscal year beginning September 1st, the Texas Education Code requires the budget to be prepared not later than August 20th and adopted by August 31st of each year. The District's administration determines budgetary funding priorities using a site-based budgeting concept, which is consistent with GAAP. Final budget allocations are determined by the Board, which subsequently establishes a tax rate sufficient to support the approved budget. The annual budget, which is prepared on the modified accrual basis of accounting, must be adopted by the Board at a scheduled meeting after giving ten days public notice of the meeting. The District annually adopts legally authorized appropriated budgets for the General, Debt Service, and National School Breakfast and Lunch Program funds.

The District's administration performs budget reviews during the year in which budget requirements are re-evaluated and revisions are recommended to the Board. The Board may approve amendments to the budget, which are required when a change is made to any one of the functional expenditure categories or revenue object accounts defined by the TEA. Expenditures may not legally exceed budgeted appropriations, as amended, at the function level by fund. Unexpended appropriations lapse at year-end.

Note 2. Net Pension Liability and Net OPEB Liability

The following factors significantly affect trends in the amounts reported for the District's proportionate share of the net pension liability and net OPEB liability:

Changes in Actuarial Assumptions and Inputs

| Measurement Date August 31, | Net Pension Liability | | Net OPEB Liability |
|--------------------------------|-----------------------|--|-----------------------|
| | Discount Rate | Long-term Expected Rate of Return | Discount Rate |
| 2024 | 7.000% | 7.000% | 3.870% |
| 2023 | 7.000% | 7.000% | 4.130% |
| 2022 | 7.000% | 7.000% | 3.910% |
| 2021 | 7.250% | 7.250% | 1.950% |
| 2020 | 7.250% | 7.250% | 2.330% |
| 2019 | 7.250% | 7.250% | 2.630% |
| 2018 | 6.907% | 7.250% | 3.690% |
| 2017 | 8.000% | 8.000% | 3.420% |
| 2016 | 8.000% | 8.000% | N/A |
| 2015 | 8.000% | 8.000% | N/A |

Clear Creek Independent School District

Notes to the Required Supplementary Information

Changes in Demographic and Economic Assumptions

For measurement date August 31, 2018 – Net Pension Liability and Net OPEB Liability:

- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement and economic assumptions, including rates of salary increase for individual participants were updated based on the experience study performed for TRS for the period ending August 31, 2017.

Changes in Benefit Terms

For measurement date August 31, 2024 – Net Pension Liability:

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

For measurement date August 31, 2018 – Net OPEB Liability:

- Changes of benefit terms were made effective September 1, 2017 by the 85th Texas Legislature.

Other Changes

For measurement date August 31, 2024 – Net OPEB Liability:

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

For measurement date August 31, 2022 – Net OPEB Liability:

- The participation rate for pre-65 retirees was lowered from 65% to 62%. The participation rate for post-65 retirees was lowered from 40% to 25%.

For measurement date August 31, 2020 – Net OPEB Liability:

- The participation rate for post-65 retirees was lowered from 50% to 40%.
- The ultimate health care trend rate assumption decreased to reflect the repeal of the excise (Cadillac) tax on high-cost employer health plans.

For measurement date August 31, 2019 – Net Pension Liability:

- With the enactment of SB3 by the 2019 Texas Legislature, an assumption was made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.

Clear Creek Independent School District

Notes to the Required Supplementary Information

For measurement date August 31, 2019 – Net OPEB Liability:

- The participation rate for pre-65 retirees was lowered from 70% to 65%. The participation rate for post-65 retirees was lowered from 75% to 50%. 25% of pre-65 retirees are assumed to discontinue their coverage at age 65.
- The trend rates were reset to better reflect the plan's anticipated experience.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20% to 15%. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20% to 10%.

For measurement date August 31, 2018 – Net OPEB Liability:

- Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018.
- The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020.



Nonmajor Governmental Funds

Special Revenue Funds

The Special Revenue Funds are used to account for all federal, state and locally funded grants. These grants are awarded to the District with the purpose of accomplishing specific educational goals. Grants included in the Special Revenue Funds are described below.

ESEA Stands For: Elementary Secondary Education Act

| Fund Number | Fund Name & Description |
|-------------|---|
| 206 | Homeless Children & Youth Grant: Funds granted for a variety of staff development and supplemental services, including in-service training, counseling, psychological services and tutoring. |
| 211 | ESEA, Title I, Improving Basic Programs: supplemental service designed to accelerate the academic achievement of economically disadvantaged students, especially in the tested areas, to ensure that state standards are met on identified campuses. |
| 224 | IDEA-B - Formula: salaries and supplies to aid children with disabilities with low reading achievement. |
| 225 | IDEA-B - Preschool: aids preschool students with disabilities. |
| 226 | IDEA Part B High Cost Risk Pool: assist LEA's in addressing the needs of high-need students with disabilities. |
| 239 | Substance Abuse Prevention and Treatment Block: prevention services for young people. |
| 244 | Career and Technical Basic Grant: funds are for the use of various vocationally-inclined students in regular, disadvantaged and disability classes. |
| 255 | ESEA, Title II, Part A - Teacher and Principal Training and Recruiting: supplements the professional development, retention and recruitment programs district-wide, specifically on high needs campuses. |
| 263 | Title III, Part A - English Language Acquisition and Enhancement: helps to ensure that children who are limited English proficient, including immigrant children and youth, attain English proficiency, develop high levels of academic attainment in English, and meet the same challenging State academic content and student academic achievement standards as all children are expected to meet. |
| 265 | Title IV, Part B - 21st Century CASE: to support the creation of community learning centers that provide academic enrichment opportunities during non-school hours for children. |
| 272 | Medicaid Administrative Claiming Program: provides the District with the ability to receive reimbursement for outreach and case management. |
| 279 | Texas Covid Learning Acceleration Supports (TCLAS) ESSER III: To provide targeted support to school districts to accelerate student learning in the wake of COVID-19. |
| 288 | Title IV Part A - ELA: to provide all students access to a well-rounded education, improve academic outcomes by maintaining a safe and healthy school environment, and improve the use of technology to advance student academic achievement. |
| 289 | Federally Funded Special Revenue: supports and encourages the development of new, self-supporting, community anti-drug coalitions; early childhood summer programs, library grants and wetlands and water education; and emergency connectivity fund. |
| 315 | SSA - IDEA B - Discretionary (Deaf): provides basic special education component and Regional Day School Programs for the deaf. |

| Fund Number | Fund Name & Description |
|-------------|---|
| 340 | SSA - IDEA C - Early Intervention (Deaf): provides direct services to hearing impaired infants to toddlers, ages birth through two years of age. |
| 385 | Visually Impaired State: provides educational programs for visually impaired children. |
| 397 | Advanced Placement Incentives: enhancement of Advanced Placement programs on specific campuses based on student scores on Advanced Placement examinations. |
| 410 | State Instructional Materials Fund: provides funds to purchase instructional materials, technological equipment and technology-related services. |
| 426 | Strong Foundations Planning Supports: provides funds for technical assistance to develop a strong instructional framework in math or literacy based in the research-based instructional strategies to guide teaching and learning. |
| 427 | Beginning Teacher Induction and Mentoring: provides funds to establish or enhance a beginning teacher induction and mentoring program to increase retention of beginning teachers. |
| 428 | School Safety Standards Grant: to assist local educational agencies in meeting the Chapter 61, Sub-chapter CC, 61.1031 of Commissioner's Rules and to include other security related costs like metal detectors, cameras, and monitoring tools such as those allowed under the school safety allotment, the Senate Bill 500 school safety and security grant, and the silent panic alert technology grant. |
| 429 | State Funded Special Revenue Funds: provides funds to help schools fund various programs including mentors and campus awards. |
| 435 | SSA - Regional Day School Deaf (State): provides state funds for staff and activities of the Regional Day School Program for the deaf. |
| 458 | SSA - Regional Day School Deaf (Local): provides local funds for activities of the Regional Day School Program for the deaf. |
| 461 | Campus Activity Funds: proceeds from fundraising activities, vending sales, corporate and private donations to school-sponsored activities benefiting students and staff of the campus. |
| 490 | CCEF Leader in Me: funds program to teach leadership and life skills to students and empower them with the mindset that every student can be a leader. |
| 491 | Student Device Insurance Fund: funds held for insurance of student devices. |
| 492 | District Special Events: provides funds for special events. |
| 493 | CCISD Education Foundation: provides innovative grant funds for District teachers. |
| 494 | Music Enrichment: funds received for music programs within the District. |
| 496 | NASA Grant: provides funding for robotic competition. |
| 497 | Science Donations: supports various District science projects. |
| 498 | After School Achievement: allows students to participate in supervised fun and safe activities, including academic help in reading and math, social activities, and recreational activities. |



Clear Creek Independent School District

Combining Balance Sheet

Nonmajor Governmental Funds

Special Revenue Funds

August 31, 2025

| | | 206 | 211 | 224 |
|----------------|--|-----------------------|---------------------|-------------------|
| Data | | | | |
| Control | | | | |
| Codes | | | | |
| | ASSETS | | ESEA Title I | |
| | | Homeless | Improving | |
| | | Children & | Basic | IDEA-B |
| | | Youth Grant | Programs | Formula |
| 1110 | Cash and cash equivalents | \$ - | \$ - | \$ - |
| 1120 | Investments | - | - | - |
| 1240 | Due from other governments | 1,663 | 31,621 | 323,698 |
| 1250 | Accrued interest | - | - | - |
| 1260 | Due from other funds | - | - | - |
| 1290 | Other receivables | - | - | - |
| 1000 | TOTAL ASSETS | <u>\$ 1,663</u> | <u>\$ 31,621</u> | <u>\$ 323,698</u> |
| | LIABILITIES | | | |
| 2110 | Accounts payable | \$ - | \$ 3,853 | \$ 176,635 |
| 2160 | Accrued wages payable | - | - | - |
| 2170 | Due to other funds | 1,663 | 27,768 | 147,063 |
| 2300 | Unearned revenue | - | - | - |
| 2000 | Total liabilities | 1,663 | 31,621 | 323,698 |
| | DEFERRED INFLOWS OF RESOURCES | | | |
| 2601 | Unavailable revenue - grants | - | - | - |
| | Total deferred inflows of resources | - | - | - |
| | FUND BALANCES | | | |
| 3450 | Restricted - grants | - | - | - |
| 3545 | Committed - other | - | - | - |
| 3000 | Total fund balances | - | - | - |
| 4000 | TOTAL LIABILITIES, DEFERRED INFLOWS | | | |
| | OF RESOURCES, AND FUND BALANCES | <u>\$ 1,663</u> | <u>\$ 31,621</u> | <u>\$ 323,698</u> |

| 225 | 226 | 239 | 244 | 255 | 263 |
|---------------------|---------------------------------------|---|--|---|--|
| IDEA-B Preschool | IDEA Part B High Cost Risk Pool | Substance Abuse Prevention and Treatment Block | Career and Technical Basic Grant | ESEA Title II Part A Teacher and Principal Training & Recruiting | Title III Part A English Language Acquisition and Enhancement |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| 895 | - | 153,923 | 42,561 | 75,603 | 10,481 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>\$ 895</u> | <u>\$ -</u> | <u>\$ 153,923</u> | <u>\$ 42,561</u> | <u>\$ 75,603</u> | <u>\$ 10,481</u> |
| \$ 742 | \$ - | \$ 19,336 | \$ - | \$ 35,975 | \$ - |
| - | - | - | - | - | - |
| 153 | - | 134,587 | 42,561 | 39,628 | 10,481 |
| - | - | - | - | - | - |
| 895 | - | 153,923 | 42,561 | 75,603 | 10,481 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>\$ 895</u> | <u>\$ -</u> | <u>\$ 153,923</u> | <u>\$ 42,561</u> | <u>\$ 75,603</u> | <u>\$ 10,481</u> |

Clear Creek Independent School District

Combining Balance Sheet

Nonmajor Governmental Funds

Special Revenue Funds - Continued

August 31, 2025

| | | 265 | 272 | 279 |
|----------------|--|------------------|-------------------|-------------|
| Data | | | | |
| Control | | | | |
| Codes | | | | |
| | ASSETS | | | |
| 1110 | Cash and cash equivalents | \$ - | \$ 256,380 | \$ - |
| 1120 | Investments | - | - | - |
| 1240 | Due from other governments | 14,306 | 55,230 | - |
| 1250 | Accrued interest | - | - | - |
| 1260 | Due from other funds | - | - | - |
| 1290 | Other receivables | - | - | - |
| 1000 | TOTAL ASSETS | <u>\$ 14,306</u> | <u>\$ 311,610</u> | <u>\$ -</u> |
| | LIABILITIES | | | |
| 2110 | Accounts payable | \$ - | \$ - | \$ - |
| 2160 | Accrued wages payable | - | - | - |
| 2170 | Due to other funds | 14,306 | - | - |
| 2300 | Unearned revenue | - | - | - |
| 2000 | Total liabilities | 14,306 | - | - |
| | DEFERRED INFLOWS OF RESOURCES | | | |
| 2601 | Unavailable revenue - grants | - | - | - |
| | Total deferred inflows of resources | - | - | - |
| | FUND BALANCES | | | |
| 3450 | Restricted - grants | - | 311,610 | - |
| 3545 | Committed - other | - | - | - |
| 3000 | Total fund balances | - | 311,610 | - |
| 4000 | TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | <u>\$ 14,306</u> | <u>\$ 311,610</u> | <u>\$ -</u> |

| 288 | 289 | 315 | 340 | 385 | 397 |
|--------------------------|---|---|---|-------------------------------|-------------------------------------|
| Title IV Part A - ELA | Federally Funded Special Revenue | SSA - IDEA B - Discretionary (Deaf) | SSA - IDEA C - Early Intervention (Deaf) | Visually Impaired State | Advanced Placement Incentives |
| \$ - | \$ 16,753 | \$ - | \$ - | \$ - | \$ 204 |
| - | - | - | - | - | - |
| 10,229 | 5,420 | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>\$ 10,229</u> | <u>\$ 22,173</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 204</u> |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| 10,229 | - | - | - | - | - |
| - | 16,753 | - | - | - | - |
| 10,229 | 16,753 | - | - | - | - |
| - | 5,420 | - | - | - | - |
| - | 5,420 | - | - | - | - |
| - | - | - | - | - | 204 |
| - | - | - | - | - | - |
| - | - | - | - | - | 204 |
| <u>\$ 10,229</u> | <u>\$ 22,173</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 204</u> |

Clear Creek Independent School District

Combining Balance Sheet

Nonmajor Governmental Funds

Special Revenue Funds - Continued

August 31, 2025

| | | 410 | 426 | 427 |
|--------------------------------------|--|-------------------|-------------------|---------------|
| | | State | Strong | Beginning |
| | | Instructional | Foundations | Teacher |
| | | Materials | Planning | Induction |
| | | Fund | Supports | and |
| | | | | Mentoring |
| Data | Control | | | |
| Codes | | | | |
| ASSETS | | | | |
| 1110 | Cash and cash equivalents | \$ - | \$ - | \$ - |
| 1120 | Investments | - | - | - |
| 1240 | Due from other governments | 731,835 | 118,981 | 300 |
| 1250 | Accrued interest | - | - | - |
| 1260 | Due from other funds | - | - | - |
| 1290 | Other receivables | - | - | - |
| 1000 | TOTAL ASSETS | <u>\$ 731,835</u> | <u>\$ 118,981</u> | <u>\$ 300</u> |
| LIABILITIES | | | | |
| 2110 | Accounts payable | \$ 481,527 | \$ 105,000 | \$ - |
| 2160 | Accrued wages payable | - | - | - |
| 2170 | Due to other funds | 250,308 | 13,981 | 300 |
| 2300 | Unearned revenue | - | - | - |
| 2000 | Total liabilities | 731,835 | 118,981 | 300 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| 2601 | Unavailable revenue - grants | - | - | - |
| | Total deferred inflows of resources | - | - | - |
| FUND BALANCES | | | | |
| 3450 | Restricted - grants | - | - | - |
| 3545 | Committed - other | - | - | - |
| 3000 | Total fund balances | - | - | - |
| 4000 | TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | <u>\$ 731,835</u> | <u>\$ 118,981</u> | <u>\$ 300</u> |

| 428 | 429 | 435 | 458 | 461 | 490 |
|-------------------------------------|---|---|---|-----------------------------|----------------------|
| School Safety Standards Grant | State Funded Special Revenue Funds | SSA - Regional Day School Deaf (State) | SSA - Regional Day School Deaf (Local) | Campus Activity Funds | CCEF Leader in Me |
| \$ - | \$ 33,250 | \$ - | \$ 2,375,163 | \$ 4,061,392 | \$ 202,100 |
| - | - | - | - | 4,573,761 | - |
| - | - | 292,987 | - | - | - |
| - | - | - | - | 21,485 | - |
| - | - | - | - | 154,669 | - |
| - | - | - | - | 41,622 | - |
| <u>\$ -</u> | <u>\$ 33,250</u> | <u>\$ 292,987</u> | <u>\$ 2,375,163</u> | <u>\$ 8,852,929</u> | <u>\$ 202,100</u> |
| \$ - | \$ - | \$ - | \$ 145,066 | \$ 243,458 | \$ 327 |
| - | - | - | 221,401 | - | - |
| - | - | 292,987 | - | 20,028 | - |
| - | 33,250 | - | 1,508,697 | - | 201,773 |
| - | 33,250 | 292,987 | 1,875,164 | 263,486 | 202,100 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | 499,999 | - | - |
| - | - | - | - | 8,589,443 | - |
| - | - | - | 499,999 | 8,589,443 | - |
| <u>\$ -</u> | <u>\$ 33,250</u> | <u>\$ 292,987</u> | <u>\$ 2,375,163</u> | <u>\$ 8,852,929</u> | <u>\$ 202,100</u> |

Clear Creek Independent School District

Combining Balance Sheet

Nonmajor Governmental Funds

Special Revenue Funds - Continued

August 31, 2025

| | | 491 | 492 | 493 |
|----------------|--|---------------------|-------------|------------------|
| Data | | | | |
| Control | | | | |
| Codes | | | | |
| | ASSETS | | | |
| 1110 | Cash and cash equivalents | \$ 1,676,550 | \$ - | \$ 70,258 |
| 1120 | Investments | - | - | - |
| 1240 | Due from other governments | - | - | - |
| 1250 | Accrued interest | - | - | - |
| 1260 | Due from other funds | 7,910 | - | - |
| 1290 | Other receivables | - | - | - |
| 1000 | TOTAL ASSETS | <u>\$ 1,684,460</u> | <u>\$ -</u> | <u>\$ 70,258</u> |
| | LIABILITIES | | | |
| 2110 | Accounts payable | \$ - | \$ - | \$ 6,610 |
| 2160 | Accrued wages payable | - | - | - |
| 2170 | Due to other funds | - | - | - |
| 2300 | Unearned revenue | - | - | 63,648 |
| 2000 | Total liabilities | - | - | 70,258 |
| | DEFERRED INFLOWS OF RESOURCES | | | |
| 2601 | Unavailable revenue - grants | - | - | - |
| | Total deferred inflows of resources | - | - | - |
| | FUND BALANCES | | | |
| 3450 | Restricted - grants | - | - | - |
| 3545 | Committed - other | 1,684,460 | - | - |
| 3000 | Total fund balances | <u>1,684,460</u> | <u>-</u> | <u>-</u> |
| 4000 | TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | <u>\$ 1,684,460</u> | <u>\$ -</u> | <u>\$ 70,258</u> |

| 494 | 496 | 497 | 498 | |
|---------------------|-------------|----------------------|-----------------------------|---|
| Music Enrichment | NASA Grant | Science Donations | After School Achievement | Total Nonmajor Funds (See Exhibit C-1) |
| \$ 89,148 | \$ - | \$ - | \$ 17,959 | \$ 8,799,157 |
| - | - | - | - | 4,573,761 |
| - | - | - | - | 1,869,733 |
| - | - | - | - | 21,485 |
| 7,915 | - | - | - | 170,494 |
| 1,599 | - | - | - | 43,221 |
| <u>\$ 98,662</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 17,959</u> | <u>\$ 15,477,851</u> |
| \$ - | \$ - | \$ - | \$ - | \$ 1,218,529 |
| - | - | - | - | 221,401 |
| - | - | - | 2,148 | 1,008,191 |
| - | - | - | 15,811 | 1,839,932 |
| - | - | - | 17,959 | 4,288,053 |
| - | - | - | - | 5,420 |
| - | - | - | - | 5,420 |
| - | - | - | - | 811,813 |
| 98,662 | - | - | - | 10,372,565 |
| <u>98,662</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>11,184,378</u> |
| <u>\$ 98,662</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 17,959</u> | <u>\$ 15,477,851</u> |

Clear Creek Independent School District

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Special Revenue Funds
For the Fiscal Year Ended August 31, 2025

| | | 206 | 211 | 224 |
|--|--|---------------------------------------|--|-------------------|
| Data Control Codes | | Homeless Children & Youth Grant | ESEA Title I Improving Basic Programs | IDEA-B Formula |
| REVENUES | | | | |
| 5700 | Local and intermediate sources | \$ - | \$ - | \$ - |
| 5800 | State program revenues | - | - | - |
| 5900 | Federal program revenues | 105,679 | 6,172,816 | 6,991,449 |
| 5020 | Total revenues | 105,679 | 6,172,816 | 6,991,449 |
| EXPENDITURES | | | | |
| Current: | | | | |
| 0011 | Instruction | 7,963 | 3,725,010 | 6,413,037 |
| 0012 | Instructional resources and media services | - | 39,394 | - |
| 0013 | Curriculum and instructional staff development | - | 1,872,431 | 26,531 |
| 0021 | Instructional leadership | 68,133 | 206,196 | 39,575 |
| 0023 | School leadership | - | 18,064 | - |
| 0031 | Guidance, counseling, and evaluation services | - | 105,472 | 500,558 |
| 0033 | Health services | - | - | - |
| 0034 | Student transportation | 29,583 | - | - |
| 0035 | Food services | - | - | - |
| 0036 | Extracurricular activities | - | 10,662 | 11,748 |
| 0052 | Security and monitoring services | - | - | - |
| 0053 | Data processing services | - | - | - |
| 0061 | Community services | - | 195,587 | - |
| Capital outlay: | | | | |
| 0081 | Facilities acquisition and construction | - | - | - |
| Intergovernmental: | | | | |
| 0093 | Payments related shares services arrangements | - | - | - |
| 6030 | Total expenditures | 105,679 | 6,172,816 | 6,991,449 |
| 1100 | Excess (deficiency) of revenues over (under) expenditures | - | - | - |
| OTHER FINANCING SOURCES (USES): | | | | |
| 8911 | Transfers out | - | - | - |
| 7080 | Total other financing sources (uses) | - | - | - |
| 1200 | Net change in fund balances | - | - | - |
| 0100 | Fund balances - beginning | - | - | - |
| 3000 | FUND BALANCES - ENDING | \$ - | \$ - | \$ - |

| 225 | 226 | 239 | 244 | 255 | 263 |
|---------------------|---------------------------------------|---|--|---|--|
| IDEA-B Preschool | IDEA Part B High Cost Risk Pool | Substance Abuse Prevention and Treatment Block | Career and Technical Basic Grant | ESEA Title II Part A Teacher and Principal Training & Recruiting | Title III Part A English Language Acquisition and Enhancement |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| 83,950 | 808,391 | 1,006,351 | 451,399 | 1,280,373 | 488,302 |
| 83,950 | 808,391 | 1,006,351 | 451,399 | 1,280,373 | 488,302 |
| 79,809 | 238,193 | - | 345,509 | 3,266 | 377,996 |
| - | - | - | - | - | - |
| - | - | - | - | 1,256,898 | 103,569 |
| - | - | - | - | 20,209 | 6,737 |
| - | - | - | - | - | - |
| 4,141 | - | - | 105,890 | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | 1,006,351 | - | - | - |
| - | - | - | - | - | - |
| - | 570,198 | - | - | - | - |
| 83,950 | 808,391 | 1,006,351 | 451,399 | 1,280,373 | 488,302 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Clear Creek Independent School District

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Special Revenue Funds - Continued
For the Fiscal Year Ended August 31, 2025

| | | 265 | 272 | 279 |
|--|--|---|---|----------------------------|
| Data Control Codes | | Title IV, Part B - 21st Century CASE | Medicaid Administrative Claiming Program | TCLAS ESSER III |
| REVENUES | | | | |
| 5700 | Local and intermediate sources | \$ - | \$ - | \$ - |
| 5800 | State program revenues | - | - | - |
| 5900 | Federal program revenues | 45,000 | 102,247 | 6,344 |
| 5020 | Total revenues | 45,000 | 102,247 | 6,344 |
| EXPENDITURES | | | | |
| Current: | | | | |
| 0011 | Instruction | 3,175 | - | - |
| 0012 | Instructional resources and media services | - | - | - |
| 0013 | Curriculum and instructional staff development | - | - | - |
| 0021 | Instructional leadership | - | - | - |
| 0023 | School leadership | - | - | - |
| 0031 | Guidance, counseling, and evaluation services | - | - | 6,344 |
| 0033 | Health services | - | 19,247 | - |
| 0034 | Student transportation | - | 38,745 | - |
| 0035 | Food services | - | - | - |
| 0036 | Extracurricular activities | 41,739 | - | - |
| 0052 | Security and monitoring services | - | - | - |
| 0053 | Data processing services | - | - | - |
| 0061 | Community services | 86 | - | - |
| Capital outlay: | | | | |
| 0081 | Facilities acquisition and construction | - | - | - |
| Intergovernmental: | | | | |
| 0093 | Payments related shares services arrangements | - | - | - |
| 6030 | Total expenditures | 45,000 | 57,992 | 6,344 |
| 1100 | Excess (deficiency) of revenues over (under) expenditures | - | 44,255 | - |
| OTHER FINANCING SOURCES (USES): | | | | |
| 8911 | Transfers out | - | - | - |
| 7080 | Total other financing sources (uses) | - | - | - |
| 1200 | Net change in fund balances | - | 44,255 | - |
| 0100 | Fund balances - beginning | - | 267,355 | - |
| 3000 | FUND BALANCES - ENDING | \$ - | \$ 311,610 | \$ - |

| 288 | 289 | 315 | 340 | 385 | 397 |
|--------------------------|---|---|---|-------------------------------|-------------------------------------|
| Title IV Part A - ELA | Federally Funded Special Revenue | SSA - IDEA B - Discretionary (Deaf) | SSA - IDEA C - Early Intervention (Deaf) | Visually Impaired State | Advanced Placement Incentives |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | 13,700 | - |
| 407,534 | 63,054 | 164,326 | 2,457 | - | - |
| 407,534 | 63,054 | 164,326 | 2,457 | 13,700 | - |
| - | 3,734 | 164,326 | 2,457 | 13,700 | - |
| - | - | - | - | - | - |
| 400,797 | 5,420 | - | - | - | - |
| 6,737 | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | 53,900 | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 407,534 | 63,054 | 164,326 | 2,457 | 13,700 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | 204 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 204 |

Clear Creek Independent School District

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Special Revenue Funds - Continued
For the Fiscal Year Ended August 31, 2025

| | | 410 | 426 | 427 |
|--|--|---|---|--|
| Data Control Codes | | State Instructional Materials Fund | Strong Foundations Planning Supports | Beginning Teacher Induction and Mentoring |
| REVENUES | | | | |
| 5700 | Local and intermediate sources | \$ - | \$ - | \$ - |
| 5800 | State program revenues | 2,741,073 | 305,063 | 27,000 |
| 5900 | Federal program revenues | - | - | - |
| 5020 | Total revenues | 2,741,073 | 305,063 | 27,000 |
| EXPENDITURES | | | | |
| Current: | | | | |
| 0011 | Instruction | 2,313,933 | - | - |
| 0012 | Instructional resources and media services | - | - | - |
| 0013 | Curriculum and instructional staff development | - | 9,815 | 27,000 |
| 0021 | Instructional leadership | - | 295,248 | - |
| 0023 | School leadership | - | - | - |
| 0031 | Guidance, counseling, and evaluation services | - | - | - |
| 0033 | Health services | - | - | - |
| 0034 | Student transportation | - | - | - |
| 0035 | Food services | - | - | - |
| 0036 | Extracurricular activities | - | - | - |
| 0052 | Security and monitoring services | - | - | - |
| 0053 | Data processing services | 427,140 | - | - |
| 0061 | Community services | - | - | - |
| Capital outlay: | | | | |
| 0081 | Facilities acquisition and construction | - | - | - |
| Intergovernmental: | | | | |
| 0093 | Payments related shares services arrangements | - | - | - |
| 6030 | Total expenditures | 2,741,073 | 305,063 | 27,000 |
| 1100 | Excess (deficiency) of revenues over (under) expenditures | - | - | - |
| OTHER FINANCING SOURCES (USES): | | | | |
| 8911 | Transfers out | - | - | - |
| 7080 | Total other financing sources (uses) | - | - | - |
| 1200 | Net change in fund balances | - | - | - |
| 0100 | Fund balances - beginning | - | - | - |
| 3000 | FUND BALANCES - ENDING | \$ - | \$ - | \$ - |

| 428 | 429 | 435 | 458 | 461 | 490 |
|-------------------------------------|---|---|---|--------------------------|----------------------|
| School Safety Standards Grant | State Funded Special Revenue Funds | SSA - Regional Day School Deaf (State) | SSA - Regional Day School Deaf (Local) | Campus Activity Funds | CCEF Leader in Me |
| \$ - 1,726,758 - | \$ - 136,467 - | \$ - 1,063,291 - | \$ 2,168,522 - - | \$ 10,045,541 - - | \$ 63,196 - - |
| 1,726,758 | 136,467 | 1,063,291 | 2,168,522 | 10,045,541 | 63,196 |
| - | 135,250 | 1,063,291 | 1,713,294 | - | 55,723 |
| - | 72 | - | - | - | - |
| - | 350 | - | 5,612 | - | 7,473 |
| 44,428 | - | - | 448,859 | - | - |
| - | - | - | - | - | - |
| - | - | - | 57 | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | 795 | - | - | 9,253,452 | - |
| 1,297,344 | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | 700 | - | - |
| 384,986 | - | - | - | - | - |
| - | - | - | - | - | - |
| 1,726,758 | 136,467 | 1,063,291 | 2,168,522 | 9,253,452 | 63,196 |
| - | - | - | - | 792,089 | - |
| - | - | - | - | (200,000) | - |
| - | - | - | - | (200,000) | - |
| - | - | - | - | 592,089 | - |
| - | - | - | 499,999 | 7,997,354 | - |
| \$ - | \$ - | \$ - | \$ 499,999 | \$ 8,589,443 | \$ - |

Clear Creek Independent School District

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances

Nonmajor Governmental Funds

Special Revenue Funds - Continued

For the Fiscal Year Ended August 31, 2025

| | | 491 | 492 | 493 |
|--|---|--------------------------------------|--------------------------------|-----------------------------------|
| Data Control Codes | | Student Device Insurance Fund | District Special Events | CCISD Education Foundation |
| REVENUES | | | | |
| 5700 | Local and intermediate sources | \$ 286,149 | \$ - | \$ 590,802 |
| 5800 | State program revenues | - | - | - |
| 5900 | Federal program revenues | - | - | - |
| 5020 | Total revenues | 286,149 | - | 590,802 |
| EXPENDITURES | | | | |
| Current: | | | | |
| 0011 | Instruction | - | - | 363,838 |
| 0012 | Instructional resources and media services | - | - | 42,615 |
| 0013 | Curriculum and instructional staff development | - | - | 216 |
| 0021 | Instructional leadership | - | - | - |
| 0023 | School leadership | - | - | - |
| 0031 | Guidance, counseling, and evaluation services | - | - | - |
| 0033 | Health services | - | - | - |
| 0034 | Student transportation | - | - | - |
| 0035 | Food services | - | - | - |
| 0036 | Extracurricular activities | - | 5,685 | - |
| 0052 | Security and monitoring services | - | - | - |
| 0053 | Data processing services | 94,985 | - | - |
| 0061 | Community services | - | - | 184,133 |
| Capital outlay: | | | | |
| 0081 | Facilities acquisition and construction | - | - | - |
| Intergovernmental: | | | | |
| 0093 | Payments related shares services arrangements | - | - | - |
| 6030 | Total expenditures | 94,985 | 5,685 | 590,802 |
| 1100 | Excess (deficiency) of revenues over (under) expenditures | 191,164 | (5,685) | - |
| OTHER FINANCING SOURCES (USES): | | | | |
| 8911 | Transfers out | (200,000) | (27,861) | - |
| 7080 | Total other financing sources (uses) | (200,000) | (27,861) | - |
| 1200 | Net change in fund balances | (8,836) | (33,546) | - |
| 0100 | Fund balances - beginning | 1,693,296 | 33,546 | - |
| 3000 | FUND BALANCES - ENDING | \$ 1,684,460 | \$ - | \$ - |

| 494 | 496 | 497 | 498 | |
|---------------------|------------|----------------------|-----------------------------|---|
| Music Enrichment | NASA Grant | Science Donations | After School Achievement | Total Nonmajor Funds (See Exhibit C-2) |
| \$ 23,720 | \$ 767 | \$ 3,384 | \$ 12,643 | \$ 13,194,724 |
| - | - | - | - | 6,013,352 |
| - | - | - | - | 18,179,672 |
| 23,720 | 767 | 3,384 | 12,643 | 37,387,748 |
| - | - | 3,384 | 2,858 | 17,029,746 |
| - | - | - | - | 82,081 |
| - | - | - | 2,579 | 3,718,691 |
| - | - | - | - | 1,136,122 |
| - | - | - | - | 18,064 |
| - | - | - | - | 722,462 |
| - | - | - | - | 19,247 |
| - | - | - | - | 68,328 |
| - | - | - | 2,149 | 2,149 |
| 23,435 | 767 | - | 5,057 | 9,353,340 |
| - | - | - | - | 1,297,344 |
| - | - | - | - | 576,025 |
| - | - | - | - | 1,386,857 |
| - | - | - | - | 384,986 |
| - | - | - | - | 570,198 |
| 23,435 | 767 | 3,384 | 12,643 | 36,365,640 |
| 285 | - | - | - | 1,022,108 |
| - | - | - | - | (427,861) |
| - | - | - | - | (427,861) |
| 285 | - | - | - | 594,247 |
| 98,377 | - | - | - | 10,590,131 |
| \$ 98,662 | \$ - | \$ - | \$ - | \$ 11,184,378 |

Clear Creek Independent School District

Combining Statement of Net Position

Nonmajor Enterprise Funds

August 31, 2025

Exhibit H-3

| | 711 | 712 | Total Nonmajor Enterprise Funds (See Exhibit D-1) |
|---|----------------------------------|--------------------|--|
| | Athletics Concessions | Advertising | |
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 197,746 | \$ 974,819 | \$ 1,172,565 |
| Other receivables | 8,908 | - | 8,908 |
| | <u>206,654</u> | <u>974,819</u> | <u>1,181,473</u> |
| Total current assets | | | |
| Noncurrent assets: | | | |
| Capital assets net of accumulated depreciation: | | | |
| Building and improvements | 52,646 | - | 52,646 |
| Furniture and equipment | - | 37,333 | 37,333 |
| | <u>52,646</u> | <u>37,333</u> | <u>89,979</u> |
| Total noncurrent assets | | | |
| Total assets | 259,300 | 1,012,152 | 1,271,452 |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable | 6,331 | - | 6,331 |
| Due to other funds | 13,732 | - | 13,732 |
| Unearned revenue | - | 38,350 | 38,350 |
| | <u>20,063</u> | <u>38,350</u> | <u>58,413</u> |
| Total current liabilities | | | |
| Total liabilities | 20,063 | 38,350 | 58,413 |
| NET POSITION | | | |
| Investment in capital assets | 52,646 | 37,333 | 89,979 |
| Unrestricted | 186,591 | 936,469 | 1,123,060 |
| TOTAL NET POSITION | <u>\$ 239,237</u> | <u>\$ 973,802</u> | <u>\$ 1,213,039</u> |

Clear Creek Independent School District**Exhibit H-4**Combining Statement of Revenues, Expenses, and Changes
in Net Position

Nonmajor Enterprise Funds

For the Fiscal Year Ended August 31, 2025

| | 711 | 712 | Total Nonmajor Enterprise Funds (See Exhibit D-2) |
|--------------------------------------|----------------------------------|--------------------|--|
| | Athletics Concessions | Advertising | |
| OPERATING REVENUES | | | |
| Charges for services | \$ 234,380 | \$ 447,269 | \$ 681,649 |
| Total revenues | 234,380 | 447,269 | 681,649 |
| OPERATING EXPENSES | | | |
| Payroll costs | 79,796 | 38,905 | 118,701 |
| Professional and contracted services | 10,850 | 26,426 | 37,276 |
| Supplies and materials | 108,254 | 2,500 | 110,754 |
| Other operating costs | 4,062 | 4,045 | 8,107 |
| Depreciation | 2,929 | 87,995 | 90,924 |
| Total operating expenses | 205,891 | 159,871 | 365,762 |
| Operating income (loss) | 28,489 | 287,398 | 315,887 |
| NONOPERATING EXPENSES | | | |
| Transfers Out | - | (200,000) | (200,000) |
| Total nonoperating expenses | - | (200,000) | (200,000) |
| Change in net position | 28,489 | 87,398 | 115,887 |
| Net position - beginning | 210,748 | 886,404 | 1,097,152 |
| NET POSITION - END OF YEAR | \$ 239,237 | \$ 973,802 | \$ 1,213,039 |

Clear Creek Independent School District

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Fiscal Year Ended August 31, 2025

Exhibit H-5

| | 711 | 712 | Total Nonmajor Enterprise Funds (See Exhibit D-3) |
|--|--------------------------|-------------------|---|
| | Athletics Concessions | Advertising | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash received from customers | \$ 234,882 | \$ 485,619 | \$ 720,501 |
| Cash payments to suppliers for goods and services | (122,908) | (34,616) | (157,524) |
| Cash payments for payroll costs | (79,796) | (38,905) | (118,701) |
| Cash payments for other operating expenses | (4,062) | (4,045) | (8,107) |
| Net cash provided by operating activities | 28,116 | 408,053 | 436,169 |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | | |
| Transfers to other funds | - | (200,000) | (200,000) |
| Net cash (used for) noncapital financing activities | - | (200,000) | (200,000) |
| Net increase in cash and cash equivalents | 28,116 | 208,053 | 236,169 |
| Cash and cash equivalents at beginning of year | 169,630 | 766,766 | 936,396 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | <u>\$ 197,746</u> | <u>\$ 974,819</u> | <u>\$ 1,172,565</u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | | |
| Operating income | \$ 28,489 | \$ 287,398 | \$ 315,887 |
| Depreciation | 2,929 | 87,995 | 90,924 |
| Change in assets and liabilities: | | | |
| (Increase)decrease in due from other funds | 228 | - | 228 |
| (Increase)decrease in other receivables | (8,908) | - | (8,908) |
| Increase(decrease) in unearned revenue | - | 38,350 | 38,350 |
| Increase(decrease) in accounts payable | 9,182 | (5,690) | 3,492 |
| Increase(decrease) in due to other funds | (3,804) | - | (3,804) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>\$ 28,116</u> | <u>\$ 408,053</u> | <u>\$ 436,169</u> |

Clear Creek Independent School District**Exhibit H-6**

Combining Statement of Net Position

Internal Service Funds

August 31, 2025

| | 753 | 771 | 772 | Total Internal Service Funds (See Exhibit D-1) |
|---------------------------|-----------------------------|-----------------------------------|---------------------------------|---|
| | Dental Insurance | Workers Comp Insurance | Disability Insurance | |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 769,786 | \$ 1,421,437 | \$ 1,677,631 | \$ 3,868,854 |
| Receivables: | | | | |
| Due from other funds | - | 184,515 | - | 184,515 |
| Other receivables | 96,688 | - | - | 96,688 |
| Total current assets | 866,474 | 1,605,952 | 1,677,631 | 4,150,057 |
| Total assets | 866,474 | 1,605,952 | 1,677,631 | 4,150,057 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable | 1,896 | 30,970 | 42,725 | 75,591 |
| Accrued expenses | 150,000 | 815,468 | 113,000 | 1,078,468 |
| Total current liabilities | 151,896 | 846,438 | 155,725 | 1,154,059 |
| Total liabilities | 151,896 | 846,438 | 155,725 | 1,154,059 |
| NET POSITION | | | | |
| Unrestricted | 714,578 | 759,514 | 1,521,906 | 2,995,998 |
| TOTAL NET POSITION | <u>\$ 714,578</u> | <u>\$ 759,514</u> | <u>\$ 1,521,906</u> | <u>\$ 2,995,998</u> |

Clear Creek Independent School District**Exhibit H-7**Combining Statement of Revenues, Expenses, and Changes
in Net Position

Internal Service Funds

For the Fiscal Year Ended August 31, 2025

| | 753 | 771 | 772 | Total Internal Service Funds (See Exhibit D-2) |
|--------------------------------------|-----------------------------|---------------------------------------|---------------------------------|---|
| | Dental Insurance | Workers Comp Insurance | Disability Insurance | |
| OPERATING REVENUES | | | | |
| Charges for services | \$ 1,882,475 | \$ 789,996 | \$ 825,308 | \$ 3,497,779 |
| Total operating revenues | 1,882,475 | 789,996 | 825,308 | 3,497,779 |
| OPERATING EXPENSES | | | | |
| Professional and contracted services | 111,285 | 90,550 | 54,986 | 256,821 |
| Claims expense | 1,833,524 | 699,547 | 449,925 | 2,982,996 |
| Total operating expenses | 1,944,809 | 790,097 | 504,911 | 3,239,817 |
| Operating income (loss) | (62,334) | (101) | 320,397 | 257,962 |
| NONOPERATING REVENUES | | | | |
| Investment earnings | 49,469 | 57,465 | - | 106,934 |
| Transfers Out | - | - | (1,100,000) | (1,100,000) |
| Total nonoperating revenues | 49,469 | 57,465 | (1,100,000) | (993,066) |
| Change in net position | (12,865) | 57,364 | (779,603) | (735,104) |
| Net position - beginning | 727,443 | 702,150 | 2,301,509 | 3,731,102 |
| NET POSITION - ENDING | \$ 714,578 | \$ 759,514 | \$ 1,521,906 | \$ 2,995,998 |

Clear Creek Independent School District

Combining Statement of Cash Flows

Internal Service Funds

For the Fiscal Year Ended August 31, 2025

Exhibit H-8

| | 753 | 771 | 772 | Total Internal Service Funds (See Exhibit D-3) |
|---|---------------------|------------------------------|-------------------------|--|
| | Dental Insurance | Workers Comp Insurance | Disability Insurance | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Cash received from user charges | \$ 1,885,815 | \$ 848,584 | \$ 825,390 | \$ 3,559,789 |
| Cash payments for employees services and benefits | (1,833,524) | (788,500) | (488,007) | (3,110,031) |
| Cash payments for other operating expenses | (111,386) | (90,550) | (54,986) | (256,922) |
| Net cash provided by (used for) operating activities | (59,095) | (30,466) | 282,397 | 192,836 |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | | | |
| Transfers to other funds | - | - | (1,100,000) | (1,100,000) |
| Net cash (used for) noncapital financing activities | - | - | (1,100,000) | (1,100,000) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest and dividends received on investments | 49,469 | 57,465 | - | 106,934 |
| Net cash provided by investing activities | 49,469 | 57,465 | - | 106,934 |
| Net increase (decrease) in cash and cash equivalents | (9,626) | 26,999 | (817,603) | (800,230) |
| Cash and cash equivalents at beginning of year | 779,412 | 1,394,438 | 2,495,234 | 4,669,084 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | \$ 769,786 | \$ 1,421,437 | \$ 1,677,631 | \$ 3,868,854 |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES | | | | |
| Operating income (loss) | \$ (62,334) | \$ (101) | \$ 320,397 | \$ 257,962 |
| Change in assets and liabilities: | | | | |
| (Increase)decrease in due from other funds | - | 48,427 | - | 48,427 |
| (Increase)decrease in other receivables | 3,340 | 10,161 | 82 | 13,583 |
| Increase(decrease) in accounts payable | (101) | (88,953) | (38,082) | (127,136) |
| NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES | \$ (59,095) | \$ (30,466) | \$ 282,397 | \$ 192,836 |

Clear Creek Independent School District

Schedule of Delinquent Taxes Receivable

For the Fiscal Year Ended August 31, 2025

| Year Ended August 31, | 1 | | 2 | | 3 | |
|--------------------------|-------------|---------|--------------|---------|--|----------------|
| | Tax Rates | | | | Assessed/ Appraised Value For School Tax Purposes | |
| | Maintenance | | Debt Service | | | |
| 2016 and prior years | \$ | Various | \$ | Various | \$ | Various |
| 2017 | | 1.0400 | | 0.3600 | | 19,883,383,643 |
| 2018 | | 1.0400 | | 0.3600 | | 21,372,628,429 |
| 2019 | | 1.0600 | | 0.3400 | | 22,080,627,830 |
| 2020 | | 0.9700 | | 0.3400 | | 23,878,271,462 |
| 2021 | | 0.9359 | | 0.3300 | | 25,606,074,299 |
| 2022 | | 0.8897 | | 0.2900 | | 27,055,615,624 |
| 2023 | | 0.8446 | | 0.2700 | | 30,170,854,298 |
| 2024 | | 0.7046 | | 0.2700 | | 29,188,123,640 |
| 2025 | | 0.6990 | | 0.2700 | | 30,070,916,099 |

1000 TOTALS

8000 - Taxes refunded under section 26.1115, tax code, for owners who received an exemption as provided by section 11.42(f), tax code

Exhibit J-1

| 10 | 20 | 31 | 32 | 40 | 50 | 99 |
|----------------------------------|---------------------------------|---|-----------------------------|---------------------------------|--------------------------------|--|
| Beginning Balance 9/1/2024 | Current Year's Total Levy | Maintenance Collections | Debt Service Collections | Entire Year's Adjustments | Ending Balance 8/31/2025 | Total Taxes Refunded Under Section 26.1115(c) |
| \$ 1,463,904 | \$ - | \$ 30,716 | \$ 10,633 | \$ (120) | \$ 1,422,435 | |
| 355,697 | - | 6,460 | 2,236 | (38) | 346,963 | |
| 377,470 | - | 9,767 | 3,381 | (932) | 363,390 | |
| 716,902 | - | 18,360 | 5,889 | (4,886) | 687,767 | |
| 456,998 | - | 24,405 | 8,554 | (4,657) | 419,382 | |
| 486,250 | - | 3,386 | 1,194 | (39,331) | 442,339 | |
| 558,327 | - | 39,858 | 12,992 | (33,354) | 472,123 | |
| 1,031,809 | - | (155,771) | (49,797) | (489,334) | 748,043 | |
| 2,787,252 | - | (1,621,061) | (621,185) | (4,114,968) | 914,530 | |
| - | 291,387,177 | 206,569,546 | 81,603,929 | - | 3,213,702 | |
| <u>\$ 8,234,609</u> | <u>\$ 291,387,177</u> | <u>\$ 204,925,666</u> | <u>\$ 80,977,826</u> | <u>\$ (4,687,620)</u> | 9,030,674 | |
| | | Penalty and interest receivable on taxes | | | <u>5,903,608</u> | |
| | | TOTAL TAXES RECEIVABLE PER EXHIBIT C-1 | | | <u><u>\$ 14,934,282</u></u> | |
| | | | | | | \$ 522,921 |

Clear Creek Independent School District
Schedule of Revenues, Expenses and Changes
in Net Position – Budget and Actual
National School Breakfast and Lunch Program
For the Fiscal Year Ended August 31, 2025

Exhibit J-2

| Data Control Codes | | 1 | 2 | 3 | Variance with Final Budget Positive (Negative) |
|--------------------------|--|------------------|---------------|---------------|---|
| | | Budgeted Amounts | | Actual | |
| | | Original | Final | | |
| REVENUES | | | | | |
| 5700 | Local and intermediate sources | \$ 11,063,000 | \$ 11,963,000 | \$ 11,188,429 | \$ (774,571) |
| 5020 | Total revenues | 11,063,000 | 11,963,000 | 11,188,429 | (774,571) |
| EXPENSES | | | | | |
| | Current: | | | | |
| 0035 | Food services | 18,903,000 | 19,803,000 | 18,725,222 | 1,077,778 |
| 6030 | Total expenses | 18,903,000 | 19,803,000 | 18,725,222 | 1,077,778 |
| 1100 | Excess (deficiency) of revenues over (under) expenses | (7,840,000) | (7,840,000) | (7,536,793) | 303,207 |
| NONOPERATING REVENUES | | | | | |
| 7020 | Investment earnings | 543,254 | 543,254 | 543,254 | - |
| 7952 | National School Breakfast Program | 1,192,395 | 1,192,395 | 1,192,395 | - |
| 7953 | National School Lunch Program | 5,233,509 | 5,233,509 | 4,824,438 | (409,071) |
| 7954 | Donated commodities | 735,315 | 735,315 | 735,315 | - |
| 5800 | State program revenue | 65,000 | 65,000 | 60,920 | (4,080) |
| 7989 | Other federal revenue | 70,527 | 70,527 | 70,527 | - |
| 7080 | Total nonoperating revenues | 7,840,000 | 7,840,000 | 7,426,849 | (413,151) |
| 1200 | Net change in net position | - | - | (109,944) | (109,944) |
| 0100 | Net position - beginning | 13,161,054 | 13,161,054 | 13,161,054 | - |
| | Implementation of GASB 101, <i>Compensated Absences</i> | - | - | (637,424) | |
| | Net position - beginning, as restated | 13,161,054 | 13,161,054 | 12,523,630 | - |
| 3000 | NET POSITION - ENDING | \$ 13,161,054 | \$ 13,161,054 | \$ 12,413,686 | \$ (109,944) |

Clear Creek Independent School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual
Debt Service Fund
For the Fiscal Year Ended August 31, 2025

Exhibit J-3

| Data Control Codes | | 1 | 2 | 3 | Variance with Final Budget Positive (Negative) |
|---------------------------------------|--|----------------------|----------------------|----------------------|---|
| | | Budgeted Amounts | | Actual | |
| | | Original | Final | | |
| REVENUES | | | | | |
| 5700 | Local and intermediate sources | \$ 83,950,000 | \$ 83,950,000 | \$ 83,817,686 | \$ (132,314) |
| 5800 | State program revenues | 11,500,000 | 11,500,000 | 11,531,266 | 31,266 |
| 5020 | Total revenues | 95,450,000 | 95,450,000 | 95,348,952 | (101,048) |
| EXPENDITURES | | | | | |
| | Debt service: | | | | |
| 0071 | Principal on long-term debt | 54,065,000 | 54,065,000 | 54,065,000 | - |
| 0072 | Interest on long-term debt | 47,173,815 | 46,177,815 | 45,541,804 | 636,011 |
| 0073 | Issuance costs and fees | 101,185 | 2,411,685 | 2,348,646 | 63,039 |
| 6030 | Total expenditures | 101,340,000 | 102,654,500 | 101,955,450 | 699,050 |
| 1100 | Excess (deficiency) of revenues over (under) expenditures | (5,890,000) | (7,204,500) | (6,606,498) | 598,002 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| 7901 | Refunding bonds issued | - | 183,225,000 | 183,225,000 | - |
| 7916 | Premium on issuance of bonds | - | 29,691,000 | 29,691,721 | 721 |
| 8940 | Payment to escrow agent | - | (203,616,500) | (203,616,323) | 177 |
| 7080 | Total other financing sources (uses) | - | 9,299,500 | 9,300,398 | 898 |
| 1200 | Net change in fund balance | (5,890,000) | 2,095,000 | 2,693,900 | 598,900 |
| 0100 | Fund balance - beginning | 41,522,922 | 41,522,922 | 41,522,922 | - |
| 3000 | FUND BALANCE - ENDING | <u>\$ 35,632,922</u> | <u>\$ 43,617,922</u> | <u>\$ 44,216,822</u> | <u>\$ 598,900</u> |

Clear Creek Independent School District

Use of Funds Report – Select State Allotments

August 31, 2025

Exhibit J-4

| Data Codes | | Responses |
|---|---|------------------|
| Section A: Compensatory Education Programs | | |
| AP1 | Did your LEA expend any state compensatory education program state allotment funds during the District's fiscal year? | Yes |
| AP2 | Does the LEA have written policies and procedures for its state compensatory education program? | Yes |
| AP3 | List the total state allotment funds received for state compensatory education programs during the District's fiscal year. | \$ 20,997,526 |
| AP4 | List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30) | \$ 13,319,121 |
| Section B: Bilingual Education Programs | | |
| AP5 | Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year? | Yes |
| AP6 | Does the LEA have written policies and procedures for its bilingual education program? | Yes |
| AP7 | List the total state allotment funds received for bilingual education programs during the LEA's fiscal year. | \$ 3,425,882 |
| AP8 | List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25) | \$ 1,956,101 |

Statistical Section



Statistical Section
(Unaudited)

This part of the Clear Creek Independent School District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

| | <u>Page</u> |
|--|-------------|
| Financial Trends – Tables 1-4 | 112 |
| These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time. | |
| Revenue Capacity – Table 5-9 | 122 |
| These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax. | |
| Debt Capacity – Tables 10-13 | 130 |
| These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future. | |
| Demographic and Economic Information – Tables 14 | 136 |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. | |
| Operating Information – Tables 15-19 | 138 |
| These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs. | |

Clear Creek Independent School District

Net Position by Component

Last Ten Fiscal Years

(Unaudited)

| | 2025 | 2024 | 2023 | 2022 |
|----------------------------------|-------------------------|------------------------|-------------------------|-------------------------|
| GOVERNMENTAL ACTIVITIES | | | | |
| Net investment in capital assets | \$ 5,193,647 | \$ 3,908,837 | \$ (13,039,536) | \$ (10,058,624) |
| Restricted | 44,560,157 | 42,311,982 | 38,684,890 | 38,979,662 |
| Unrestricted (deficit) | (165,401,351) | (141,264,904) | (149,882,987) | (159,143,370) |
| Total governmental activities | (115,647,547) | (95,044,085) | (124,237,633) | (130,222,332) |
| BUSINESS-TYPE ACTIVITIES | | | | |
| Net investment in capital assets | 6,258,275 | 5,062,289 | 3,914,468 | 3,509,639 |
| Restricted | 6,245,390 | 8,279,668 | 7,908,648 | 6,935,122 |
| Unrestricted (deficit) | 1,123,060 | 916,249 | 567,770 | 254,405 |
| Total business-type activities | 13,626,725 | 14,258,206 | 12,390,886 | 10,699,166 |
| PRIMARY GOVERNMENT | | | | |
| Net investment in capital assets | 11,451,922 | 8,971,126 | (9,125,068) | (6,548,985) |
| Restricted | 50,805,547 | 50,591,650 | 46,593,538 | 45,914,784 |
| Unrestricted (deficit) | (164,278,291) | (140,348,655) | (149,315,217) | (158,888,965) |
| TOTAL PRIMARY GOVERNMENT | <u>\$ (102,020,822)</u> | <u>\$ (80,785,879)</u> | <u>\$ (111,846,747)</u> | <u>\$ (119,523,166)</u> |

Source: The Statement of Net Position for Clear Creek Independent School District

During the fiscal year 2015, the District adopted GASB Statement No. 68.

During the fiscal year 2018, the District adopted GASB Statement No. 75.

Table 1

| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|-------------------------|-------------------------|------------------------|------------------------|----------------------|----------------------|
| \$ (51,923,071) | \$ (55,526,588) | \$ (53,784,057) | \$ (42,319,999) | \$ (29,239,412) | \$ (45,310,343) |
| 41,317,478 | 34,057,956 | 31,219,963 | 27,055,848 | 13,336,192 | 15,940,617 |
| (99,177,639) | (89,898,417) | (77,585,265) | (88,525,449) | 66,922,755 | 68,445,433 |
| (109,783,232) | (111,367,049) | (100,149,359) | (103,789,600) | 51,019,535 | 39,075,707 |
| 4,067,971 | 4,626,441 | 5,156,554 | 5,647,128 | 6,085,893 | 6,414,213 |
| 405,349 | 35,787 | 1,108,464 | 393,925 | 3,477,715 | 2,829,155 |
| 53,795 | 18,985 | 124,224 | (105,252) | (470,801) | (569,524) |
| 4,527,115 | 4,681,213 | 6,389,242 | 5,935,801 | 9,092,807 | 8,673,844 |
| (47,855,100) | (50,900,147) | (48,627,503) | (36,672,871) | (23,153,519) | (38,896,130) |
| 41,722,827 | 34,093,743 | 32,328,427 | 27,449,773 | 16,813,907 | 18,769,772 |
| (99,123,844) | (89,879,432) | (77,461,041) | (88,630,701) | 66,451,954 | 67,875,909 |
| <u>\$ (105,256,117)</u> | <u>\$ (106,685,836)</u> | <u>\$ (93,760,117)</u> | <u>\$ (97,853,799)</u> | <u>\$ 60,112,342</u> | <u>\$ 47,749,551</u> |

Clear Creek Independent School District
Changes in Net Position
Last Ten Fiscal Years
(Unaudited)

| | 2025 | 2024 | 2023 | 2022 |
|---|----------------|----------------|----------------|----------------|
| EXPENSES | | | | |
| Governmental Activities: | | | | |
| Instruction | \$ 286,105,044 | \$ 296,272,393 | \$ 271,064,277 | \$ 273,101,068 |
| Instructional resources and media services | 5,238,742 | 5,393,430 | 4,821,164 | 4,771,702 |
| Curriculum and instructional staff development | 16,391,534 | 15,003,768 | 14,289,300 | 13,018,109 |
| Instructional leadership | 5,053,304 | 5,112,652 | 4,605,051 | 4,309,187 |
| School leadership | 26,332,415 | 26,873,237 | 25,018,886 | 24,091,658 |
| Guidance, counseling, and evaluation services | 20,874,506 | 21,249,980 | 19,599,124 | 18,405,444 |
| Social work services | 1,075,421 | 1,177,303 | 987,569 | 1,017,943 |
| Health services | 4,558,847 | 4,817,162 | 4,329,780 | 4,363,693 |
| Student transportation | 18,327,398 | 15,850,311 | 14,070,351 | 14,621,875 |
| Food services | 363,709 | 325,456 | 393,934 | 476,802 |
| Extracurricular activities | 19,170,401 | 18,414,731 | 17,441,530 | 16,429,731 |
| General administration | 8,722,506 | 9,412,598 | 9,268,190 | 8,862,352 |
| Plant maintenance and operations | 41,986,037 | 39,852,145 | 36,522,329 | 36,333,401 |
| Security and monitoring services | 7,728,759 | 7,838,383 | 7,008,115 | 6,535,355 |
| Data processing services | 15,511,339 | 11,056,416 | 10,790,122 | 10,239,319 |
| Community services | 1,586,385 | 1,570,128 | 1,189,644 | 1,157,743 |
| Interest on long-term debt | 38,593,674 | 32,216,376 | 33,224,480 | 33,879,566 |
| Issuance costs and fees | 3,747,283 | 1,887,160 | 731,431 | 309,656 |
| Facilities repair and maintenance | 834,886 | 1,877,937 | 3,271,396 | 2,911,022 |
| Payments related to shared services arrangements | 731,320 | 798,220 | 796,862 | 682,603 |
| Payments to juvenile justice alternative education programs | 4,050 | 176 | 7,479 | - |
| Payments to tax increment fund | - | - | - | - |
| Other intergovernmental charges | 2,260,844 | 2,535,211 | 2,569,881 | 2,493,355 |
| Total governmental activities | 525,198,404 | 519,535,173 | 482,000,895 | 478,011,584 |
| Business-Type Activities: | | | | |
| Enterprise Fund - Child Nutrition | 18,725,222 | 18,655,388 | 18,029,805 | 15,827,456 |
| Enterprise Fund - Athletic Concessions | 205,891 | 214,512 | 248,190 | 224,108 |
| Enterprise Fund - Advertising | 159,871 | 194,706 | 177,270 | 183,262 |
| Total business-type activities | 19,090,984 | 19,064,606 | 18,455,265 | 16,234,826 |
| Total expenses | 544,289,388 | 538,599,779 | 500,456,160 | 494,246,410 |
| PROGRAM REVENUES | | | | |
| Governmental Activities: | | | | |
| Charges for services | | | | |
| Instruction | 4,432,146 | 4,249,878 | 3,698,340 | 3,559,314 |
| Extracurricular activities | 10,403,777 | 10,454,925 | 9,325,295 | 8,905,810 |
| Plant maintenance and operations | 778,023 | 849,136 | 659,824 | 568,150 |
| Other activities | 980,427 | 968,960 | 569,785 | 528,622 |
| Operating grants and contributions | 39,985,561 | 58,209,180 | 51,385,898 | 41,174,115 |
| Total governmental activities | 56,579,934 | 74,732,079 | 65,639,142 | 54,736,011 |
| Business-Type Activities: | | | | |
| Charges for services | | | | |
| Enterprise Fund - Child Nutrition | 11,188,429 | 11,201,811 | 10,709,034 | 7,179,758 |
| Enterprise Fund - Athletic Concessions | 234,380 | 196,828 | 182,124 | 232,009 |
| Enterprise Fund - Advertising | 447,269 | 423,291 | 408,615 | 234,443 |
| Operating grants and contributions | 6,883,595 | 8,355,164 | 8,238,693 | 14,684,751 |
| Total business-type activities | 18,753,673 | 20,177,094 | 19,538,466 | 22,330,961 |
| Total program revenues | 75,333,607 | 94,909,173 | 85,177,608 | 77,066,972 |
| Net (expense)/revenue | | | | |
| Governmental activities | (468,618,470) | (444,803,094) | (416,361,753) | (423,275,573) |
| Business-type activities | (337,311) | 1,112,488 | 1,083,201 | 6,096,135 |
| Total net (expense) /revenue | (468,955,781) | (443,690,606) | (415,278,552) | (417,179,438) |

Table 2
(Page 1 of 2)

| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|----------------|----------------|----------------|----------------|----------------|----------------|
| \$ 286,336,442 | \$ 295,564,780 | \$ 278,692,019 | \$ 170,805,698 | \$ 243,352,974 | \$ 241,689,894 |
| 5,107,600 | 5,255,603 | 4,991,639 | 3,307,988 | 4,567,559 | 4,596,999 |
| 13,500,451 | 13,505,334 | 11,843,030 | 7,148,219 | 10,038,170 | 9,675,541 |
| 4,373,561 | 4,417,520 | 4,242,165 | 2,743,130 | 3,823,992 | 3,650,182 |
| 26,389,730 | 27,557,403 | 25,593,728 | 14,956,747 | 23,209,072 | 21,744,249 |
| 19,004,199 | 19,947,654 | 17,997,380 | 9,990,982 | 15,000,139 | 14,573,760 |
| 996,622 | 915,467 | 906,574 | 697,672 | 749,447 | 748,854 |
| 5,740,224 | 4,814,479 | 4,134,265 | 2,479,359 | 3,744,781 | 3,503,118 |
| 13,851,577 | 13,387,118 | 13,123,800 | 9,208,535 | 11,768,675 | 11,003,020 |
| 665,001 | 428,876 | 295,877 | 334,421 | 336,858 | 289,144 |
| 12,445,780 | 14,208,918 | 17,233,729 | 14,076,357 | 11,632,722 | 10,799,700 |
| 8,497,799 | 8,800,871 | 8,869,801 | 5,398,042 | 7,564,137 | 6,952,945 |
| 38,866,112 | 38,277,690 | 36,613,106 | 36,380,948 | 31,850,689 | 33,038,848 |
| 6,510,862 | 6,573,445 | 5,851,097 | 4,031,011 | 4,001,841 | 3,512,820 |
| 10,064,054 | 11,908,768 | 10,752,471 | 12,045,509 | 11,683,057 | 9,364,255 |
| 962,723 | 921,921 | 738,609 | 587,060 | 587,617 | 575,769 |
| 29,083,812 | 36,217,846 | 37,898,600 | 29,192,635 | 31,062,376 | 33,799,752 |
| 2,265,537 | 1,334,331 | 255,577 | 1,543,237 | 746,588 | - |
| 2,052,071 | 2,698,955 | 4,775,705 | 5,419,385 | 518,362 | 2,956,103 |
| 728,272 | 764,471 | 716,694 | 753,229 | 640,816 | 517,191 |
| 3,815 | 9,068 | - | - | - | - |
| - | - | - | - | - | 2,413,405 |
| 2,400,425 | 2,401,435 | 2,231,949 | 2,192,126 | 2,059,672 | 1,966,085 |
| 489,846,669 | 509,911,953 | 487,757,815 | 333,292,290 | 418,939,544 | 417,371,634 |
| 13,133,660 | 13,362,996 | 14,542,199 | 12,920,623 | 13,755,200 | 14,074,936 |
| 181,559 | 174,592 | 169,173 | 174,699 | 168,059 | 164,017 |
| 199,161 | 173,514 | 191,601 | 200,100 | 183,935 | 202,341 |
| 13,514,380 | 13,711,102 | 14,902,973 | 13,295,422 | 14,107,194 | 14,441,294 |
| 503,361,049 | 523,623,055 | 502,660,788 | 346,587,712 | 433,046,738 | 431,812,928 |
| 3,053,520 | 2,821,219 | 3,038,963 | 2,745,401 | 2,433,634 | 2,362,711 |
| 5,365,336 | 6,080,087 | 9,347,440 | 9,000,089 | 5,388,349 | 4,211,187 |
| 585,322 | 577,973 | 670,480 | 4,819,214 | 651,977 | 547,151 |
| 1,154,241 | 1,050,256 | 916,972 | 552,096 | 443,252 | (276,876) |
| 62,790,559 | 63,021,267 | 59,203,108 | (33,842,458) | 39,847,749 | 41,837,830 |
| 72,948,978 | 73,550,802 | 73,176,963 | (16,725,658) | 48,764,961 | 48,682,003 |
| 5,215,984 | 7,807,098 | 10,810,400 | 9,432,423 | 10,251,760 | 10,198,031 |
| 115,692 | 159,785 | 168,860 | 201,480 | 232,072 | 144,006 |
| 158,310 | 176,560 | 505,684 | 622,497 | 376,528 | 444,028 |
| 7,861,377 | 3,979,469 | 3,907,819 | 4,232,504 | 3,830,782 | 3,636,503 |
| 13,351,363 | 12,122,912 | 15,392,763 | 14,488,904 | 14,691,142 | 14,422,568 |
| 86,300,341 | 85,673,714 | 88,569,726 | (2,236,754) | 63,456,103 | 63,104,571 |
| (416,897,691) | (436,361,151) | (414,580,852) | (350,017,948) | (370,174,583) | (368,689,631) |
| (163,017) | (1,589,190) | 489,790 | 1,193,482 | 583,848 | (18,726) |
| (417,060,708) | (437,950,341) | (414,091,062) | (348,824,466) | (369,590,735) | (368,708,357) |

Clear Creek Independent School District
Changes in Net Position
Last Ten Fiscal Years
(Unaudited)

| | 2025 | 2024 | 2023 | 2022 |
|---|-------------------|----------------------|---------------------|------------------------|
| GENERAL REVENUES AND OTHER CHANGES IN NET POSITION | | | | |
| Governmental Activities: | | | | |
| Property taxes | 289,224,221 | 280,448,512 | 330,245,170 | 319,927,312 |
| State aid - formula grants | 159,190,628 | 175,531,802 | 75,848,292 | 81,149,874 |
| Investment earnings | 17,677,957 | 15,841,976 | 14,426,178 | 264,808 |
| Miscellaneous income | 658,409 | 2,174,352 | 1,753,535 | 1,401,149 |
| Gain on sale of capital asset | 1,920,043 | - | 73,277 | 93,060 |
| Transfers | 200,000 | - | - | - |
| Total governmental activities | 468,871,258 | 473,996,642 | 422,346,452 | 402,836,203 |
| Business-Type Activities: | | | | |
| Investment earnings | 543,254 | 754,832 | 608,519 | 75,916 |
| Miscellaneous income | - | - | - | - |
| Transfers | (200,000) | - | - | - |
| Total business-type activities | 343,254 | 754,832 | 608,519 | 75,916 |
| Total General Revenues and Other Changes in Net Position | 469,214,512 | 474,751,474 | 422,954,971 | 402,912,119 |
| PRIMARY GOVERNMENT CHANGE IN NET POSITION | | | | |
| Governmental Activities | 252,788 | 29,193,548 | 5,984,699 | (20,439,370) |
| Business-Type Activities | 5,943 | 1,867,320 | 1,691,720 | 6,172,051 |
| TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION | \$ 258,731 | \$ 31,060,868 | \$ 7,676,419 | \$ (14,267,319) |

Source: The Statement of Net Position for Clear Creek Independent School District
During the fiscal year 2015, the District adopted GASB Statement No. 68.
During the fiscal year 2018, the District adopted GASB Statement No. 75.

Table 2
(Page 2 of 2)

| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---------------------|------------------------|---------------------|----------------------|----------------------|---------------------|
| 323,963,717 | 312,718,324 | 309,144,582 | 298,869,625 | 278,673,480 | 256,991,704 |
| 90,000,102 | 96,640,142 | 98,893,665 | 97,638,864 | 99,422,814 | 111,028,640 |
| 1,592,856 | 6,207,932 | 7,889,395 | 5,110,200 | 2,379,210 | 1,366,136 |
| 2,925,103 | 9,352,063 | 2,068,451 | 1,166,081 | 1,417,907 | 3,060,798 |
| - | - | - | - | - | - |
| - | 225,000 | 225,000 | 225,000 | 225,000 | 225,000 |
| 418,481,778 | 425,143,461 | 418,221,093 | 403,009,770 | 382,118,411 | 372,672,278 |
| 8,919 | 106,161 | 188,401 | 105,987 | 60,015 | 23,558 |
| - | - | 250 | 10,531 | - | 17,000 |
| - | (225,000) | (225,000) | (225,000) | (225,000) | (225,000) |
| 8,919 | (118,839) | (36,349) | (108,482) | (164,985) | (184,442) |
| 418,490,697 | 425,024,622 | 418,184,744 | 402,901,288 | 381,953,426 | 372,487,836 |
| 1,584,087 | (11,217,690) | 3,640,241 | 52,991,882 | 11,943,828 | 3,982,647 |
| (154,098) | (1,708,029) | 453,441 | 1,085,000 | 418,963 | (203,168) |
| <u>\$ 1,429,989</u> | <u>\$ (12,925,719)</u> | <u>\$ 4,093,682</u> | <u>\$ 54,076,882</u> | <u>\$ 12,362,791</u> | <u>\$ 3,779,479</u> |

Clear Creek Independent School District

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Unaudited)

| Fiscal Year Ended | 2025 | 2024 | 2023 | 2022 |
|-------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| GENERAL FUND | | | | |
| Nonspendable | \$ 5,696,072 | \$ 5,955,168 | \$ 6,453,648 | \$ 5,231,719 |
| Assigned | - | 590,669 | - | 16,342 |
| Unassigned | 97,279,931 | 96,067,677 | 73,976,028 | 70,066,348 |
| Total General Fund | 102,976,003 | 102,613,514 | 80,429,676 | 75,314,409 |
| ALL OTHER GOVERNMENTAL FUNDS | | | | |
| Nonspendable | 5,599,664 | 2,162,288 | - | - |
| Restricted | 261,843,198 | 168,654,993 | 79,962,511 | 74,206,678 |
| Committed | 52,683,618 | 60,192,406 | 58,978,913 | 63,566,420 |
| Total All Other Governmental Funds | 320,126,480 | 231,009,687 | 138,941,424 | 137,773,098 |
| TOTAL GOVERNMENTAL FUNDS | \$ 423,102,483 | \$ 333,623,201 | \$ 219,371,100 | \$ 213,087,507 |

Source: The Statement of Net Position for Clear Creek Independent School District

Table 3

| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|----------------|----------------|----------------|----------------|----------------|----------------|
| \$ 4,649,283 | \$ 4,387,694 | \$ 4,081,752 | \$ 3,960,122 | \$ 3,873,956 | \$ 4,042,677 |
| - | - | - | - | - | - |
| 70,490,100 | 70,538,532 | 70,627,809 | 64,950,142 | 58,312,511 | 54,938,429 |
| 75,139,383 | 74,926,226 | 74,709,561 | 68,910,264 | 62,186,467 | 58,981,106 |
| - | - | - | - | - | - |
| 112,152,060 | 70,551,219 | 41,231,855 | 145,594,430 | 33,613,691 | 91,183,768 |
| 75,578,463 | 78,097,390 | 71,299,193 | 54,337,551 | 47,513,966 | 46,711,972 |
| 187,730,523 | 148,648,609 | 112,531,048 | 199,931,981 | 81,127,657 | 137,895,740 |
| \$ 262,869,906 | \$ 223,574,835 | \$ 187,240,609 | \$ 268,842,245 | \$ 143,314,124 | \$ 196,876,846 |

Clear Creek Independent School District
Changes In Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Unaudited)

| | 2025 | 2024 | 2023 | 2022 |
|---|----------------------|-----------------------|---------------------|------------------------|
| REVENUES | | | | |
| Local and intermediate revenues | \$ 324,944,678 | \$ 318,642,933 | \$ 363,736,911 | \$ 338,074,227 |
| State program revenues | 184,358,176 | 198,630,988 | 94,594,483 | 96,775,969 |
| Federal program revenues | 25,662,116 | 36,568,855 | 44,394,540 | 48,222,143 |
| Total revenues | 534,964,970 | 553,842,776 | 502,725,934 | 483,072,339 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction | 265,557,298 | 263,806,569 | 249,996,237 | 258,440,566 |
| Instructional resources and media services | 4,775,325 | 4,775,616 | 4,386,547 | 4,413,127 |
| Curriculum and instructional staff development | 15,300,215 | 13,433,874 | 13,456,696 | 12,691,926 |
| Instructional leadership | 4,733,211 | 4,582,811 | 4,267,766 | 4,096,453 |
| School leadership | 24,175,009 | 23,661,371 | 22,895,648 | 22,689,319 |
| Guidance, counseling, and evaluation services | 19,115,360 | 18,853,960 | 18,214,850 | 17,696,641 |
| Social work services | 965,767 | 1,049,747 | 923,094 | 959,258 |
| Health services | 4,169,512 | 4,275,818 | 3,978,121 | 4,155,805 |
| Student transportation | 25,396,315 | 19,861,384 | 13,373,050 | 15,544,246 |
| Food services | 371,256 | 324,812 | 394,218 | 503,280 |
| Extracurricular activities | 18,359,304 | 17,870,988 | 16,895,357 | 15,855,368 |
| General administration | 7,894,120 | 8,311,455 | 8,381,239 | 8,143,910 |
| Plant maintenance and operations | 37,941,465 | 36,262,549 | 33,477,720 | 33,604,535 |
| Security and monitoring services | 7,291,982 | 6,930,447 | 6,509,539 | 6,312,070 |
| Data processing services | 21,604,501 | 20,981,765 | 10,224,171 | 9,923,073 |
| Community services | 1,573,185 | 1,462,813 | 1,218,048 | 1,182,080 |
| Debt service: | | | | |
| Principal on long-term debt | 54,065,000 | 49,547,690 | 46,366,652 | 42,792,517 |
| Interest on long-term debt | 45,541,804 | 40,058,034 | 40,623,466 | 40,476,616 |
| Issuance cost and fees | 3,747,283 | 1,896,020 | 731,431 | 309,656 |
| Capital outlay: | | | | |
| Facilities acquisition and construction | 55,744,686 | 39,923,176 | 59,406,251 | 30,684,519 |
| Intergovernmental: | | | | |
| Payments related to shared services arrangements | 731,320 | 798,220 | 796,862 | 682,603 |
| Payments to juvenile justice alternative education programs | 4,050 | 176 | 7,479 | - |
| Payments to tax increment fund | - | - | - | - |
| Other intergovernmental charges | 2,260,844 | 2,535,211 | 2,569,881 | 2,493,355 |
| Total expenditures | 621,318,812 | 581,204,506 | 559,094,323 | 533,650,923 |
| Excess (deficiency) of revenues over (under) expenditures | (86,353,842) | (27,361,730) | (56,368,389) | (50,578,584) |
| OTHER FINANCING SOURCES/USES | | | | |
| Transfers in | 5,258,802 | 750,000 | 5,300,216 | 9,700,000 |
| Transfers out | (3,958,802) | (750,000) | (5,300,216) | (9,700,000) |
| Issuance of capital related debt (regular bonds) | 159,630,000 | 129,900,000 | 56,980,000 | - |
| Issuance of refunding/remarketing Bonds | 183,225,000 | 108,145,000 | 47,400,000 | 40,415,000 |
| Premium/discount from issuance of bonds | 33,274,441 | 20,909,040 | 5,590,342 | 7,696,052 |
| Payment to refunded bond escrow agent | (203,616,323) | (117,609,550) | (47,400,000) | (47,820,000) |
| Sale of real and personal property | 2,020,006 | 269,341 | 81,640 | 505,133 |
| Total Other Financing Sources (Uses) | 175,833,124 | 141,613,831 | 62,651,982 | 796,185 |
| NET CHANGE IN FUND BALANCES | \$ 89,479,282 | \$ 114,252,101 | \$ 6,283,593 | \$ (49,782,399) |
| DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES* | 18.19% | 17.04% | 17.36% | 16.58% |

Source: The Statement of Net Position for Clear Creek Independent School District

* Debt service as a percentage of noncapital expenditures is determined by dividing debt service expenditures by total expenditures less current year capital outlay in the reconciliation between the government-wide statement of activities and the statement of revenues, expenditures, and changes in fund balance.

Table 4

| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|----------------|----------------|-----------------|----------------|-----------------|------------------|
| \$ 337,559,913 | \$ 338,833,835 | \$ 331,146,667 | \$ 322,169,038 | \$ 290,540,590 | \$ 266,789,611 |
| 113,567,533 | 121,419,085 | 120,288,636 | 116,046,154 | 119,566,800 | 129,317,489 |
| 36,891,051 | 24,476,889 | 25,573,826 | 21,056,102 | 16,610,457 | 15,185,414 |
| 488,018,497 | 484,729,809 | 477,009,129 | 459,271,294 | 426,717,847 | 411,292,514 |
| 251,899,770 | 245,779,483 | 232,219,643 | 227,668,874 | 215,372,002 | 208,890,673 |
| 4,474,389 | 4,370,943 | 4,162,999 | 4,142,280 | 4,034,607 | 4,060,897 |
| 11,999,037 | 11,379,703 | 10,155,147 | 9,568,070 | 9,038,486 | 8,747,141 |
| 3,866,791 | 3,713,410 | 3,610,915 | 3,540,754 | 3,417,620 | 3,252,625 |
| 22,882,313 | 22,545,720 | 21,016,120 | 20,651,700 | 20,379,312 | 19,605,420 |
| 16,743,124 | 16,518,371 | 15,109,621 | 13,496,461 | 13,361,865 | 12,946,637 |
| 876,451 | 815,251 | 806,414 | 726,386 | 675,124 | 673,663 |
| 5,153,228 | 4,034,659 | 3,410,669 | 3,355,527 | 3,299,853 | 3,072,344 |
| 15,276,928 | 14,322,715 | 11,022,248 | 13,054,760 | 13,533,367 | 9,931,367 |
| 651,770 | 428,246 | 295,540 | 341,022 | 341,154 | 290,481 |
| 11,543,272 | 12,993,315 | 16,140,014 | 15,344,107 | 11,094,213 | 10,165,081 |
| 7,455,383 | 7,486,237 | 7,528,364 | 6,768,808 | 6,724,390 | 6,145,161 |
| 35,081,753 | 34,011,067 | 32,004,967 | 36,477,697 | 28,578,364 | 29,290,162 |
| 9,107,607 | 25,681,565 | 11,551,594 | 3,809,001 | 3,609,291 | 3,176,595 |
| 10,181,922 | 18,347,850 | 10,741,245 | 15,595,662 | 12,782,018 | 10,015,713 |
| 897,476 | 887,998 | 704,102 | 586,283 | 580,785 | 563,917 |
| 42,140,000 | 39,140,000 | 32,890,000 | 30,735,000 | 29,905,000 | 26,455,000 |
| 36,210,242 | 40,901,630 | 41,867,155 | 32,568,608 | 34,389,830 | 36,838,683 |
| 2,265,537 | 1,334,331 | 255,577 | 1,543,237 | 746,588 | 34,602 |
| 84,303,793 | 66,799,005 | 100,455,579 | 67,455,883 | 55,576,197 | 117,340,950 |
| 728,272 | 764,471 | 716,694 | 753,229 | 640,816 | 517,191 |
| 3,815 | 9,068 | - | - | - | - |
| - | - | - | - | - | 2,413,405 |
| 2,400,425 | 2,401,435 | 2,231,949 | 2,192,126 | 2,059,672 | 1,966,085 |
| 576,143,298 | 574,666,473 | 558,896,556 | 510,375,475 | 470,140,554 | 516,393,793 |
| (88,124,801) | (89,936,664) | (81,887,427) | (51,104,181) | (43,422,707) | (105,101,279) |
| 13,589,216 | 9,848,451 | 18,825,000 | 13,825,000 | 8,625,000 | 11,916,155 |
| (13,589,216) | (9,623,451) | (18,600,000) | (13,600,000) | (8,400,000) | (11,691,155) |
| 107,490,000 | 108,970,000 | - | 154,970,000 | - | - |
| 209,270,000 | 63,525,000 | 47,820,000 | 49,250,000 | 92,570,000 | - |
| 46,425,602 | 17,051,211 | - | 21,332,989 | 4,948,997 | - |
| (236,163,820) | (63,525,000) | (47,820,000) | (49,250,000) | (108,597,368) | - |
| 398,090 | 24,679 | 60,791 | 104,313 | 713,356 | 1,835,302 |
| 127,419,872 | 126,270,890 | 285,791 | 176,632,302 | (10,140,015) | 2,060,302 |
| \$ 39,295,071 | \$ 36,334,226 | \$ (81,601,636) | \$ 125,528,121 | \$ (53,562,722) | \$ (103,040,977) |
| 16.13% | 16.53% | 15.79% | 15.45% | 13.68% | 12.26% |

Clear Creek Independent School District
Revenues by Source for Governmental Funds
Last Ten Fiscal Years
(Unaudited)

| | 2025 | 2024 | 2023 | 2022 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Revenues from Local and Intermediate Sources: | | | | |
| Ad valorem penalties, interest and other related income | \$ 3,682,289 | \$ 2,890,687 | \$ 3,250,727 | \$ 3,396,208 |
| Ad valorem taxes | 286,427,922 | 279,219,535 | 329,945,686 | 319,436,098 |
| Cocurricular /student activities | 10,398,153 | 10,449,979 | 9,317,820 | 8,891,220 |
| Donations | 658,639 | 622,921 | 619,871 | 606,360 |
| Facility rental | 778,023 | 849,136 | 659,824 | 568,150 |
| Investment income | 17,571,023 | 15,720,983 | 14,370,788 | 261,830 |
| SSA - Member districts | 2,223,666 | 2,826,615 | 2,535,923 | 2,393,234 |
| Tuition | 2,238,340 | 1,437,901 | 806,724 | 763,299 |
| E-rate | - | 2,114,477 | - | - |
| Insurance proceeds | - | 1,315,975 | 812,872 | - |
| Other Revenues from Local and Intermediate Sources ** | 966,623 | 1,194,724 | 1,416,676 | 1,757,828 |
| Total Revenue from Local and Intermediate Sources | 324,944,678 | 318,642,933 | 363,736,911 | 338,074,227 |
| State Program Revenues: | | | | |
| Available School Fund (Per Capita) | 22,681,328 | 16,801,524 | 23,500,646 | 20,475,638 |
| Debt Allotment | 11,531,266 | 11,394,165 | 3,097,239 | 1,209,386 |
| Foundation School Formula | 121,584,908 | 139,855,499 | 40,941,161 | 50,769,872 |
| SSA - Regional Day School for the Deaf | 1,063,291 | 960,024 | 1,050,755 | 1,029,023 |
| Instructional Materials Allotment | 2,741,073 | 6,432,063 | 4,844,434 | 2,981,802 |
| Harvey Reappraisal Adjustment | - | - | - | - |
| School Safety and Security Grant | 1,726,758 | 1,230,226 | - | - |
| Pandemic Resources | - | - | - | - |
| TRS On-behalf Revenue | 22,533,047 | 21,360,233 | 20,726,017 | 19,907,521 |
| Other State Program Revenues ** | 496,505 | 597,254 | 434,231 | 402,727 |
| Total State Program Revenues | 184,358,176 | 198,630,988 | 94,594,483 | 96,775,969 |
| Federal Program Revenues: | | | | |
| ESEA Title I A, Improving Basic Education | 6,383,080 | 5,714,532 | 5,300,649 | 4,635,472 |
| ESEA Title II A, Training and Recruiting | 1,323,877 | 1,142,874 | 922,525 | 961,990 |
| ESEA Title III A, English Language Acquisition | 504,914 | 573,975 | 521,613 | 532,497 |
| Substance Abuse Prevention and Treatment Block | 1,040,527 | 838,499 | 793,601 | 780,109 |
| Title IV, Part A | 421,390 | 423,003 | 379,224 | 306,846 |
| IDEA Part B, Formula | 7,229,481 | 7,660,232 | 8,910,148 | 7,317,798 |
| IDEA Part B, High Cost Risk Pool | 808,391 | 789,825 | 603,254 | 339,162 |
| Emergency Connectivity Fund | - | - | - | 6,363,827 |
| Federal Emergency Management Agency (FEMA) | 996,550 | 872,150 | - | - |
| CARES Act - ESSER | - | 11,469,623 | 16,372,374 | 16,461,009 |
| ROTC | 434,880 | 383,411 | 365,152 | 391,894 |
| Hurricane Harvey: Immediate Aid to Restart School Operations | - | - | - | - |
| Vocational Education - Carl D. Perkins | 462,997 | 425,244 | 720,707 | 361,643 |
| Medicaid MAC and SHARS | 1,671,842 | 4,313,124 | 7,150,613 | 7,989,591 |
| E-Rate | 2,905,000 | - | - | - |
| Other Federal Program Revenue ** | 1,479,187 | 1,962,363 | 2,354,680 | 1,780,305 |
| Total Federal Program Revenues | 25,662,116 | 36,568,855 | 44,394,540 | 48,222,143 |
| TOTAL REVENUES FOR GOVERNMENTAL FUNDS | \$ 534,964,970 | \$ 553,842,776 | \$ 502,725,934 | \$ 483,072,339 |

* This schedule is prepared in lieu of a Schedule of Tax Revenues by Source, as all tax revenues received by the District are Ad Valorem Taxes.

** Individual local, state and federal programs in excess of \$300,000 are reported separately in this schedule. All others are combined as Other Local, State or Federal Program Revenues. Additionally, prior year information is not restated for programs or grants that exceed \$300,000 in a subsequent year, the amounts remain in Other Local, State or Federal Program Revenues.

*** This schedule includes all Governmental Fund Types and excludes all Enterprise, Internal Service and Fiduciary fund types.

Table 5

| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|----------------|----------------|----------------|----------------|----------------|----------------|
| \$ 1,689,523 | \$ 1,469,749 | \$ 1,514,940 | \$ 1,557,861 | \$ 1,367,447 | \$ 1,211,414 |
| 321,544,585 | 311,264,247 | 305,713,030 | 297,085,360 | 276,975,636 | 255,209,196 |
| 5,304,891 | 6,062,062 | 9,262,658 | 8,702,678 | 5,307,431 | 4,136,194 |
| 418,764 | 331,018 | 481,847 | 271,412 | 198,338 | 271,927 |
| 539,768 | 520,732 | 632,557 | 624,994 | 615,496 | 465,050 |
| 1,592,321 | 6,201,471 | 7,877,724 | 3,550,174 | 2,375,046 | 1,364,094 |
| 2,175,404 | 2,169,568 | 1,954,157 | 2,015,391 | 1,856,746 | 1,649,554 |
| 753,383 | 495,345 | 666,075 | 603,827 | 610,321 | 629,370 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 3,541,274 | 10,319,643 | 3,043,679 | 7,757,341 | 1,234,129 | 1,852,812 |
| 337,559,913 | 338,833,835 | 331,146,667 | 322,169,038 | 290,540,590 | 266,789,611 |
| 19,118,798 | 13,129,494 | 18,800,096 | 8,675,915 | 14,732,851 | 7,231,041 |
| 1,397,837 | 1,378,917 | 3,022,824 | 729,046 | 1,302,232 | 1,830,009 |
| 68,177,168 | 81,151,780 | 59,715,660 | 87,298,097 | 82,315,632 | 100,844,592 |
| 966,277 | 979,951 | 949,209 | 935,806 | 904,836 | 925,791 |
| 3,225,825 | 3,555,598 | 4,310,771 | 1,148,595 | 2,306,414 | 2,511,707 |
| - | - | 15,755,776 | - | - | - |
| - | 401,025 | - | - | - | - |
| - | 358,277 | - | - | - | - |
| 19,710,911 | 20,227,616 | 17,008,720 | 17,118,508 | 15,799,993 | 15,653,737 |
| 970,717 | 236,427 | 725,580 | 140,187 | 2,204,842 | 320,612 |
| 113,567,533 | 121,419,085 | 120,288,636 | 116,046,154 | 119,566,800 | 129,317,489 |
| 4,468,626 | 4,422,195 | 4,298,386 | 3,887,151 | 3,621,893 | 3,340,617 |
| 957,762 | 1,090,535 | 998,392 | 757,204 | 599,481 | 569,080 |
| 530,338 | 464,897 | 526,025 | 557,466 | 585,765 | 651,909 |
| 385,492 | 368,254 | - | - | - | - |
| - | - | - | - | - | - |
| 6,702,634 | 6,142,896 | 5,902,803 | 5,604,413 | 5,805,529 | 5,918,452 |
| - | - | 366,922 | - | - | - |
| - | - | - | - | - | - |
| 469,579 | 320,558 | 1,629,578 | - | - | - |
| 3,594,223 | 3,529,667 | - | - | - | - |
| 392,523 | 362,635 | 331,540 | - | - | - |
| 629,211 | 629,211 | 900,375 | 4,047,188 | - | - |
| 357,166 | 340,876 | 343,195 | - | - | - |
| 5,471,068 | 5,803,769 | 8,473,766 | 3,570,578 | 3,775,087 | 2,699,940 |
| 1,814,283 | - | - | - | - | - |
| 11,118,146 | 1,001,396 | 1,802,844 | 2,632,102 | 2,222,702 | 2,005,416 |
| 36,891,051 | 24,476,889 | 25,573,826 | 21,056,102 | 16,610,457 | 15,185,414 |
| \$ 488,018,497 | \$ 484,729,809 | \$ 477,009,129 | \$ 459,271,294 | \$ 426,717,847 | \$ 411,292,514 |

Clear Creek Independent School District

Assessed Value and Actual Value of Taxable Property

Last Ten Fiscal Years

(Unaudited)

| Fiscal Year Ended | Real Property | | Personal Property | Less: Value of Frozen Accounts |
|----------------------|------------------|-------------------|----------------------|--------------------------------------|
| | Land | Improvements | | |
| 2025 | \$ 9,522,702,079 | \$ 33,075,020,969 | \$ 2,953,395,896 | \$ (2,526,349,867) |
| 2024 | 9,030,276,846 | 33,067,183,395 | 2,979,272,120 | (2,312,277,824) |
| 2023 | 8,502,932,276 | 28,899,217,600 | 2,530,231,718 | (1,015,566,082) |
| 2022 | 7,852,022,281 | 25,168,194,691 | 2,115,582,023 | (1,059,137,335) |
| 2021 | 7,516,088,684 | 22,748,982,131 | 2,259,205,018 | (969,991,405) |
| 2020 | 6,863,937,184 | 21,205,536,008 | 2,219,950,009 | (908,032,232) |
| 2019 | 6,337,841,473 | 19,323,649,709 | 2,167,095,229 | (853,295,391) |
| 2018 | 6,074,524,812 | 18,775,232,827 | 2,187,059,957 | (822,742,947) |
| 2017 | 5,577,031,277 | 17,487,940,200 | 2,130,528,645 | (661,390,485) |
| 2016 | 5,240,259,536 | 16,132,808,728 | 2,146,287,577 | (530,534,571) |

Source: Galveston Central Appraisal District and Harris County Appraisal District.

(1) Tax Rates are per \$100 of assessed value.

Table 6

| Less: Tax Exempt Real Property | Total Taxable Assessed Value | Total Direct Rate (1) | Estimated Total Taxable Assessed Value | Total Direct Rate (1) |
|---|---|--------------------------------------|---|--------------------------------------|
| \$ (12,953,852,978) | 30,070,916,099 | 0.96900 | \$ 45,551,118,944 | 66% |
| (13,576,330,897) | 29,188,123,640 | 0.97460 | 45,076,732,361 | 65% |
| (8,745,961,214) | 30,170,854,298 | 1.11460 | 39,932,381,594 | 76% |
| (7,021,046,036) | 27,055,615,624 | 1.17970 | 35,135,798,995 | 78% |
| (5,948,210,129) | 25,606,074,299 | 1.26590 | 32,524,275,833 | 79% |
| (5,503,119,507) | 23,878,271,462 | 1.31000 | 30,289,423,201 | 79% |
| (4,894,663,190) | 22,080,627,830 | 1.40000 | 27,828,586,411 | 79% |
| (4,841,446,220) | 21,372,628,429 | 1.40000 | 27,036,817,596 | 79% |
| (4,650,725,994) | 19,883,383,643 | 1.40000 | 25,195,500,122 | 79% |
| (4,635,056,190) | 18,353,765,080 | 1.40000 | 23,519,355,841 | 78% |

Clear Creek Independent School District

Property Tax Rates – Direct and Overlapping Governments

(Per \$100 of Assessed Value)

Last Ten Fiscal Years

(Unaudited)

| Taxing Authority | 2025 | 2024 | 2023 | 2022 |
|---|------------|------------|------------|------------|
| OVERLAPPING RATES | | | | |
| Baybrook MUD 1 | \$ 1.11000 | \$ 1.11000 | \$ 1.11000 | \$ 1.11000 |
| Bayview MUD | 0.38580 | 0.39550 | 0.32300 | 0.35060 |
| Brazoria County MUD 18 | 0.19000 | 0.20000 | 0.22500 | 0.25000 |
| Clear Brook City MUD | 0.49500 | 0.51000 | 0.54000 | 0.59000 |
| Clear Lake City Water Authority | 0.25000 | 0.25000 | 0.26000 | 0.26000 |
| Clear Lake City Water Authority (HCWCID 75) | - | - | - | - |
| El Lago, City of | 0.47311 | 0.42724 | 0.43586 | 0.46053 |
| Friendswood, City of | 0.51417 | 0.50073 | 0.48731 | 0.48731 |
| Galveston County | 0.33346 | 0.33415 | 0.36759 | 0.41494 |
| Galveston County Management District 1 | 0.95000 | 0.95000 | 0.95000 | 0.95000 |
| Galveston County MUD 2 | Dissolved | Dissolved | Dissolved | Dissolved |
| Galveston County MUD 3 | Dissolved | Dissolved | Dissolved | Dissolved |
| Galveston County MUD 6 | 0.10380 | 0.11000 | 0.12000 | 0.19700 |
| Galveston County MUD 13 | - | - | - | - |
| Galveston County MUD 39 | 0.38000 | 0.40500 | 0.45000 | 0.50000 |
| Galveston County MUD 43 | 0.45000 | 0.50000 | 0.57000 | 0.60000 |
| Galveston County MUD 45 | 0.73000 | 0.76000 | 0.80000 | 0.83000 |
| Galveston County MUD 46 | 0.56500 | 0.60000 | 0.67000 | 0.73000 |
| Galveston WC&ID 12 | 0.18120 | 0.19330 | 0.21480 | 0.22990 |
| Harris County | 0.38529 | 0.35007 | 0.34373 | 0.37693 |
| Harris County Dept of Education | 0.00480 | 0.00480 | 0.00490 | 0.00499 |
| Harris County Flood Control District | 0.04897 | 0.03105 | 0.03055 | 0.03349 |
| Harris County Hospital District | 0.16348 | 0.14343 | 0.14831 | 0.16221 |
| Harris County MUD 55 | 0.40000 | 0.40000 | 0.40000 | 0.40000 |
| Harris County MUD 373 | 0.18000 | 0.18000 | 0.19000 | 0.19500 |
| Harris County MUD 481 | 0.87500 | 1.00000 | 1.05000 | 1.08000 |
| Harris County Road Improvement District 1 | 0.22000 | 0.24000 | 0.26000 | 0.28390 |
| Harris County WC&ID 50 | 0.47500 | 0.43450 | 0.43450 | 0.44000 |
| Harris County WC&ID 156 | 0.22300 | 0.22500 | 0.24700 | 0.26000 |
| Harris County WC&ID 161 | 0.70000 | 0.70000 | 0.77000 | 0.82000 |
| Houston, City of | 0.51919 | 0.51919 | 0.53364 | 0.55083 |
| Kemah, City of | 0.19990 | 0.18556 | 0.17930 | 0.17930 |
| League City, City of | 0.36900 | 0.39500 | 0.41553 | 0.46553 |
| Nassau Bay, City of | 0.67050 | 0.65660 | 0.64898 | 0.72212 |
| Pasadena, City of | 0.47483 | 0.45551 | 0.49758 | 0.51591 |
| Port of Houston Authority | 0.00615 | 0.00574 | 0.00799 | 0.00872 |
| Seabrook, City of | 0.45516 | 0.45776 | 0.47653 | 0.52444 |
| South Shore Harbour MUD 6 | Dissolved | Dissolved | Dissolved | Dissolved |
| South Shore Harbour MUD 7 | 0.39000 | 0.41120 | 0.37885 | 0.38240 |
| Tara Glen MUD | Dissolved | Dissolved | Dissolved | Dissolved |
| Taylor Lake Village, City of | 0.23086 | 0.22480 | 0.23810 | 0.25300 |
| Webster, City of | 0.37483 | 0.33394 | 0.36475 | 0.39334 |
| TOTAL | 14.47751 | 14.60007 | 15.14379 | 16.01240 |
| DISTRICT DIRECT RATES | | | | |
| Maintenance & Operations | 0.69900 | 0.70460 | 0.84460 | 0.88970 |
| Debt Service | 0.27000 | 0.27000 | 0.27000 | 0.29000 |
| TOTAL DISTRICT DIRECT RATES | \$ 0.96900 | \$ 0.97460 | \$ 1.11460 | \$ 1.17970 |

Source: Galveston Central Appraisal District and Harris County Appraisal District

(1) The percentage of overlapping debt is estimated using taxable assessed property values. Percentages were estimated by determining the portion of the overlapping taxing authority's taxable assessed value that is within the District's boundaries and dividing it by the overlapping taxing authority's total taxable assessed value.

Table 7

| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|------------|------------|------------|------------|------------|------------|
| \$ 1.11000 | \$ 1.11000 | \$ 1.11000 | \$ 1.11000 | \$ 1.11000 | \$ 1.11000 |
| 0.38470 | 0.45000 | 0.15000 | 0.15000 | 0.15000 | 0.23470 |
| 0.27000 | 0.29000 | 0.31000 | 0.31000 | 0.35000 | 0.39000 |
| 0.59000 | 0.60000 | 0.67000 | 0.67000 | 0.67000 | 0.67000 |
| 0.26000 | 0.27000 | 0.27000 | 0.27000 | 0.27000 | 0.27000 |
| - | - | - | - | - | 0.38000 |
| 0.48542 | 0.51713 | 0.51703 | 0.52807 | 0.57589 | 0.58029 |
| 0.48731 | 0.52144 | 0.53239 | 0.52735 | 0.54600 | 0.56870 |
| 0.46513 | 0.50440 | 0.52983 | 0.55190 | 0.54625 | 0.56125 |
| 0.95000 | 0.95000 | 0.95000 | 0.90000 | N/A | 0.80000 |
| Dissolved | Dissolved | Dissolved | Dissolved | Dissolved | Dissolved |
| Dissolved | Dissolved | Dissolved | Dissolved | Dissolved | Dissolved |
| 0.21000 | 0.23000 | 0.25000 | 0.42000 | 0.46000 | 0.46000 |
| - | - | - | - | 0.29500 | 0.36000 |
| 0.53000 | 0.57000 | 0.61000 | 0.62000 | 0.68000 | 0.80000 |
| 0.65000 | 0.73000 | 0.73000 | 0.77000 | 0.94000 | 1.00000 |
| 0.85000 | 0.90000 | 0.93000 | 0.95000 | 1.00000 | 1.00000 |
| 0.79000 | 0.85000 | 0.87000 | 0.93000 | 0.97000 | 0.98000 |
| 0.24938 | 0.26000 | 0.26000 | 0.26000 | 0.26000 | 0.28000 |
| 0.39116 | 0.40713 | 0.41858 | 0.41801 | 0.41656 | 0.41923 |
| 0.00499 | 0.00500 | 0.00519 | 0.00520 | 0.00520 | 0.00542 |
| 0.03142 | 0.02792 | 0.02877 | 0.02831 | 0.02829 | 0.02733 |
| 0.16671 | 0.16591 | 0.17108 | 0.17110 | 0.17179 | 0.17000 |
| 0.40000 | 0.40000 | 0.40000 | 0.40000 | 0.40000 | 0.40000 |
| 0.20500 | 0.23000 | 0.24500 | 0.25000 | 0.32500 | 0.33500 |
| 1.08000 | 1.16000 | 1.16000 | 1.16000 | 1.19000 | 1.20000 |
| 0.28770 | 0.29350 | 0.30000 | 0.30000 | 0.30000 | 0.30000 |
| 0.44000 | 0.32770 | 0.32200 | 0.32200 | 0.32500 | 0.33500 |
| 0.30000 | 0.32000 | 0.34000 | 0.34000 | 0.34500 | 0.36000 |
| 0.85000 | 0.85000 | 0.85000 | 0.85000 | 0.85000 | 0.85000 |
| 0.56184 | 0.56792 | 0.58831 | 0.58421 | 0.58642 | 0.60112 |
| 0.17930 | 0.20284 | 0.20284 | 0.19300 | 0.21921 | 0.25401 |
| 0.51500 | 0.54858 | 0.56380 | 0.56500 | 0.57000 | 0.57350 |
| 0.72212 | 0.73212 | 0.74212 | 0.74212 | 0.74120 | 0.74120 |
| 0.53368 | 0.57034 | 0.61545 | 0.57539 | 0.57539 | 0.57539 |
| 0.00991 | 0.01074 | 0.01155 | 0.12560 | 0.01334 | 0.01342 |
| 0.54361 | 0.55198 | 0.55198 | 0.57491 | 0.56518 | 0.61261 |
| Dissolved | Dissolved | Dissolved | Dissolved | Dissolved | Dissolved |
| 0.38300 | 0.38000 | 0.39000 | 0.39000 | 0.45000 | 0.49000 |
| 0.24000 | 0.43000 | 0.49000 | 0.55000 | 0.56000 | 0.57000 |
| 0.25990 | 0.25490 | 0.26260 | 0.26960 | 0.28400 | 0.30740 |
| 0.37357 | 0.36200 | 0.34794 | 0.31725 | 0.28450 | 0.23447 |
| 16.76085 | 17.55155 | 17.69646 | 18.09902 | 18.02922 | 19.82004 |
| 0.93590 | 0.9700 | 1.0600 | 1.0400 | 1.0400 | 1.0400 |
| 0.33000 | 0.3400 | 0.3400 | 0.3600 | 0.3600 | 0.3600 |
| \$ 1.2659 | \$ 1.3100 | \$ 1.4000 | \$ 1.4000 | \$ 1.4000 | \$ 1.4000 |

Clear Creek Independent School District

Principal Taxpayers

Current Year and Nine Years Ago

(Unaudited)

Table 8

| Taxpayer | 2025 | | | 2016 | | |
|-------------------------------------|----------------------------|------|------------------------------------|----------------------------|------|------------------------------------|
| | Taxable Assessed Valuation | Rank | Percentage of Total Assessed Value | Taxable Assessed Valuation | Rank | Percentage of Total Assessed Value |
| Total Petrochemicals USA, Inc. | \$ 599,269,200 | 1 | 1.99% | \$ - | | |
| LBC Houston, L.P. | 301,188,338 | 2 | 1.00% | 107,337,652 | 4 | 0.58% |
| Ineos Styrolution America, LLC | 223,567,000 | 3 | 0.74% | - | | |
| Baybrook Mall, L.P. | 200,577,458 | 4 | 0.67% | 215,718,439 | 1 | 1.18% |
| Seabrook Logistics, LLC | 174,556,612 | 5 | 0.58% | - | | |
| Baytank Houston, Inc. | 154,834,255 | 6 | 0.51% | 83,685,200 | 7 | 0.46% |
| GWR Webster, LLC | 149,241,865 | 7 | 0.50% | - | | |
| Clear Lake Regional Medical Center | 135,500,000 | 8 | 0.45% | 157,703,308 | 2 | 0.86% |
| Turbine Maintenance Group (Calpine) | 135,250,170 | 9 | 0.45% | 125,291,220 | 3 | 0.68% |
| Styrolution America, LLC | 119,018,650 | 10 | 0.40% | 105,677,192 | 5 | 0.58% |
| HC 200 Blossom Street, LLC | - | | | 98,279,634 | 6 | 0.54% |
| NA Industries, Inc. | - | | | 82,752,969 | 8 | 0.45% |
| Centerpoint Energy Houston | - | | | 66,852,829 | 10 | 0.36% |
| Kinder Morgan Tejas Pipeline | - | | | 74,537,044 | 9 | 0.41% |
| TOTALS | <u>\$ 2,193,003,548</u> | | <u>7.29%</u> | <u>\$ 1,117,835,487</u> | | <u>6.09%</u> |
| TOTAL TAXABLE ASSESSED VALUE | <u>\$ 30,070,916,099</u> | | | <u>\$ 18,353,765,080</u> | | |

Source: Galveston Central Appraisal District and Harris County Appraisal District.

Clear Creek Independent School District
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Table 9

| Fiscal Year Ended | Taxes Levied for the Fiscal Year (1) | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|----------------------|--|---|----------------------------------|---------------------------------------|---------------------------|--|
| | | Amount | Percentage of Net Tax Levy | | Amount | Percent of Total Tax Collections To Net Tax Levy |
| 2025 | \$ 291,387,177 | \$ 288,173,475 | 98.90% | \$ - | \$ 288,173,475 | 98.90% |
| 2024 | 280,352,485 | 281,680,201 | 100.47% | (2,242,246) | 279,437,955 | 99.67% |
| 2023 | 331,458,889 | 333,553,469 | 100.63% | (2,842,623) | 330,710,846 | 99.77% |
| 2022 | 319,889,016 | 320,970,084 | 100.34% | (1,553,191) | 319,416,893 | 99.85% |
| 2021 | 318,824,857 | 321,661,120 | 100.89% | (3,278,602) | 318,382,518 | 99.86% |
| 2020 | 309,988,305 | 310,528,858 | 100.17% | (959,935) | 309,568,923 | 99.86% |
| 2019 | 306,768,003 | 307,069,615 | 100.10% | (989,379) | 306,080,236 | 99.78% |
| 2018 | 297,891,183 | 297,511,097 | 99.87% | 16,696 | 297,527,793 | 99.88% |
| 2017 | 276,360,353 | 276,726,402 | 100.13% | (713,012) | 276,013,390 | 99.87% |
| 2016 | 256,055,949 | 255,511,283 | 99.79% | 307,441 | 255,818,724 | 99.91% |

(1) Appraisal value less exemptions equal taxable assessed value. The beginning taxable value net of adjustments times the tax rate set by the District's Board of Trustees each fall equals the total net tax levy. The net tax levy for prior years reflects ongoing adjustments applied to that year's tax levy.

(2) Excludes the subsequent 60 days tax collections recorded as revenue in the fund financial statements in accordance with the Modified Accrual Basis of Accounting.

Clear Creek Independent School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Table 10

| Fiscal Year Ended | Governmental Activities | | | Total Primary Government | Ratio of Debt to Assessed Value (1) | Debt Per Student (2) |
|----------------------|---------------------------------------|-----------------------------|-------------------|--------------------------------|--|----------------------------|
| | Schoolhouse and Refunding Bonds | Bond Issuance Premium | Leases Payable | | | |
| 2025 | \$ 1,151,620,000 | \$ 119,011,096 | \$ - | \$ 1,270,631,096 | 4.23% | 32,161 |
| 2024 | 1,065,675,000 | 110,568,063 | - | 1,176,243,063 | 4.03% | 29,436 |
| 2023 | 993,980,000 | 106,754,064 | 637,690 | 1,101,371,754 | 3.65% | 27,215 |
| 2022 | 982,760,000 | 110,099,354 | 1,244,342 | 1,094,103,696 | 4.04% | 26,895 |
| 2021 | 1,032,420,000 | 112,207,346 | - | 1,144,627,346 | 4.47% | 28,244 |
| 2020 | 979,890,000 | 87,669,573 | - | 1,067,559,573 | 4.47% | 25,277 |
| 2019 | 910,060,000 | 78,429,386 | - | 988,489,386 | 4.48% | 23,512 |
| 2018 | 942,950,000 | 84,961,655 | - | 1,027,911,655 | 4.81% | 24,469 |
| 2017 | 818,715,000 | 70,160,935 | - | 888,875,935 | 4.47% | 21,327 |
| 2016 | 861,345,000 | 71,590,839 | - | 932,935,839 | 5.08% | 22,721 |

(1) See Table 6 for assessed value data.

(2) See Table 17 for student enrollment information.

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

Clear Creek Independent School District**Table 11**

Ratios of Net General Obligation Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)

| Fiscal Year Ended | Schoolhouse and Refunding Bonds Outstanding | Less: Amount Restricted for Debt Service | Total | Percentage of Estimated Actual Taxable Value of Property (1) | Net Bonded Debt Per Student (2) |
|------------------------------|--|---|------------------|---|--|
| 2025 | \$ 1,270,631,096 | \$ 43,748,344 | \$ 1,226,882,752 | 4.08% | \$ 31,053 |
| 2024 | 1,176,243,063 | 41,544,424 | 1,134,698,639 | 3.89% | 28,396 |
| 2023 | 1,100,734,064 | 37,839,328 | 1,062,894,736 | 3.52% | 26,264 |
| 2022 | 1,092,859,354 | 38,630,715 | 1,054,228,639 | 3.90% | 25,915 |
| 2021 | 1,144,627,346 | 41,316,292 | 1,103,311,054 | 4.31% | 27,225 |
| 2020 | 1,067,559,573 | 34,056,500 | 1,033,503,073 | 4.33% | 24,471 |
| 2019 | 988,489,386 | 31,218,507 | 957,270,879 | 4.34% | 22,769 |
| 2018 | 1,027,911,655 | 27,054,392 | 1,000,857,263 | 4.68% | 23,825 |
| 2017 | 888,875,935 | 12,987,891 | 875,888,044 | 4.41% | 21,015 |
| 2016 | 932,935,839 | 15,584,258 | 917,351,581 | 5.00% | 22,341 |

(1) See Table 6 for assessed value data.

(2) See Table 17 for student enrollment information.



Clear Creek Independent School District
Computation of Estimated Direct and Overlapping Debt
For the Fiscal Year Ended August 31, 2025
(Unaudited)

Table 12

| Governmental Unit | Net Debt | | Percent Overlapping (1) | Amount of Overlapping Debt |
|---|------------------|-----------|----------------------------|----------------------------------|
| | Amount | As Of | | |
| CITIES | | | | |
| El Lago | \$ 160,000 | 8/31/2025 | 100.00% | \$ 160,000 |
| Friendswood | 79,310,000 | 8/31/2025 | 16.80% | 13,324,080 |
| Houston | 3,438,180,000 | 8/31/2025 | 2.38% | 81,828,684 |
| League City | 247,670,000 | 8/31/2025 | 82.64% | 204,674,488 |
| Nassau Bay | 7,890,000 | 8/31/2025 | 100.00% | 7,890,000 |
| Pasadena | 151,290,000 | 8/31/2025 | 12.00% | 18,154,800 |
| Pearland | 682,975,000 | 8/31/2025 | 2.06% | 14,069,285 |
| Seabrook | 42,112,324 | 8/31/2025 | 100.00% | 42,112,324 |
| Texas City | 80,055,000 | 8/31/2025 | 0.20% | 160,110 |
| Webster | 31,580,000 | 8/31/2025 | 100.00% | 31,580,000 |
| COUNTIES | | | | |
| Galveston | \$ 143,154,091 | 8/31/2025 | 23.73% | \$ 33,970,466 |
| Harris | 2,358,264,736 | 8/31/2025 | 3.33% | 78,530,216 |
| MUNICIPAL UTILITY DISTRICTS | | | | |
| Bacliff MUD | \$ 25,820,000 | 8/31/2025 | 1.36% | \$ 351,152 |
| Bay Colony West MUD | 28,440,000 | 8/31/2025 | 0.13% | 36,972 |
| Baybrook MUD 1 | 68,755,000 | 8/31/2025 | 100.00% | 68,755,000 |
| Bayview MUD | 3,515,000 | 8/31/2025 | 100.00% | 3,515,000 |
| Brazoria Co. MUD 18 | 13,210,000 | 8/31/2025 | 47.45% | 6,228,515 |
| Clear Brook City MUD | 76,660,000 | 8/31/2025 | 59.10% | 45,306,060 |
| Galveston County MUD 6 | 1,870,000 | 8/31/2025 | 100.00% | 1,870,000 |
| Galveston County MUD 36 | 11,985,000 | 8/31/2025 | 100.00% | 11,985,000 |
| Galveston County MUD 39 | 12,125,000 | 8/31/2025 | 100.00% | 12,125,000 |
| Galveston County MUD 43 | 23,990,000 | 8/31/2025 | 68.74% | 16,490,726 |
| Galveston County MUD 45 | 48,880,000 | 8/31/2025 | 99.33% | 48,552,504 |
| Galveston County MUD 46 | 30,740,000 | 8/31/2025 | 100.00% | 30,740,000 |
| Galveston County MUD 73 | 10,905,000 | 8/31/2025 | 0.23% | 25,082 |
| Harris County MUD 55 | 41,310,000 | 8/31/2025 | 100.00% | 41,310,000 |
| Harris County MUD 373 | 625,000 | 8/31/2025 | 100.00% | 625,000 |
| Harris County MUD 481 | 25,855,000 | 8/31/2025 | 100.00% | 25,855,000 |
| South Shore MUD 7 | 15,875,000 | 8/31/2025 | 100.00% | 15,875,000 |
| Westwood Management District | 42,475,000 | 8/31/2025 | 100.00% | 42,475,000 |
| WATER CONTROL AND IMPROVEMENT DISTRICTS | | | | |
| Clear Lake Water Authority | \$ 160,650,000 | 8/31/2025 | 87.40% | \$ 140,408,100 |
| Galveston County WCID 12 | 22,245,000 | 8/31/2025 | 100.00% | 22,245,000 |
| Harris County Road ID 1 | 4,075,000 | 8/31/2025 | 100.00% | 4,075,000 |
| Harris County WCID 50 | 19,505,000 | 8/31/2025 | 100.00% | 19,505,000 |
| Harris County WCID 161 | 42,271,672 | 8/31/2025 | 100.00% | 42,271,672 |
| Part of Houston Authority | 406,509,397 | 8/31/2025 | 3.33% | 13,536,763 |
| Other Governmental Entities | | | | |
| Galveston County Management | \$ 2,860,000 | 8/31/2025 | 100.00% | \$ 2,860,000 |
| Harris County Department of Education | 28,960,000 | 8/31/2025 | 3.33% | 964,368 |
| Harris County Flood Control District | 963,805,000 | 8/31/2025 | 3.33% | 32,094,707 |
| Harris County Hospital District | 867,820,000 | 8/31/2025 | 3.33% | 28,898,406 |
| Kemah Municipal Management | 4,510,000 | 8/31/2025 | 100.00% | 4,510,000 |
| San Jacinto Community College District | 505,569,308 | 8/31/2025 | 1.55% | 7,836,324 |
| West Ranch Management | 16,355,000 | 8/31/2025 | 0.06% | 9,813 |
| Subtotal, Overlapping Debt | | | | 1,217,790,617 |
| DIRECT | | | | |
| Clear Creek Independent School District | \$ 1,270,631,096 | | 100.00% | 1,270,631,096 |
| TOTAL DIRECT AND OVERLAPPING DEBT | | | | \$ 2,488,421,713 |

Source: Galveston Central Appraisal District and Harris County Appraisal District assessed value data was used to determine overlapping percentages. Each individual governmental unit provided debt information.

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

(1) The percentage of overlapping debt is estimated using taxable assessed property values. Percentages were estimated by determining the portion of the overlapping taxing authority's taxable assessed value that is within the District's boundaries and dividing it by the overlapping taxing authority's total taxable assessed value.

Clear Creek Independent School District

Legal Debt Margin Information

Last Ten Fiscal Years

(Unaudited)

| | 2025 | 2024 | 2023 | 2022 |
|---|-----------------------|-----------------------|-------------------------|-------------------------|
| Debt Limit | \$ 1,711,706,312 | \$ 1,561,179,274 | \$ 3,891,681,551 | \$ 3,407,666,166 |
| Total Net Debt Applicable to Limit | <u>1,226,882,752</u> | <u>1,134,698,639</u> | <u>1,062,894,736</u> | <u>1,054,228,639</u> |
| LEGAL DEBT MARGIN | <u>\$ 484,823,560</u> | <u>\$ 426,480,635</u> | <u>\$ 2,828,786,815</u> | <u>\$ 2,353,437,527</u> |
| TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT | 71.68% | 72.68% | 27.31% | 30.94% |

LEGAL DEBT MARGIN CALCULATION

Assessed Taxable Value \$ 30,070,916,099

Subtract:

Exempt Real Property (12,953,852,978)

TOTAL ASSESSED VALUE 17,117,063,121

Debt Limit (10% of total assessed value) 1,711,706,312

Debt Applicable to Limit:

Schoolhouse and Refunding Bonds 1,270,631,096

Less: Amount set aside for repayment of bonds (43,748,344)

Total Net Debt Applicable to Limit 1,226,882,752

LEGAL DEBT MARGIN \$ 484,823,560

Note: Although there is no legal debt limit in the State of Texas, most school business officials in the State hold the opinion that the Attorney General would not approve bonded indebtedness on excess of 10 percent of assessed value.

Source: Galveston Central Appraisal District and Harris County Appraisal District.

Table 13

| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| \$ 3,155,428,443 | \$ 2,938,139,097 | \$ 2,697,529,102 | \$ 2,621,407,465 | \$ 2,453,410,964 | \$ 2,298,882,127 |
| 991,787,692 | 946,442,759 | 879,460,100 | 915,982,673 | 806,256,427 | 845,855,500 |
| \$ 2,163,640,751 | \$ 1,991,696,338 | \$ 1,818,069,002 | \$ 1,705,424,792 | \$ 1,647,154,537 | \$ 1,453,026,627 |
| 31.43% | 32.21% | 32.60% | 34.94% | 32.86% | 36.79% |

Clear Creek Independent School District

Demographic and Economic Statistics

Last Ten Fiscal Years

(Unaudited)

| Fiscal Year Ended | Residential Units (1) | Total Assessed Value of Residential Annual Units (1) | Average Assessed Value per Residential Unit | Population (2) |
|------------------------------|----------------------------------|---|--|-----------------------|
| 2025 | 73,245 | \$ 27,244,053,401 | \$ 371,958 | 274,669 |
| 2024 | 73,060 | 26,363,304,033 | 360,845 | 273,975 |
| 2023 | 72,877 | 23,495,006,292 | 322,393 | 273,289 |
| 2022 | 72,657 | 21,301,628,042 | 293,181 | 272,464 |
| 2021 | 71,805 | 19,514,007,445 | 271,764 | 269,269 |
| 2020 | 71,371 | 18,364,773,078 | 257,314 | 267,641 |
| 2019 | 71,297 | 16,868,636,637 | 236,597 | 267,364 |
| 2018 | 70,280 | 16,647,556,406 | 236,875 | 263,550 |
| 2017 | 69,364 | 15,163,196,210 | 218,603 | 260,115 |
| 2016 | 68,190 | 14,182,216,795 | 207,981 | 255,713 |

(1) Source: Galveston Central Appraisal District and Harris County Appraisal District Single-family Residential Units.

(2) Estimated - Since the District encompasses parts of two counties and all or part of twelve municipalities, no source is available.

(3) Source: District Records

(4) Source: Texas Workforce Commission

Since the District encompasses parts of two counties and all or part of twelve municipalities, total personal income data for the geographic area is not available for the ten-year period presented.

Table 14

| Enrollment (3) | Average Daily Attendance (3) | Unemployment Rate (4) | | | United States |
|-----------------------|-------------------------------------|------------------------------|----------------------|--------------|----------------------|
| | | Galveston County | Harris County | Texas | |
| 39,509 | 36,764 | 4.4% | 4.5% | 4.2% | 4.3% |
| 39,960 | 37,155 | 4.3% | 4.4% | 4.1% | 4.0% |
| 40,469 | 37,418 | 4.3% | 4.3% | 4.0% | 3.6% |
| 40,680 | 37,073 | 4.4% | 4.2% | 3.9% | 3.6% |
| 40,526 | 38,499 | 6.4% | 6.3% | 5.6% | 5.3% |
| 42,234 | 39,753 | 8.6% | 8.8% | 7.7% | 8.1% |
| 42,042 | 39,428 | 4.0% | 3.8% | 3.5% | 3.7% |
| 42,008 | 39,277 | 4.6% | 4.4% | 3.9% | 3.9% |
| 41,679 | 39,189 | 5.2% | 5.0% | 4.4% | 4.4% |
| 41,061 | 38,670 | 5.3% | 5.3% | 4.6% | 4.9% |

Clear Creek Independent School District
Principal Employers
Current and Nine Years Ago
(Unaudited)

Table 15

| Taypaper | 2025 | | | 2016 | | |
|--|------------------|-------|-----------------------------------|------------------|-------|-----------------------------------|
| | Employees | Rank* | Percentage of Principal Employers | Employees | Rank* | Percentage of Principal Employers |
| Harris County | | | | | | |
| Amazon | (1) | | (1) | | | |
| Baylor College of Medicine | (1) | | (1) | (1) | | (1) |
| Chevron | (1) | | (1) | (1) | | (1) |
| CHI St. Luke's Health | (1) | | (1) | | | |
| ExxonMobil | (1) | | (1) | (1) | | (1) |
| Halliburton | (1) | | (1) | | | |
| Harris Health | (1) | | (1) | | | |
| H.E.B. | (1) | | (1) | | | |
| Houston Methodist | (1) | | (1) | (1) | | (1) |
| Memorial Hermann Health System | (1) | | (1) | (1) | | (1) |
| NOV | (1) | | (1) | (1) | | (1) |
| S&B Engineers and Constructors, Ltd. | (1) | | (1) | | | |
| Shell Oil | (1) | | (1) | (1) | | (1) |
| SLB formerly Schlumberger | (1) | | (1) | (1) | | (1) |
| Texas Children's Hospital | (1) | | (1) | | | |
| United Airlines | (1) | | (1) | (1) | | (1) |
| University of Houston | (1) | | (1) | | | |
| UT Health Houston | (1) | | (1) | | | |
| UT MD Anderson Cancer Center | (1) | | (1) | | | |
| Walmart | (1) | | (1) | | | |
| Aramark | | | | (1) | | (1) |
| B.P. America, Inc. | | | | (1) | | (1) |
| Kroger | | | | (1) | | (1) |
| Total Employees | - | | | 0 | | |
| Total Harris County Employment | 2,422,567 | | | 2,147,210 | | |
| Galveston County | | | | | | |
| University of Texas Medical Branch | 13,890 | 1 | 7.80% | 12,126 | 1 | 8.05% |
| Clear Creek Independent School District | 5,079 | 2 | 2.85% | 4,963 | 3 | 3.30% |
| Landry's Seafood, Inc. / Fertitta Hospitality, LLC | 2,280 | 3 | 1.28% | 1,300 | 8 | 0.86% |
| Dickinson Independent School District | 1,847 | 4 | 1.04% | 1,191 | 9 | 0.79% |
| Galveston Bay Refinery | 1,550 | 5 | 0.87% | 2,725 | 4 | 1.81% |
| Galveston County | 1,469 | 6 | 0.83% | 1,333 | 7 | 0.89% |
| Texas City Independent School District | 1,316 | 7 | 0.74% | | | |
| Galveston Independent School District | 1,065 | 8 | 0.60% | 964 | 10 | 0.64% |
| Schlitterbahn Waterpark Galveston | 1,035 | 9 | 0.58% | | | |
| Moody Gardens | 888 | 10 | 0.50% | | | |
| H.E.B. | | | | | | |
| Valero Energy Corp. | | | | 10,000 | 2 | 6.64% |
| Marathon Petroleum Corp. | | | | | | |
| Walmart | | | | 1,775 | 5 | 1.18% |
| American National Insurance Company | | | | 1,571 | 6 | 1.04% |
| Total Employees | 30,419 | | | 37,948 | | |
| Total Galveston County Employment | 178,002 | | | 150,588 | | |

Note: Clear Creek ISD encompasses parts of two counties and twelve cities. No source for employer ranking within district boundaries is available.

*Ranking is optional

(1) Harris County includes more than the top 10 employers and does not provide number of employees. Therefore, top 10 employers and percentage of total is not available.

Source: Harris County - Harris County Annual Comprehensive Financial Report, Texas Workforce Commission

Galveston County - Galveston County Annual Comprehensive Financial Report, Texas Workforce Commission

Clear Creek Independent School District
Full-Time Equivalent and District Employees
Last Ten Fiscal Years
(Unaudited)

Table 16

| Position | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| PROFESSIONAL SUPPORT | | | | | | | | | | |
| Teachers | 2,461 | 2,489 | 2,527 | 2,573 | 2,543 | 2,517 | 2,532 | 2,498 | 2,466 | 2,444 |
| Professional Support | 721 | 759 | 785 | 779 | 809 | 783 | 725 | 728 | 619 | 683 |
| Campus Administration | 118 | 125 | 119 | 118 | 119 | 119 | 126 | 123 | 127 | 126 |
| Central Administration | 23 | 27 | 28 | 30 | 34 | 43 | 44 | 41 | 36 | 40 |
| EDUCATIONAL AIDES | 445 | 429 | 420 | 436 | 428 | 399 | 405 | 405 | 364 | 325 |
| AUXILIARY STAFF | 1,245 | 1,258 | 1,304 | 1,360 | 1,423 | 1,354 | 1,317 | 1,254 | 1,285 | 1,283 |
| TOTAL EMPLOYEES | 5,013 | 5,087 | 5,183 | 5,296 | 5,356 | 5,215 | 5,149 | 5,049 | 4,897 | 4,901 |

Source: Texas Education Agency TAPR

Clear Creek Independent School District

Operating Statistics
Last Ten Fiscal Years
(Unaudited)

| Fiscal Year Ended | Average Daily Attendance | Governmental Fund Expenditures | | Government-wide Expenses | |
|----------------------|--------------------------------|--------------------------------|------------------------|--|------------------------|
| | | Operating Expenditures (1) | Cost Per Student | Governmental Activities Expenses | Cost Per Student |
| 2025 | 36,674 | \$ 444,303,582 | \$ 12,115 | \$ 525,198,404 | \$ 14,321 |
| 2024 | 37,155 | 434,259,975 | 11,688 | 519,535,173 | 13,983 |
| 2023 | 37,418 | 413,378,176 | 11,048 | 482,000,895 | 12,882 |
| 2022 | 37,073 | 418,694,200 | 11,294 | 478,011,584 | 12,894 |
| 2021 | 38,499 | 407,766,049 | 10,592 | 489,846,669 | 12,724 |
| 2020 | 39,753 | 426,491,507 | 10,729 | 509,977,651 | 12,829 |
| 2019 | 39,428 | 383,428,245 | 9,725 | 487,757,815 | 12,371 |
| 2018 | 39,277 | 378,075,395 | 9,626 | 333,294,938 | 8,486 |
| 2017 | 39,189 | 350,269,527 | 8,938 | 418,939,544 | 10,690 |
| 2016 | 38,670 | 335,759,160 | 8,683 | 412,311,351 | 10,662 |

Source: District Records

(1) Operating expenditures include governmental fund expenditures less debt service and capital outlay expenditures.

(2) Growth is higher than normal in FY 2017 due to Hurricane Harvey.

Table 17

| District Employees | | | | Final Enrollment | Percentage Change in Enrollment | Student/ Teacher Ratio | Students Participating in Free/Reduced Lunch Program |
|---------------------------|----------------------|--------------|--------------|-----------------------------|--|---------------------------------------|---|
| Teachers | Professionals | Other | Total | | | | |
| 2,461 | 862 | 1,690 | 5,013 | 39,509 | -1.13% | 16 | 12,860 |
| 2,489 | 911 | 1,687 | 5,087 | 39,960 | -1.26% | 16 | 13,562 |
| 2,527 | 932 | 1,724 | 5,183 | 40,469 | -0.52% | 16 | 13,696 |
| 2,573 | 879 | 1,795 | 5,247 | 40,680 | 0.38% | 16 | 13,212 |
| 2,543 | 962 | 1,851 | 5,356 | 40,526 | -4.04% | 16 | 12,598 |
| 2,517 | 945 | 1,753 | 5,215 | 42,234 | 0.46% | 17 | 12,356 |
| 2,532 | 895 | 1,722 | 5,149 | 42,042 | 0.08% | 17 | 12,905 |
| 2,498 | 892 | 1,659 | 5,049 | 42,008 | 0.79% | 17 | 13,874 |
| 2,466 | 782 | 1,649 | 4,897 | 41,679 | 1.51% | 17 | 17,539 (2) |
| 2,444 | 849 | 1,608 | 4,901 | 41,061 | 1.04% | 17 | 12,125 |

Clear Creek Independent School District

Teacher Base Salaries

Last Ten Fiscal Years

(Unaudited)

Table 18

| Fiscal Year Ended | Minimum Salary (1) | Maximum Salary (1) | CCISD Average (2) | Region IV Average (2) | Statewide Average (2) |
|------------------------------|-------------------------------|-------------------------------|------------------------------|----------------------------------|----------------------------------|
| 2025 | \$ 62,500 | \$ 90,328 | \$ 69,357 | \$ 68,416 | \$ 63,751 |
| 2024 | 60,600 | 87,755 | 67,182 | 66,417 | 62,474 |
| 2023 | 60,000 | 86,906 | 66,314 | 64,771 | 60,717 |
| 2022 | 58,000 | 85,241 | 64,477 | 62,589 | 58,887 |
| 2021 | 56,308 | 82,816 | 62,800 | 60,798 | 57,641 |
| 2020 | 55,750 | 83,293 | 62,128 | 60,292 | 57,091 |
| 2019 | 53,600 | 80,287 | 59,740 | 57,707 | 54,122 |
| 2018 | 52,550 | 78,752 | 58,414 | 57,076 | 53,334 |
| 2017 | 51,500 | 76,951 | 60,698 | 55,992 | 52,525 |
| 2016 | 50,000 | 75,055 | 55,538 | 55,580 | 51,891 |

(1) Source: District records

(2) Source: Texas Education Agency TAPR

Clear Creek Independent School District

Table 19

School Building Information

For the Fiscal Year Ended August 31, 2025

(Unaudited)

| School | Year Constructed | Building Age (Years) | Building Capacity | Portables | Portable Capacity | Total Capacity | 2024/2025 Ending Enrollment | Percentage of Capacity Used |
|---|---------------------|-------------------------|----------------------|-----------|----------------------|-------------------|-----------------------------------|-----------------------------------|
| HIGH SCHOOLS | | | | | | | | |
| Clear Brook High School | 1988 | 37 | 2,500 | - | - | 2,500 | 2,165 | 87% |
| Clear Creek High School | 2006 | 19 | 2,500 | - | - | 2,500 | 2,339 | 94% |
| Clear Falls High School | 2010 | 15 | 2,500 | - | - | 2,500 | 2,519 | 101% |
| Clear Horizons Early College High School (1) | N/A | N/A | 450 | - | - | 450 | 496 | 110% |
| Clear Lake High School | 2017 | 8 | 2,500 | - | - | 2,500 | 2,463 | 99% |
| Clear Path High School | 2007 | 18 | 130 | - | - | 130 | 103 | 79% |
| Clear Springs High School | 2007 | 18 | 2,500 | - | - | 2,500 | 2,625 | 105% |
| Clear View High School | 2021 | 4 | 350 | - | - | 350 | 193 | 55% |
| Total High School | | | 13,430 | - | - | 13,430 | 12,903 | |
| INTERMEDIATE SCHOOLS | | | | | | | | |
| Bayside Intermediate | 2010 | 15 | 1,075 | - | - | 1,075 | 906 | 84% |
| Brookside Intermediate | 1995 | 30 | 1,035 | - | - | 1,035 | 774 | 75% |
| Clear Creek Intermediate | 1982 | 43 | 1,016 | - | - | 1,016 | 666 | 66% |
| Clear Lake Intermediate | 1972 | 53 | 899 | 1 | 25 | 924 | 810 | 88% |
| Creekside Intermediate | 1991 | 34 | 1,094 | - | - | 1,094 | 944 | 86% |
| League City Intermediate | 1999 | 26 | 1,035 | 6 | 150 | 1,185 | 1,016 | 86% |
| Seabrook Intermediate | 1966 | 59 | 1,075 | - | - | 1,075 | 878 | 82% |
| Space Center Intermediate | 1999 | 26 | 1,035 | - | - | 1,035 | 779 | 75% |
| Victory Lakes Intermediate | 2002 | 23 | 1,133 | - | - | 1,133 | 929 | 82% |
| Westbrook Intermediate | 2005 | 20 | 1,133 | 5 | 125 | 1,258 | 1,169 | 93% |
| Total Intermediate | | | 10,530 | 12 | 300 | 10,830 | 8,871 | |
| ELEMENTARY SCHOOLS | | | | | | | | |
| Armand Bayou Elementary | 1974 | 51 | 583 | - | - | 583 | 510 | 87% |
| Bauerschlag Elementary | 2002 | 23 | 887 | 1 | 22 | 909 | 719 | 79% |
| Bay Elementary | 1994 | 31 | 765 | 1 | 22 | 787 | 504 | 64% |
| Brookwood Elementary | 1991 | 34 | 806 | - | - | 806 | 786 | 98% |
| Campbell Elementary | 2019 | 6 | 1,007 | - | - | 1,007 | 801 | 80% |
| Clear Lake City Elementary | 1965 | 60 | 616 | - | - | 616 | 481 | 78% |
| Falcon Pass Elementary | 2002 | 23 | 887 | - | - | 887 | 540 | 61% |
| Ferguson Elementary | 1990 | 35 | 829 | - | - | 829 | 643 | 78% |
| Gilmore Elementary | 2005 | 20 | 887 | - | - | 887 | 684 | 77% |
| Goforth Elementary | 2002 | 23 | 887 | - | - | 887 | 741 | 84% |
| Greene Elementary | 1976 | 49 | 700 | 3 | 66 | 766 | 499 | 65% |
| Hall Elementary | 1979 | 46 | 703 | - | - | 703 | 575 | 82% |
| Hyde Elementary | 1995 | 30 | 783 | - | - | 783 | 605 | 77% |
| Landolt Elementary | 1979 | 46 | 825 | - | - | 825 | 741 | 90% |
| League City Elementary | 2019 | 6 | 911 | - | - | 911 | 650 | 71% |
| McWhirter Elementary | 2015 | 10 | 1,069 | - | - | 1,069 | 721 | 67% |
| Mossman Elementary | 2009 | 16 | 933 | - | - | 933 | 875 | 94% |
| North Pointe Elementary | 1995 | 30 | 783 | - | - | 783 | 576 | 74% |
| Parr Elementary | 2009 | 16 | 912 | - | - | 912 | 694 | 76% |
| Robinson Elementary | 2006 | 19 | 696 | - | - | 696 | 506 | 73% |
| Ross Elementary | 1965 | 60 | 781 | - | - | 781 | 506 | 65% |
| Stewart Elementary | 1996 | 29 | 933 | - | - | 933 | 631 | 68% |
| Ward Elementary | 1990 | 35 | 829 | - | - | 829 | 539 | 65% |
| Weber Elementary | 2002 | 23 | 887 | - | - | 887 | 708 | 80% |
| Wedgewood Elementary | 1992 | 33 | 806 | - | - | 806 | 603 | 75% |
| Whitcomb Elementary | 1967 | 58 | 740 | - | - | 740 | 531 | 72% |
| White Elementary | 1965 | 60 | 649 | - | - | 649 | 636 | 98% |
| Total Elementary | | | 22,094 | 5 | 110 | 22,204 | 17,005 | |

(1) Students attend classes on the San Jacinto College campus.



Overall Compliance, Internal Control Section and Federal Awards



**Independent Auditor's Report on Internal Control over Financial
Reporting and on Compliance and other Matters Based on an
Audit of Financial Statements Performed in Accordance
with *Government Auditing Standards***

To the Board of Trustees of
Clear Creek Independent School District
League City, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Clear Creek Independent School District (the District) as of and for the fiscal year ended August 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 22, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

The Board of Trustees of
Clear Creek Independent School District

Purpose of this Report

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

The Woodlands, Texas
January 22, 2026

**Independent Auditor's Report on Compliance for Each Major Federal
Program and Report on Internal Control over Compliance
Required by Uniform Guidance**

To the Board of Trustees of
Clear Creek Independent School District
League City, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

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

The Board of Trustees of
Clear Creek Independent School District

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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

The Woodlands, Texas
January 22, 2026

Clear Creek Independent School District

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended August 31, 2025

Section 1. Summary of Auditor's Results

Financial Statements

- | | |
|--|---------------|
| 1. Type of auditor's report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | None reported |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|--|
| 4. Internal control over major programs: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | None reported |
| 5. Type of auditor's report issued on compliance with major programs | Unmodified |
| 6. Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? | No |
| 7. Identification of major programs | Title I – 84.010A Title II – 84.367A Youth Prevention Programs - 93.959 FEMA Public Assistance Grant – 97.036 |
| 8. Dollar threshold used to distinguish between Type A and Type B federal programs | \$840,306 |
| 9. Auditee qualified as a low risk auditee? | Yes |

Section 2. Financial Statement Findings

None reported

Section 3. Federal Award Findings and Questioned Costs

None reported

Clear Creek Independent School District

Summary Schedule of Prior Audit Findings

For the Fiscal Year Ended August 31, 2025

Prior Year Findings

None reported

Clear Creek Independent School District
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended August 31, 2025

Exhibit K-1

| (1) Federal Grantor/ Pass Through Grantor/ Program Title | (2) Federal Assistance Listing Number | (2A) Pass-Through Entity Identifying Number | (3) Total Federal Expenditures |
|--|---|--|---|
| U.S. DEPARTMENT OF EDUCATION | | | |
| Passed Through State Department of Education: | | | |
| ESEA Title I, Part A - Improving Basic Programs | 84.010A | 24610101084910 | \$ 425,631 |
| ESEA Title I, Part A - Improving Basic Programs | 84.010A | 25610101084910 | 5,957,449 |
| Total Assistance Listing Number 84.010A | | | 6,383,080 |
| Special Education Cluster (IDEA): | | | |
| IDEA - Part B Formula | 84.027A | 256600010849106000 | 7,229,481 |
| IDEA - High Cost Risk Pool | 84.027A | 66002406 | 808,391 |
| SSA-IDEA-Part B-Discretionary (Deaf) | 84.027A | 256600110849106000 | 164,326 |
| Total Assistance Listing Number 84.027 | | | 8,202,198 |
| Passed Through State Department of Education: | | | |
| IDEA - Part B Preschool | 84.173A | 256610010849106000 | 86,814 |
| Empowering ECSE Educators to Improve Student Outcomes | 84.173A | 24661004 | 5,420 |
| Total Assistance Listing Number 84.173 | | | 92,234 |
| Total Special Education Cluster (IDEA) | | | 8,294,432 |
| Career and Technical - Basic Grant | 84.048A | 25420006084910 | 462,997 |
| SSA-IDEA-Part C-Early Intervention (Deaf) | 84.181A | 253911010849103000 | 2,457 |
| 2023-2024 Texas Education for Homeless Children & Youth | 84.196A | 244600057110013 | 89,247 |
| 2024-2025 Texas Education for Homeless Children & Youth | 84.196A | 254600057110029 | 20,025 |
| Total Assistance Listing Number 84.196A | | | 109,272 |
| 2024-2025 Nita M Lowew 21st CCLC Cycle 11 Year 4 | 84.287C | 226950307110022 | 45,000 |
| ESEA Title III, Part A - English Language Acquisition and Language Enhancement | 84.365A | 24671001084910 | 32,362 |
| ESEA Title III, Part A - English Language Acquisition and Language Enhancement | 84.365A | 25671001084910 | 467,004 |
| ESEA Title III, Part A - Immigrant | 84.365A | 24671003084910 | 5,548 |
| Total Assistance Listing Number 84.365A | | | 504,914 |
| ESEA Title II, Part A - Supporting Effective Instruction | 84.367A | 24694501084910 | 43,347 |
| ESEA Title II, Part A - Supporting Effective Instruction | 84.367A | 25694501084910 | 1,280,530 |
| Total Assistance Listing Number 84.367A | | | 1,323,877 |
| Summer School LEP | 84.369A | 69550902 | 3,734 |
| ESEA Title IV, Part A - Student Support and Academic Enrichment Program | 84.424A | 24680101084910 | 34,817 |
| ESEA Title IV, Part A - Student Support and Academic Enrichment Program | 84.424A | 25680101084910 | 386,573 |
| Total Assistance Listing Number 84.424A | | | 421,390 |
| COVID-19 - Texas COVID Learning Acceleration Supports (TCLAS) | 84.425U | 21528042084910 | 7,409 |
| TOTAL U.S. DEPARTMENT OF EDUCATION | | | 17,558,562 |

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Clear Creek Independent School District
Schedule of Expenditures of Federal Awards - Continued
For the Fiscal Year Ended August 31, 2025

Exhibit K-1

| (1) | (2) | (2A) | (3) |
|--|--|--|----------------------------------|
| Federal Grantor/ Pass Through Grantor/ Program Title | Federal Assistance Listing Number | Pass-Through Entity Identifying Number | Total Federal Expenditures |
| U.S. DEPARTMENT OF AGRICULTURE | | | |
| Child Nutrition Cluster: | | | |
| Passed Through State Department of Education - Cash Assistance: | | | |
| School Breakfast Program | 10.553 | 71402501 | 1,219,702 |
| School Breakfast Program | 10.553 | 71402401 | 155,694 |
| Total Assistance Listing Number 10.553 | | | 1,375,396 |
| Passed Through State Department of Education - Cash Assistance: | | | |
| National School Lunch Program | 10.555 | 71302501 | 4,912,027 |
| National School Lunch Program | 10.555 | 71302401 | 634,209 |
| Passed Through State Department of Agriculture - Non Cash Assistance: | | | |
| National School Lunch Program | 10.555 | NT4XL1YGLGC5 | 735,315 |
| Passed Through State Department of Agriculture - Cash Assistance: | | | |
| Supply Chain Assistance Grant Reallocation | 10.555 | NT4XL1YGLGC5 | 79,492 |
| Total Assistance Listing Number 10.555 | | | 6,361,043 |
| Total Child Nutrition Cluster | | | 7,736,439 |
| Passed Through State Department of Agriculture - Cash Assistance: | | | |
| Local Food for Schools Cooperative Agreement Program | 10.185 | NT4XL1YGLGC5 | 81,052 |
| Warehouse Distribution Fees Reimbursement | 10.560 | NT4XL1YGLGC5 | 5,184 |
| TOTAL U.S. DEPARTMENT OF AGRICULTURE | | | 7,822,675 |
| U.S. DEPARTMENT OF DEFENSE | | | |
| Direct Program: | | | |
| Reserve Officers' Training Corps | 12.000 | N/A | 434,880 |
| TOTAL U.S. DEPARTMENT OF DEFENSE | | | 434,880 |
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | |
| Medicaid Cluster: | | | |
| Passed Through Texas Health and Human Services Commission: | | | |
| Medicaid Administrative Claiming (MAC) | 93.778 | HHS00053790002 | 102,247 |
| Total Medicaid Cluster | | | 102,247 |
| Youth Prevention Programs -YPI | 93.959 | HHS0001344700016 | 249,554 |
| Community Coalition Partnership Grant - CCISD | 93.959 | HHS0001344700016 | 297,854 |
| Youth Prevention Programs -YPU | 93.959 | HHS0001344700016 | 244,844 |
| Youth Prevention Programs -YPS | 93.959 | HHS0001344700016 | 248,275 |
| Total Assistance Listing Number 93.959 | | | 1,040,527 |
| TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | 1,142,774 |
| UNITED STATES DEPARTMENT OF HOMELAND SECURITY | | | |
| Passed Through Texas Office of the Governor - Homeland Security Grants Division (HSGD) | | | |
| State and Local Cybersecurity Program | 97.137 | 5118501 | 54,754 |
| Passed Through State Department of Education: | | | |
| FEMA Public Assistance Grant | 97.036 | N/A | 996,550 |
| TOTAL UNITED STATES DEPARTMENT OF HOMELAND SECURITY | | | 1,051,304 |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | \$ 28,010,195 |

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Clear Creek Independent School District
Notes to Schedule of Expenditures of Federal Awards

Note 1. Summary of Significant Accounting Policies

The District accounts for all awards under federal programs in the general fund and certain special revenue funds in accordance with the Texas Education Agency's Financial Accountability System Resource Guide. These programs are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for these funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the liability is incurred, if measurable, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned. Generally, unused balances are returned to the grantor at the close of specified project periods.

The National School Lunch Program is accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Non-cash commodities are recorded at their estimated market value at the time of donation.

Note 2. De Minimis Cost Rate

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

Note 3. Reconciliation to Basic Financial Statements

The following is a reconciliation of expenditures of federal awards per Exhibit K-1 and federal revenues reported on Exhibit C-2:

| | |
|---|-----------------------------|
| Total expenditures of federal awards per Exhibit K-1 | \$ 28,010,195 |
| General fund - federal revenue | |
| School Health and Related Services (SHARS) | 1,569,596 |
| E rate | 2,905,000 |
| Less: Federal revenue accounted for in the enterprise funds | <u>(6,822,675)</u> |
| Total federal revenues per Exhibit C-2 | <u>\$ 25,662,116</u> |

Note 4. Prior Year Federal Expenditures

The District disclosed \$341,973 in the Schedule for FEMA expenditures that were incurred in a prior fiscal year.