



JUDSON INDEPENDENT SCHOOL DISTRICT

Meeting Date: November 20, 2025

Submitted By: Cecilia Davis

Title: Deputy Superintendent

Agenda Item: Consider and take action regarding approving the Judson ISD Annual Financial Audit Report for the Fiscal Year 2025.

CONSENT ITEM

RECOMMENDATION:

Judson ISD administration recommends that the Board of Trustees approve the Judson ISD Annual Financial Audit Report for Fiscal year 2025 as presented by the firm of Whitley Penn, LLP.

IMPACT/RATIONALE:

In accordance with the requirements of the Texas Education Code, Section 44.008, and Single Audit under the Office of Management and Budget (OMB), Uniform Guidance 2 CFR.200, Subpart F, an annual financial audit must be performed for school districts. The Board of Trustees is required to take action regarding the Financial Audit Report before it is submitted to the Texas Education Agency.

BOARD ACTION REQUESTED:

Approval/Disapproval

JUDSON INDEPENDENT SCHOOL DISTRICT

Annual Financial Report

**For the Year Ended
June 30, 2025**



JUDSON INDEPENDENT SCHOOL DISTRICT

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JUDSON INDEPENDENT SCHOOL DISTRICT

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CERTIFICATE OF BOARD

Judson Independent School District

Name of School District

Bexar

County

015-916

Co. - Dist. No.

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and approved for the year ended June 30, 2025, at a meeting of the Board of Trustees of such school district on November 20, 2025.

President of the Board

Secretary of the Board



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Judson Independent School District

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 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* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 GAS 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 GAS, 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 management's discussion and analysis, budgetary comparison information, pension information, and other-post employment benefit 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 combining fund financial statements and required Texas Education Agency (TEA) schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

To the Board of Trustees
Judson Independent School District

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements and required TEA schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with GAS, we have also issued our report dated November 20, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with GAS in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

San Antonio, Texas
November 20, 2025



JUDSON INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the annual financial report presents our discussion and analysis of the District's financial performance during the year ended June 30, 2025. Please read it in conjunction with the District's financial statements, which follow this section.

Financial Highlights

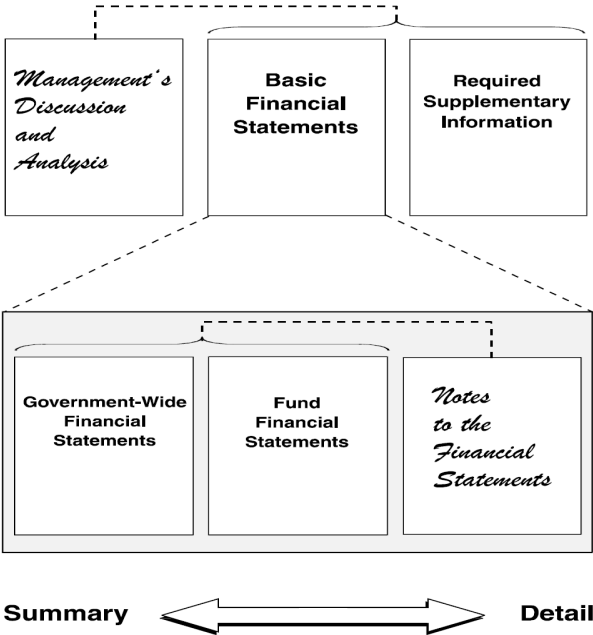
- The liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources by \$15.2 million at the close of the fiscal year ended June 30, 2025, after the restatement of \$0.3 million. Of this amount, \$(101) million is a deficit unrestricted net position. This deficit is attributable mainly to the recognition of the net pension liability, net OPEB liability and their related deferred outflows and inflows, totaling a net \$154 million. The District's net investment in capital assets and restricted net position were both positive amounts of \$42.5 million and \$36.8 million, respectively. As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$353 million. Approximately 24 percent of this total amount or \$84 million is available for spending at the District's discretion (unassigned fund balance). Approximately, 75 percent (\$264.8 million) of the total governmental fund balance is restricted.
- The General Fund reported a total fund balance this year of \$86.5 million at June 30,2025. Of this amount, \$84.0 million is unassigned and available for spending at the District's discretion.
- During the fiscal year, the District issued \$32.0 million of Unlimited Tax Refunding Bonds, Series 2024. The bonds were used to refund the Series 2015 refunding bonds.

Overview of The Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the government, reporting the District's operations in more detail than the government-wide statements.
- The *governmental funds statements* tell how general government services were financed in the short-term as well as what remains for future spending.
- *Fiduciary fund statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

Figure A-1, Required Components of the District's Annual Financial Report



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

JUDSON INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position—the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District's tax base.

The government-wide financial statements of the District include the Governmental Activities. Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services, and general administration. Property taxes and grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds— not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The Board of Trustees (the "Board") establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has the following kinds of funds:

- *Governmental funds* - Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent pages that explain the relationship (or differences) between them.
- *Proprietary funds* - Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.
- *Fiduciary funds* - The District is the fiduciary, for certain student activity funds, which qualify as custodial funds. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

JUDSON INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Government-Wide Financial Analysis

Both current period and prior year data are presented with discussion of significant changes in the accounts. Our analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the District's government-wide activities.

This year-over-year comparison provides an indication of the District's financial well-being. Increases and decreases in net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2025, the District's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$15,219,433, which is a \$27 million decrease from prior year's net position.

Table A-1
Judson Independent School District's Net Position

	Governmental Activities		
	2025	2024	Change
Assets:			
Current and other assets	\$ 407,561,827	\$ 528,894,765	\$ (121,332,938)
Capital assets	690,065,722	610,850,758	79,214,964
Total Assets	<u>1,097,627,549</u>	<u>1,139,745,523</u>	<u>(42,117,974)</u>
Deferred Outflows of Resources	<u>69,563,362</u>	<u>87,955,166</u>	<u>(18,391,804)</u>
Total Assets and Deferred Outflows of Resources	<u>1,167,190,911</u>	<u>1,227,700,689</u>	<u>(60,509,778)</u>
Liabilities:			
Long term liabilities	1,043,999,124	1,008,688,561	35,310,563
Other liabilities	73,124,548	130,636,687	(57,512,139)
Total Liabilities	<u>1,117,123,672</u>	<u>1,139,325,248</u>	<u>(57,512,139)</u>
Deferred Inflows of Resources	<u>65,286,672</u>	<u>76,613,577</u>	<u>(11,326,905)</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,182,410,344</u>	<u>1,215,938,825</u>	<u>(68,839,044)</u>
Net Position:			
Net investment in capital assets	42,554,337	17,112,261	25,442,076
Restricted	43,193,039	50,887,319	(7,694,280)
Unrestricted	(100,966,809)	(56,237,716)	(44,729,093)
Total Net Position	<u>\$ (15,219,433)</u>	<u>\$ 11,761,864</u>	<u>\$ (26,981,297)</u>

JUDSON INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

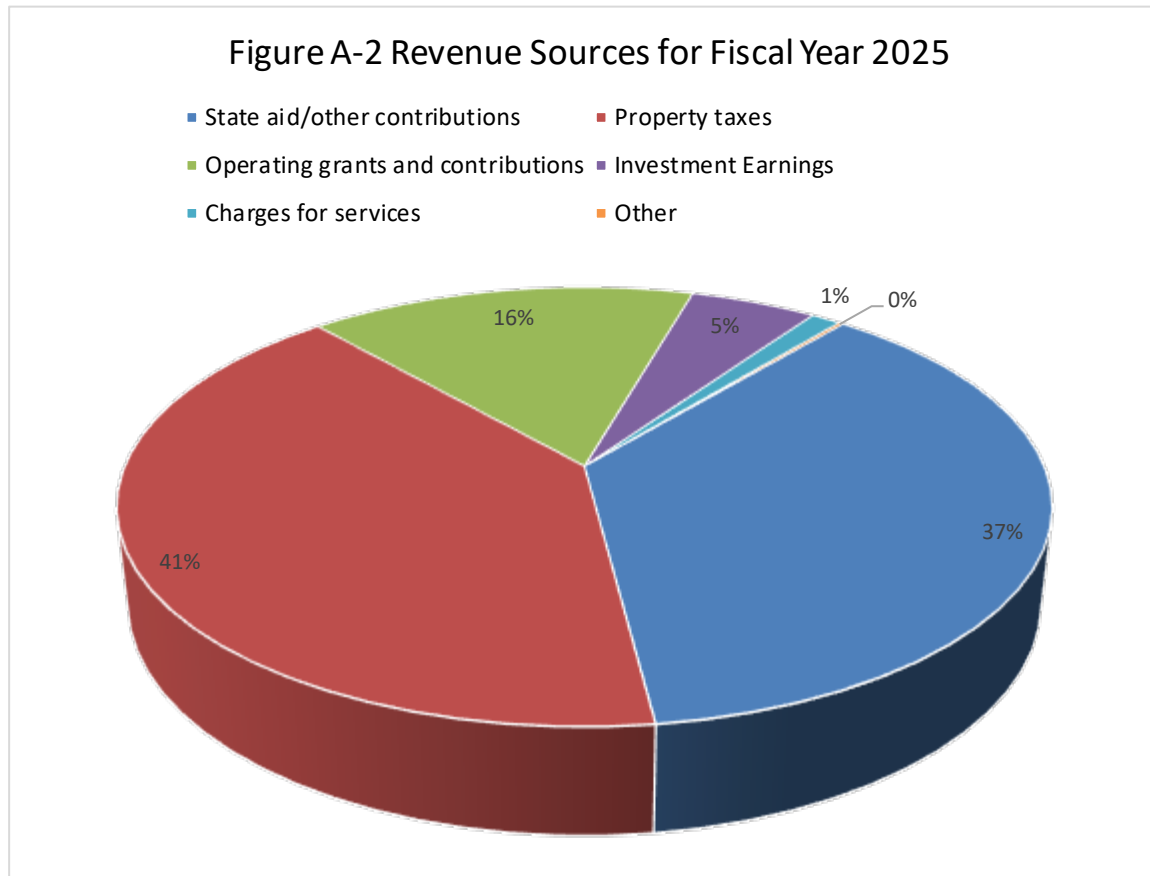
Table A-2
Judson Independent School District's Net Position

	Governmental Activities		
	2025	2024	Change
Program Revenues			
Charges for services	\$ 4,460,330	\$ 7,847,199	\$ (3,386,869)
Operating grants and contributions	58,121,669	98,607,451	(40,485,782)
General Revenues			
Property taxes	147,575,671	143,967,594	3,608,077
State aid formula grants	134,245,091	123,994,641	10,250,450
Investment earnings	19,009,195	18,965,116	44,079
Miscellaneous	685,964	690,764	(4,800)
Total Revenues	364,097,920	394,072,765	(29,974,845)
Expenses			
Instruction and related services	190,734,269	231,872,703	(41,138,434)
Instructional and school leadership	20,827,443	22,438,490	(1,611,047)
Student support services	17,406,210	20,172,578	(2,766,368)
Student transportation	6,455,256	8,154,003	(1,698,747)
Food services	19,379,521	24,796,373	(5,416,852)
Extracurricular activities	9,637,424	9,904,386	(266,962)
General administration	43,656,959	10,304,295	33,352,664
Facilities maintenance and operations	31,222,896	35,829,427	(4,606,531)
Non-instruction support and ancillary services	13,617,778	16,130,780	(2,513,002)
Interest on long-term debt	31,888,866	22,187,078	9,701,788
Other debt service fees	364,492	1,848,711	(1,484,219)
Facilities planning	5,197,271	6,989,491	(1,792,220)
Payments to member districts of shared service arrangements	176,806	-	176,806
Other	840,703	798,614	42,089
Total Expenses	391,405,894	411,426,929	(20,021,035)
 Change in net position	 (27,307,974)	 (17,354,164)	 (9,953,810)
 Beginning Net Position	 11,761,864	 29,796,798	 (18,034,934)
Restatements	326,677	(680,770)	1,007,447
Ending Net Position	\$ (15,219,433)	\$ 11,761,864	\$ (26,981,297)

Net investment in capital assets (e.g., land, construction in progress, buildings, furniture, equipment, vehicles, and right to use lease and subscription assets) less any related debt used to acquire those assets that is still outstanding is \$42.5 million. 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, generally property taxes, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's net position of \$6.4 million represents resources provided by state, federal or local agencies or organizations. These funds are subject to restrictions on how they may be used which are established by the granting agency or organization. Another portion of the District's restricted net position of \$36.8 million represents revenue from local taxes levied for debt service on bonds. The remaining deficit unrestricted net position of (\$101) million is a result of the net pension liability, net OPEB liability and the related deferred outflows and inflows of resources, which totaled \$154 million as of June 30, 2025.

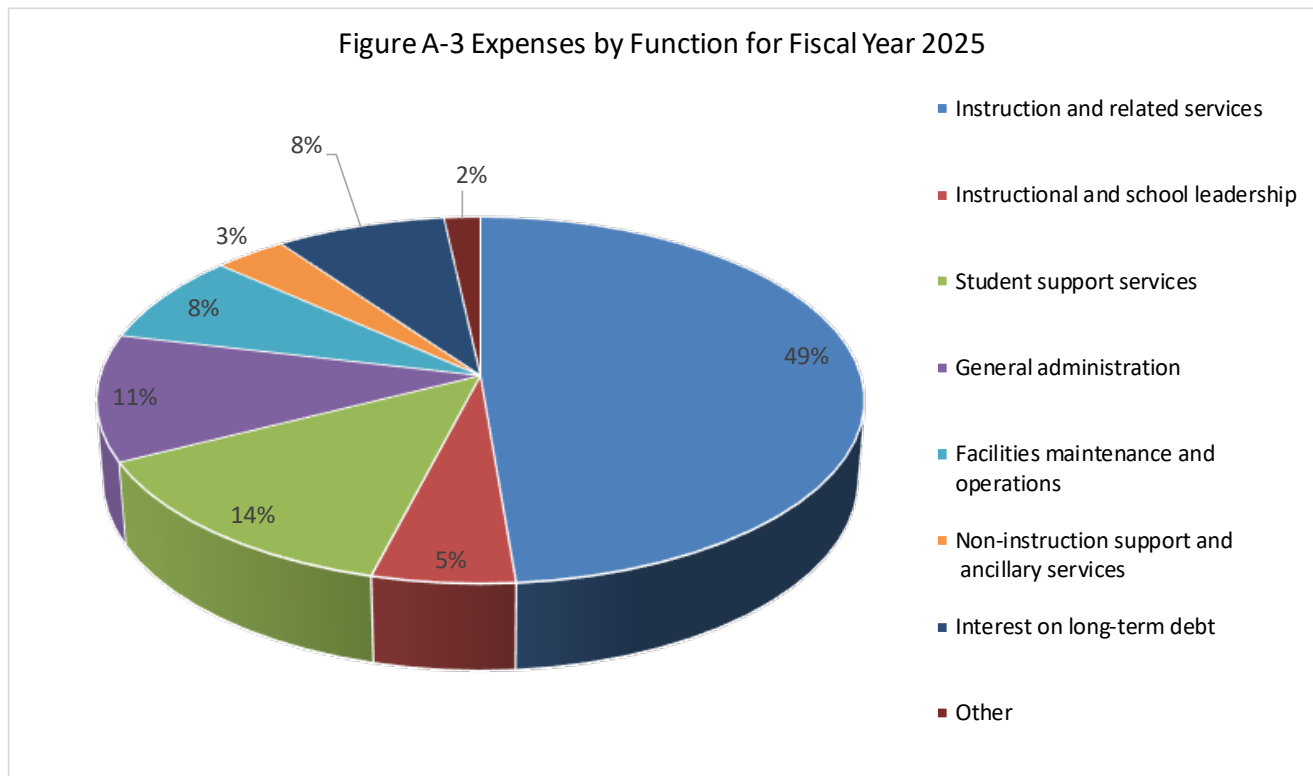
JUDSON INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Changes in net position: The District's total revenues were \$363.9 million. A significant portion, 41 percent of the District's revenue comes from taxes. (See Figure A-2), 37 percent comes from state aid and other non- restricted contributions, 16 percent comes from restricted operating grants and contributions, 5 percent relates to investment earnings, and the remaining amounts totaled 1 percent.



Total costs of the District totaled \$391.2 million. Of this amount, 49 percent of the expenses are for instruction and related services. The second largest cost category is made up of related to costs for student support services, such as food services, and extracurricular services.

JUDSON INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)



Governmental Activities

- Changes in governmental activities net position are presented in Table 2. The District's Governmental Activities revenues were \$363.9 million. The District's two main sources of revenue are from local property taxes and State funding.
- Property tax rates increased from the previous year by \$3.6 million. The total tax rate of \$1.0346 per \$100 of taxable assessed valuation in the current fiscal year did not change from the prior year. The taxable assessed values were \$14.7 billion during the current fiscal year and \$14.6 billion in the previous fiscal year.

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, bond covenants, and segregation for particular purposes.

The financial performance of the District as a whole is reflected in its 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 the District's net resources available for spending at the end of a fiscal year. As the District completed this year, its governmental funds reported a combined ending balance of \$352.8 million of which \$8.0 million, or 24% is considered unassigned and is available for spending at the District's discretion. The remainder of the fund balance is nonspendable or restricted to indicate that it is not available for new spending because it has already been designated for other obligations of the District.

The General Fund is the primary operating fund of the District. The General Fund fund balance is \$87.0 million for the year ended June 30, 2025.

JUDSON INDEPENDENT SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)

General Fund Budgetary Highlights

Over the course of the year, the District revised its budget to provide for changes in operations.

- Actual revenues for the General Fund were \$7.2 million above the final budget. Of this positive variance, approximately \$9.1 million was primarily the result of more actual state aid than budgeted.
- Actual expenditures for the General Fund were \$6.5 million below final budget amounts. The most significant difference, approximately \$1.5 million, occurred in instruction. Another significant difference, \$1.3 million occurred in general administration.
- Total fund balance for the General Fund decreased by \$15.0 million from the preceding fiscal year. Total fund balance for the general fund was \$86.5 million at June 30, 2025 and it was \$101.5 million at June 30, 2024.

Capital Assets and Debt Administration

Capital assets

At June 30, 2025, the District had invested \$691.1 million in a broad range of capital assets, including land, equipment, buildings, vehicles, and right to use assets. (See Table 3). This amount represents a net increase (including additions and deductions) of \$79.2 million or a increase of 13.0%, in net additions and deductions, as compared to the previous year.

Table A-3
District’s Capital Assets

	<u>2025</u>	<u>2024</u>
Capital Assets		
Land	\$ 26,419,753	\$ 26,419,753
Construction in Progress	135,030,809	72,540,184
Buildings and Improvements	861,359,594	826,004,247
Furniture and equipment	74,840,834	69,328,003
Right-to-use assets	11,076,994	7,241,668
Accumulated depreciation/amortization	<u>(418,662,262)</u>	<u>(390,704,488)</u>
Net Capital Assets	<u>\$ 690,065,722</u>	<u>\$ 610,829,367</u>

JUDSON INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Long-Term Liabilities

At year-end, the District had \$887.4 million in bonds, tax maintenance notes, right to use assets liabilities, and accrued compensated absences outstanding. This represents an increase of \$20.1 million from the \$907.5 million outstanding in the prior year. During the fiscal year, the District refunded about \$35.7 million in principal and issued \$32.0 million in bonds. More detailed information about the District's long-term liabilities is presented in the notes to the financial statements. The largest balance of the long-term liabilities in both fiscal year 2024 and 2025 were bonds payable totaling \$826 million and \$800.6 million, respectively.

Economic Factors and Next Year's Budgets and Rates

Appraised taxable value used for the FY26 budget preparation decreased to \$14.4 billion from \$14.7 billion in the previous fiscal year. This represents a decrease of \$300 million or 2%. The tax rate of \$0.9796 per \$100 of taxable property value decreased from the previous fiscal year. The maintenance and operations rate adopted this fiscal year is \$0.6669, down from \$0.7019 from the previous year and the debt service adopted rate of \$0.3127 is down from \$0.3327 from the previous year, with the overall rate of \$0.9796. The decrease in the maintenance and operations rate was due to the accessed disaster relief pennies once Governor Abbot declared Bexar County a disaster county for FY25. The lowered debt tax rate was in a result of prior years' defeasances, growth in taxable value, substantial debt fund balance, and in effort to assist the tax increase on the maintenance and operation side for a proposed voter approval tax ratification election.

- As compared to the original expenditure budget adopted for FY25, the budget for FY26 decreased by \$1.3 million from \$350.3million to \$349 million. This decrease in the general fund is primarily the result in decreased district positions.
- The District's FY26 projected refined average daily attendance for budget purposes was 20,723, FY25 actual average daily attendance was 20,890.

These indicators were considered when adopting the budget for FY26. Total projected revenue available for appropriation in the budget was \$308.6 million, which was a decrease of 4.5% from the original FY25 budget of \$323.2 million. Total revenue from property taxes decreased by 1.4 percent from \$146.4 million in FY24 to \$144.4 million in FY24. State revenue estimates indicate a decrease of \$7.3 million for the general fund. These projections were based on prior 89th Texas Legislature's House Bill 2 including the \$140K homestead exemption.

If these estimates are realized at the time the adopted budget, the District's budgetary unassigned general fund balance is expected to decrease by \$37.2 million. This will result in an estimated unassigned fund balance of \$46.8 million, based on the ending fund balance at June 30, 2025. The district is making efforts to decrease the deficit to maintain a safe level of fund balance for the general operating fund.

Contacting The District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, address requests to the Office of the Chief Financial Officer, Judson Independent School District, 8012 Shin Oak, Live Oak, Texas 78233.

BASIC FINANCIAL STATEMENTS



JUDSON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2025

Exhibit A-1

Data		
Control Codes		Governmental Activities
	Assets	
1110	Cash and cash equivalents	\$ 7,245,426
1120	Investments	347,269,092
1220	Property taxes	4,522,971
1230	Allowance for doubtful accounts	(45,000)
1240	Due from other governments	46,579,794
1290	Other receivables	67,191
1300	Inventories, at cost	490,167
1410	Prepaid items	1,432,186
	Capital assets not subject to depreciation:	
1510	Land	26,419,753
1580	Construction in progress	135,030,809
	Capital assets net of depreciation:	
1520	Buildings and improvements	503,503,808
1530	Furniture and equipment	18,047,058
1550	Right-to-use assets	7,064,294
1000	Total Assets	1,097,627,549
	Deferred Outflows of Resources	
	Deferred charge on refunding	4,450,735
	Deferred outflows - pension	27,729,170
	Deferred outflows - OPEB	37,383,457
1700	Total Deferred Outflows of Resources	69,563,362
	Liabilities	
2110	Accounts payable	29,562,887
2140	Interest payable	8,545,435
2150	Payroll deductions and withholdings payables	6,989,152
2160	Accrued wages payable	27,587,585
2300	Unearned revenue	439,489
	Noncurrent Liabilities:	
2501	Due within one year: Bonds, leases, SBITAs, compensated absences	16,339,629
	Due in more than one year:	
2502	Bonds, leases, SBITAs, compensated absences	871,736,727
2540	Net pension liability	94,543,585
2545	Net OPEB liability	61,379,183
2000	Total Liabilities	1,117,123,672
	Deferred Inflows of Resources	
	Deferred gain on refunding	1,649,157
	Deferred inflows - pension	8,185,000
	Deferred inflows - OPEB	55,452,515
2600	Deferred Inflows of Resources	65,286,672
	Net Position	
3200	Net investment in capital assets	42,554,337
	Restricted for:	
3850	Debt service	36,755,665
3890	Grant funds	6,437,374
3900	Unrestricted	(100,966,809)
3000	Total Net Position	\$ (15,219,433)

JUDSON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025
Exhibit B-1

						Net (Expense) Revenue and Changes in Net Position
						Primary Government
Program Revenue						
Data Control Codes	Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
	Governmental Activities:					
11	Instruction	\$ 179,378,886	\$ 2,062,096	\$ 18,185,705	\$ -	\$ (159,131,085)
12	Instructional resources and media services	2,601,957	-	213,531	-	(2,388,426)
13	Curriculum development and instructional staff development	8,753,426	-	4,826,602	-	(3,926,824)
21	Instructional leadership	5,107,920	-	443,027	-	(4,664,893)
23	School leadership	15,719,523	-	921,212	-	(14,798,311)
31	Guidance, counseling, and evaluation services	11,687,959	-	853,832	-	(10,834,127)
32	Social work services	2,676,793	-	480,003	-	(2,196,790)
33	Health services	3,041,458	-	1,463,232	-	(1,578,226)
34	Student transportation	6,455,256	122,201	102,571	-	(6,230,484)
35	Food services	19,379,521	1,419,840	17,584,923	-	(374,758)
36	Extracurricular activities	9,637,424	476,630	2,474,012	-	(6,686,782)
41	General administration	43,656,959	-	74,442	-	(43,582,517)
51	Facilities maintenance and operations	31,222,896	138,472	537,754	-	(30,546,670)
52	Security and monitoring services	4,151,694	241,091	1,356,737	-	(2,553,866)
53	Data processing services	9,114,343	-	58,305	-	(9,056,038)
61	Community services	351,741	-	163,163	-	(188,578)
72	Interest on long-term debt	31,888,866	-	8,160,199	-	(23,728,667)
73	Other debt service fees	364,492	-	-	-	(364,492)
81	Facilities planning	5,197,271		45,613		(5,151,658)
93	Payments to member districts of shared service arrangements	176,806	-	176,806	-	-
99	Other intergovernmental charges	840,703	-	-	-	(840,703)
TG	Total Governmental Activities	\$ 391,405,894	\$ 4,460,330	\$ 58,121,669	\$ -	(328,823,895)
General Revenues:						
Taxes:						
MT	Property taxes, levied for general purposes					100,234,680
DT	Property taxes, levied for debt service					47,340,991
SF	State-aid formula grants					134,245,091
IE	Investment earnings					19,009,195
MI	Miscellaneous					685,964
TR	Total General Revenues					301,515,921
CN	Change in net position					(27,307,974)
NB	Net Position - Beginning as originally presented					11,761,864
PA	Adjustment due to Implementation of GASB No. 101					326,677
NB	Net Position, Beginning as restated					12,088,541
NE	Net Position - Ending					\$ (15,219,433)

JUDSON INDEPENDENT SCHOOL DISTRICT
Exhibit C-1
**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025**

Data Control Codes		199	599	699	Nonmajor	Total
		General Fund	Debt Service Fund	Capital Projects Fund	Governmental Funds	Governmental Funds
Assets						
1110	Cash and cash equivalents	\$ 4,108,041	\$ -	\$ -	\$ 2,945,900	\$ 7,053,941
1120	Investments	73,155,831	42,886,354	226,473,862	4,270,843	346,786,890
	Receivables:					
1220	Property taxes - delinquent	3,198,417	1,324,554	-	-	4,522,971
1225	Taxes receivable, net					
1230	Allowance for uncollectible taxes (credit)	(32,000)	(13,000)	-	-	(45,000)
1240	Due from other governments	42,933,385	-	-	3,646,409	46,579,794
1260	Due from other funds	2,299,806	1,103,192	-	1,865,021	5,268,019
1290	Other receivables	66,192	-	-	999	67,191
1300	Inventories, at cost	490,167	-	-	-	490,167
1410	Prepaid items	442,397	-	975,365	14,424	1,432,186
1000	Total Assets	\$ 126,662,236	\$ 45,301,100	\$ 227,449,227	\$ 12,743,596	\$ 412,156,159
Liabilities						
2110	Accounts payable	\$ 1,507,758	\$ -	\$ 14,111,891	\$ 301,741	\$ 15,921,390
2150	Payroll deductions and withholdings	6,989,152	-	-	-	6,989,152
2160	Accrued wages payable	25,501,630	-	-	2,085,955	27,587,585
2170	Due to other funds	3,919,596	-	1,481	1,346,942	5,268,019
2300	Unearned revenue	-	-	-	439,489	439,489
2000	Total Liabilities	37,918,136	-	14,113,372	4,174,127	56,205,635
Deferred Inflows of Resources						
	Unavailable revenues - property taxes	2,197,012	924,715	-	-	3,121,727
2600	Deferred Inflows of Resources	2,197,012	924,715	-	-	3,121,727
Fund Balances						
	Non-Spendable:					
3410	Inventories	490,167	-	-	-	490,167
3430	Prepaid items	442,397	-	975,365	599	1,418,361
	Restricted:					
3450	Grant funds	-	-	-	6,436,775	6,436,775
3470	Capital acquisitions and contractual obligations	1,578,675	-	212,360,490	-	213,939,165
3480	Debt service	-	44,376,385	-	-	44,376,385
	Committed:					
3545	Other purposes	-	-	-	2,132,095	2,132,095
3600	Unassigned	84,035,849	-	-	-	84,035,849
3000	Total Fund Balances	86,547,088	44,376,385	213,335,855	8,569,469	352,828,797
4000	Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 126,662,236	\$ 45,301,100	\$ 227,449,227	\$ 12,743,596	\$ 412,156,159

JUDSON INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS TO
STATEMENT OF NET POSITION
June 30, 2025

Exhibit C-1R

Data Control Codes		
	Total Fund Balances - Governmental Funds Balance Sheet	\$ 352,828,797
	Amounts reported for governmental activities in the statement of net position are different because:	
	Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.	
1	Capital assets	1,108,727,984
2	Accumulated depreciation/amortization	(418,662,262)
	Capital Assets, Net of Accumulated Depreciation	690,065,722
	Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
3	Deferred outflows - pensions	27,729,170
4	Deferred inflows - pensions	(8,185,000)
5	Deferred outflows - OPEB	37,383,457
6	Deferred inflows - OPEB	(55,452,515)
	Total Deferred Outflows and Inflows Related to Postemployment Benefits	1,475,112
7	Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	3,121,727
8	The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.	(12,967,810)
	Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.	
9	Bonds payable	(800,604,086)
10	Tax notes	(1,340,000)
11	Compensated absences	(4,354,918)
12	Leases payable	(4,086,929)
13	SBITA payable	(356,724)
14	Accrued interest on long-term debt	(8,545,435)
15	Accreted interest on capital appreciation bonds	(19,381,533)
16	Arbitrage liability	(691,087)
17	Net pension liability	(94,543,585)
18	Net OPEB liability	(61,379,183)
	Total Long-Term Liabilities	(995,283,480)
	Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
19	Deferred amounts on refunding	2,801,578
20	Premium on bonds	(57,261,079)
	Total Premiums and Deferred Items	(54,459,501)
29	Total Net Position-Governmental Activities	\$ (15,219,433)

JUDSON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

Exhibit C-2

Data Control Codes		199	599	699	Nonmajor	
		General Fund	Debt Service Fund	Capital Projects Fund	Governmental Funds	Total Governmental Funds
Revenues						
5700	Local, intermediate, and out-of-state	\$ 108,108,183	\$ 50,134,006	\$ 13,153,510	\$ 4,011,517	\$ 175,407,216
5800	State program revenues	149,508,676	8,160,199	-	4,255,886	161,924,761
5900	Federal program revenues	3,508,445	-	-	35,768,202	39,276,647
5020	Total Revenues	261,125,304	58,294,205	13,153,510	44,035,605	376,608,624
Expenditures						
Current:						
0011	Instruction	163,478,516	-	13,235	14,702,409	178,194,160
0012	Instruction resources and media services	2,422,728	-	35,760	171,907	2,630,395
0013	Curriculum and instructional staff development	4,254,653	-	-	4,606,088	8,860,741
0021	Instructional leadership	4,763,236	-	-	364,039	5,127,275
0023	School leadership	15,051,050	-	11,226	691,106	15,753,382
0031	Guidance, counseling and evaluation services	11,052,285	-	-	661,263	11,713,548
0032	Social work services	2,179,416	-	-	447,539	2,626,955
0033	Health services	2,903,888	-	-	137,086	3,040,974
0034	Student transportation	7,483,123	-	1,455,391	159,328	9,097,842
0035	Food services	245,902	-	-	20,977,125	21,223,027
0036	Extracurricular activities	6,848,653	-	-	2,350,662	9,199,315
0041	General administration	7,140,426	-	76,615	-	7,217,041
0051	Facilities maintenance and operations	31,712,688	-	1,889,920	369,998	33,972,606
0052	Security and monitoring services	3,087,911	-	1,045,937	363,994	4,497,842
0053	Data processing services	7,958,874	-	1,577,454	-	9,536,328
0061	Community services	160,500	-	-	162,362	322,862
Debt service:						
0071	Principal on long-term debt	2,160,953	21,555,000	36,753	3,993	23,756,699
0072	Interest on long-term debt	52,536	31,936,689	4,051	616	31,993,892
0073	Bond issuance costs and fees	-	364,492	-	-	364,492
Capital outlay:						
0081	Facilities acquisition and construction	-	-	104,001,260	45,613	104,046,873
Intergovernmental:						
0093	Payments related to shared services arrangements	-	-	-	176,806	176,806
0099	Other intergovernmental charges	840,703	-	-	-	840,703
6030	Total Expenditures	273,798,041	53,856,181	110,147,602	46,391,934	484,193,758
1100	Excess (deficiency) of revenues over expenditures	(12,672,737)	4,438,024	(96,994,092)	(2,356,329)	(107,585,134)
Other Financing Sources (Uses)						
7901	Refunding bonds issued	-	31,955,000	-	-	31,955,000
7916	Premium on issuance of bonds	-	4,067,000	-	-	4,067,000
7949	Issuance of debt - SBITAs	5,009,250	-	-	-	5,009,250
8911	Transfers out	(7,300,000)	-	-	-	(7,300,000)
8949	Other uses	-	(36,126,997)	-	-	(36,126,997)
7080	Total Other Financing Sources (Uses)	(2,290,750)	(104,997)	-	-	(2,395,747)
1200	Net change in fund balances	(14,963,487)	4,333,027	(96,994,092)	(2,356,329)	(109,980,881)
0100	Fund Balance - July 1 (Beginning)	101,510,575	40,043,358	310,329,947	10,925,798	462,809,678
3000	Fund Balance - June 30 (Ending)	\$ 86,547,088	\$ 44,376,385	\$ 213,335,855	\$ 8,569,469	\$ 352,828,797

JUDSON INDEPENDENT SCHOOL DISTRICT**Exhibit C-2R**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025**

**Data
Control
Codes**

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances - Total Governmental Funds **\$ (109,980,881)**

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

1	Capital outlay	109,640,221
2	Depreciation/amortization	(30,403,866)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

3	Earned but unavailable taxes	(1,509,768)
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Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

4	Issuance of refunding bonds	(31,955,000)
5	Payment to escrow agent	36,126,997
6	Issuance of bonds - premium	(4,067,000)
7	Lease issued	(4,956,168)
8	SBITA issued	(53,082)
9	Principal paid on bonds	21,555,000
10	Principal paid on tax note	430,000
11	Principal paid on leases	1,556,894
12	Principal paid on SBITAs	214,805

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

13	Amortization of bond premiums and discounts	2,891,330
14	Arbitrage expense	(691,087)
15	Accreted interest on long-term debt	(2,095,217)
16	Compensated absences	(2,594,838)
17	Changes in net pension liabilities and related deferred outflows and inflows of resources	(6,421,947)
18	Changes in net OPEB liabilities and related deferred outflows and inflows of resources	6,866,212

19	Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	(11,860,579)
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Change in Net Position of Governmental Activities	<u><u>\$ (27,307,974)</u></u>
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JUDSON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2025

Exhibit D-1

	Internal Service Fund
Assets:	
Current assets:	
Cash and cash equivalents	\$ 191,485
Current investments	482,202
Total Assets	<u>\$ 673,687</u>
Liabilities:	
Current liabilities:	
Claims payable	\$ 13,641,497
Total Liabilities	<u>\$ 13,641,497</u>
Net Position:	
Unrestricted - Deficit	\$ (12,967,810)
Total Net Position	<u>\$ (12,967,810)</u>

JUDSON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2025

Exhibit D-2

	Internal Service Fund
Operating Revenues	
Charges for services	\$ 17,037,939
Total Operating Revenues	<u>17,037,939</u>
Operating Expenses	
Insurance claims and expenses	<u>36,198,518</u>
Total Operating Expenses	<u>36,198,518</u>
Income (Loss) before Transfers	(19,160,579)
Transfers	
Transfer in	<u>7,300,000</u>
Total Transfers	<u>7,300,000</u>
Change in Net Position	(11,860,579)
Net Position - July 1 (Beginning)	<u>(1,107,231)</u>
Net Position - June 30 (Ending)	<u><u>\$ (12,967,810)</u></u>

JUDSON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2025

Exhibit D-3

	Internal Service Fund
Cash Flows from Operating Activities:	
Cash received for premiums	\$ 17,037,939
Cash payments for insurance claims	(27,187,714)
Net Cash Provided by (Used for) Operating Activities	<u>(10,149,775)</u>
Cash Flows from Non-Capital Financing Activities:	
Transfer from other fund	7,300,000
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>7,300,000</u>
Cash Flows from Investing Activities:	
Sale of investments	1,553,530
Net Cash Provided by (Used for) Investing Activities	<u>1,553,530</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,296,245)
Cash and Cash Equivalents, Beginning of Year	1,487,730
Cash and Cash Equivalents, End of Year	<u>\$ 191,485</u>
Operating Income (Loss)	\$ (19,160,579)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	
Increase (decrease) in accounts payable	9,010,804
Total Adjustments	<u>9,010,804</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (10,149,775)</u>

JUDSON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2025

Exhibit E-1

	Custodial Fund
Assets	
Cash and cash equivalents	\$ 256,407
Total Assets	<u>\$ 256,407</u>
Net Position	
Unrestricted	\$ 256,407
Total Net Position	<u>\$ 256,407</u>

JUDSON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2025

Exhibit E-2

	Custodial Fund
Additions	
Fundraising	\$ 277,591
Total Additions	<u>277,591</u>
Deductions	
Student activities	<u>236,556</u>
Total Deductions	<u>236,556</u>
Change in Net Position	41,035
Net Position Beginning of Year	<u>215,372</u>
Net Position End of Year	<u><u>\$ 256,407</u></u>



Note 1 - Summary of Significant Accounting Policies

The basic financial statements of Judson Independent School District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units in conjunction with the Texas Education Agency's Financial Accountability System Resource Guide. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Financial Reporting Entity

The Board of School Trustees, a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public and has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency (TEA) or to the State Board of Education are reserved for the Board of Trustees, and the TEA may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District receives funding from local, state and federal government sources and must comply with the requirements of those funding entities. However, the District is not included in any other governmental reporting entity.

Government-Wide and Fund Financial Statements

Government-wide statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The *capital projects funds* accounts for bond proceeds and expenditures for the construction of school facilities as approved by the District's voters.

In addition, the District reports the following non-major governmental funds:

The *special revenue funds* account for the District's federal, state and locally funded grants or contributions. These grants are awarded to the District with the purpose of accomplishing specific educational tasks as defined in the grant awards.

Note 1 - Summary of Significant Accounting Policies (continued)

Government-Wide and Fund Financial Statements (continued)

Proprietary Funds:

The *internal service fund* is used to account for revenues and expenses related to services provided to parties inside the District. The fund facilitates distribution of support costs to the users of support services on a cost reimbursement basis. Because the principal users of the internal services are the District's governmental activities, this fund type is included in the governmental activities column of the government-wide financial statements. The District operates an self-insured health fund. The operations of the District's self-funded medical plan is accounted for in this fund. Contributions are collected from the employees of the District along with amounts contributed from the District. Claim costs, administrative costs, and stop-loss premiums are paid from the proceeds of the premiums collected. Excess claims are covered by a stop-loss carrier.

Fiduciary funds are reported in the fiduciary fund financial statements. However, because the District is the custodian of these funds and not available to support District programs, these funds are not included in the government-wide statements. The *custodial funds* (a fiduciary fund type) are used to report student activity funds held in a purely custodial capacity.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide and fiduciary fund financial statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty (60) days after year end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the state are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Budgetary information

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

The Board adopts an appropriated budget on a basis consistent with GAAP for the general fund, debt service fund, and food service fund (which is special revenue fund included in the nonmajor funds).

At a minimum, the District is required to present the original and the final amended budgets for revenues and expenditures compared to actual revenues and expenditures for these three (3) funds.

Note 1 - Summary of Significant Accounting Policies (continued)

Budgetary information (continued)

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

Prior to June 19, the District prepares a budget based on the modified zero-based budgeting concept for departmental budgets, and the programmatic budgeting concept for campuses, for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.

After one (1) or more budget workshops with the Board, a meeting is called for the purpose of adopting the proposed budget. At least ten (10) days but not more than thirty (30) days public notice of the meeting is required.

Prior to June 30, the Board of Trustees legally adopts the budget for the general fund, debt service fund, and food service fund.

After the budget for the above listed funds is approved, any amendment that causes an increase or decrease in a fund or functional spending category or total revenue or other resources object category requires Board approval prior to the fact. These amendments are presented to the Board at its regular monthly meeting and are reflected in the official minutes. Because the District has a policy of careful budgetary control, several budgetary amendments were necessary throughout the year.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and cash equivalents

The District's cash and cash equivalents are considered to be cash-on-hand, demand deposits, and public funds investment pools with original maturities of less than three (3) months from the date of acquisition.

Investments

Investments for the District are stated at fair value. The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Note 1 - Summary of Significant Accounting Policies (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Investments (continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of net realizable values or reflective of future fair values. Furthermore, while the District believes its valuation methods are appropriate and consistent with those of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Deposit accounting policy

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

Investment accounting policy

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at net asset value (NAV) or amortized cost.

Property taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a sixty-day period after the close of the fiscal year.

Allowances for uncollectible tax receivables within the General Fund are \$32,000 and \$13,000 for the debt service fund and are based upon 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.

Inventories and Prepaid Items

Inventories of supplies on the balance sheet are stated at weighted average cost, while inventories of food commodities are recorded at market values supplied by the Texas Department of Agriculture. Inventory items are recorded as expenditures when they are consumed. Supplies are used for almost all functions of activity, while food commodities are used only in the food service program. Inventories also include plant maintenance and operation supplies as well as instructional supplies.

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

Note 1 - Summary of Significant Accounting Policies (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Encumbrance accounting

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at June 30, 2025, and encumbrances outstanding at that time are to be canceled and appropriately provided for in the subsequent year's budget.

Capital assets – Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated assets are recorded at their acquisition value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used and land and construction in progress is not depreciated.

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

Capital Asset Classes	Estimated Useful Lives (Years)
Buildings and improvements	35
Portable buildings	25
Buses and heavy equipment	7
Office and computer equipment	5
Vehicles and other	5-10

Receivable and payable balances - The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

Compensated absences - A liability is recognized for compensated absences when leave time meets the following criteria:

- It has been earned for services previously rendered by employees.
- It accumulates and is allowed to be carried over to subsequent years.
- It is more likely than not (MLTN) to be used as time off or settled (e.g., paid in cash to the employee or deposited into a flexible spending account) during or upon separation from employment.

Based on these criteria, the following types of leave meet the recognition requirements under GASB Statement No. 101:

- State Personal Leave
- State Sick Leave (Pre-1995)
- Local Sick Leave
- Vacation Leave

Leave Policies Effective During the Current Fiscal Year

- **State Personal Leave** – Employees earn 5 days per year and can be accumulated without limit. This leave is eligible for payout at retirement if an employee has been with the District 10 years or more. Depending on the role of the employee, the daily rate used ranges from \$75 per day to the full daily rate of an employee when the years of services equals or exceeds 25 years.
- **State Sick Leave (Pre-1995)** – This leave is no longer earned, but is unlimited and is eligible for payout at retirement.
- **Local Sick Leave** – Employees, depending on their role, earn 5 to 7 days of local leave. The leave accumulates without limit and is eligible for payout at retirement or voluntary separation for those employees with 10 or more years of service. The daily rate used varies based on the role of the employee.

Note 1 - Summary of Significant Accounting Policies (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Leave Policies Effective During the Current Fiscal Year (continued)

- **Vacation Leave** – Only 12-month employees are eligible to earn 80 hours per year. The leave accumulates with administrative limits and is eligible to be paid out upon voluntarily separating from the District.

Liability Measurement The District applied a Last-In, First-Out (LIFO) flow assumption in determining the liability for leave expected to be used as time off. Based on data from the past three years, the percentage of leave MLTN to be used as time off is zero. Therefore, the liability is calculated based solely on amounts due at retirement or separation, in accordance with *policy limits*. *Payroll-related costs have been added to the liability for fiscal years 2024 and 2025.* All of the balance is considered long-term.

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

Other postemployment benefits – The fiduciary net position of the 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 other postemployment benefit (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 the 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.

Deferred outflows and inflows of resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. The District has several items that qualify for reporting in this category. One is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other items are related to pensions and other postemployment benefit liabilities.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has several items that qualify for reporting in this category. Unavailable revenue from property taxes arises under the modified accrual basis of accounting and is reported only in the governmental funds balance sheet. The amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The other deferred inflow of resources relate to pension and other postemployment benefits liabilities and are reported on the government-wide statement of net position.

Interfund activity - Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers in and transfers out are netted and presented as a single transfer line on the government- wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single internal balances line on the government-wide statement of net position.

Note 1 - Summary of Significant Accounting Policies (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

In the general fund, the District strives to maintain an unassigned fund balance to be used for local and regional emergencies without borrowing.

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

Arbitrage Payable - The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury for investment income at yields that exceed the issuer's tax-exempt borrowing rates. The Treasury requires that rebatable arbitrage be calculated for tax purposes every fifth year that a debt issue is outstanding and at maturity. In the District's government-wide statements, a liability must be recognized as soon as rebatable arbitrage occurs. However, in the fund financial statements, consistent with the modified accrual basis of accounting, no liability is recognized until due and payable. The District estimates and updates its liability annually for all tax-exempt issuances. As of June 30, 2025, the District has estimated that it has an arbitrage liability of \$691,087.

Data control codes - Data control codes appear in the rows and above the columns of certain financial statements. The TEA requires the display of these codes in the financial statements filed with TEA in order to insure accuracy in building a statewide database for policy development and funding plans.

Fund balance – The District has implemented GASB Statement 54 “*Fund Balance Reporting and Governmental Fund Type Definitions*” which provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority, to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose, positive amounts are reported only in the general fund.

The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. Assigned fund balance is delegated by the Board of Trustees to the Superintendent or Chief Financial Officer of the District.

In the General Fund, the District strives to maintain an unassigned fund balance to be used for local and regional emergencies without borrowing.

Note 1 - Summary of Significant Accounting Policies (continued)

Implementation of New Accounting Standards

GASB issued Statement No. 101, *Compensated Absences*, was issued in June 2022. The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The requirements of this statement were implemented in 2025 and the impact is reflected in the financial statements. See Note 7 and Note 20.

GASB issued Statement No. 102, *Certain Risk Disclosures*, in December 2023. The primary objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. This standard did not impact the District in fiscal year 2025.

Note 2 - Deposits and Investments

Cash deposits

At June 30, 2025, the carrying amount of the District's deposits was \$7,501,833 and the bank balance was \$17,024,273. The District also had \$550 of cash on hand. Of the bank balance, \$250,000 was covered by federal depository insurance, and the remainder was covered by collateral held in the pledging bank's trust department in the District's name. The District's cash deposits are held in JP Morgan Chase Bank, which is qualified as a public depository under Texas law, and is deemed to be insured and not subject to classification by credit risk. At June 30, 2025, the market value of pledged collateral was \$32,000,000.

Investments

The District is required by Government Code Chapter 2256, the Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. The Act determines the types of investments which are allowable for the District. These include, with certain restrictions, (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds.

Note 2 - Deposits and Investments (continued)

Public funds investment pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and are subject to the provisions of the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. In addition to other provisions of the Public Funds Investment Act designed to promote liquidity and safety of principal, it requires Pools to: (1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, (2) maintain a continuous rating of no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service, and (3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

TexPool is an investment pool in which the Comptroller of Public Accounts is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company (the Trust Company), which is authorized to operate the pool. Federated Investors, Inc. manages the assets under an agreement with the Comptroller, acting on behalf of the Trust Company. TexPool is reported at amortized cost and does not have any limitations or restrictions on participants' withdrawals.

Lone Star Liquidity Corporate Overnight is sponsored by the Texas Association of School Boards and is governed by an 11-member Board of Trustees consisting of individuals representing school districts. First Public, LLC under an agreement with the Board is the administrator and American Beacon Advisors and Mellon Investments Corporation provide investment management services to the pool. Lone Star Liquidity uses net asset value to value the portfolio assets.

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the District manages its exposure to interest rate risk is by investing in investment pools which have no stated maturity date and securities with less than five years to maturity unless the investment's maturity is matched to cash flow needs of long-term obligations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the specific investments and their maturity:

	Fair Value /		
	Amortized Cost	Less than 1 year	WAM
Governmental Activities			
US Government Agencies -			
US Treasuries	\$ 52,034,753	\$ 12,424,482	53
Local Government Investment Pools:			
TexPool	247,502,892	247,502,892	27
Lone Star:			
Government Overnight	9,713	9,713	
Corporate Overnight	13,285,217	13,285,217	3
Money Market Funds	1,309,296	1,309,296	
Commercial Paper	25,547,919	25,547,919	13
Federal Farm Credit Banks	2,533,778	2,533,778	1
Federal Home Loan Bank	5,044,974	5,044,974	5
Total Governmental Activities	\$ 347,268,542	\$ 307,658,271	

Weighted average of total investments			<u>28</u>
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Note 2 - Deposits and Investments (continued)

Interest rate risk (continued)

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investments in US government agencies are categorized as Level 2 investments and are valued using observable market data of similar securities.

Credit risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required (where applicable) by the District's investment policy and PFIA and the actual rating as of year-end for each investment as noted by Standard & Poors:

Description	Minimum	Investment	Rating Organization
	Legal Rating	Rating	
TexPool Investment Fund	AAA	AAAm	Standard & Poors
Lone Star Pool Investment Fund	AAA	AAA	Standard & Poors

Concentration of credit risk – The District is required to disclose investments in any one issuer that represents 5% or more of total investments. However, investments issued or explicitly guaranteed by the United States government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by PFIA. The District's exposure to concentration of credit risk at June 30, 2025 is as follows:

TexPool and Lone Star Investment Funds are rated at AAAm and AAA, respectively by Standard and Poor's. Investments in this rating category meet the highest standards for credit quality, conservative investment policies, and safety of principal. TexPool and Lone Star Investment Funds invests in a high quality portfolio of debt securities investments that are legally permissible for local governments in the state. The District is not exposed to a concentration of credit risk.

Note 3 - Property Taxes

The Texas Legislature in 1979 adopted a comprehensive Property Tax Code (the "Code") which established a county-wide appraisal district and an appraisal review board in each county in the State. The District's appraisal district is responsible for the recording and appraisal of all property in the District. Under the Code, the District's Board sets the tax rates on property and the County Tax Assessor/Collector provides tax collection services. The appraisal district is required under the Code to assess property at 100% of its appraised value. Further, real property must be reappraised at least every three years. Under certain circumstances, taxpayers and taxing units, including the District, may challenge orders of the Appraisal Review Board through various appeals, and if necessary, legal action.

Property taxes are levied as of October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes and penalties and interest that are ultimately imposed. The net assessed value at for the 2025 fiscal year was \$14,673,172,047. The District levied taxes based on a combined tax rate of \$1.0346 per \$100 of assessed valuation for local maintenance (general governmental services) and debt service.

Note 4 - Receivables, Unearned Revenue and Deferred Inflows of Resources

Below is the receivable by governmental fund.

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Funds</u>
Due from State of Texas/Other Governments	\$ 42,933,385	\$ -	\$ -	\$ 3,646,409

The majority of the receivable in the General Fund is related to Foundation School Program and Available School Fund cash payments received made subsequent to year end for revenue earned. The amounts due from the State in the nonmajor funds are related to federal and state grants.

The District reports \$439,489 in unearned revenue for advance payments received for various grants, but not earned.

The deferred inflows of resources are related to unavailable property taxes in the amount of \$2.2 million and \$0.9 million in the General Fund and Debt Service Fund, respectively.

Note 5 - Interfund Receivables, Payables, and Transfers

Due to and from other funds

Balances due to and due from other funds at June 30, 2025, consisted of the following:

<u>Governmental Activities:</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 2,299,806	\$ 3,919,596
Debt Service Fund	1,103,192	-
Capital projects fund	-	1,481
Nonmajor funds	1,865,021	1,346,942
	<u>\$ 5,268,019</u>	<u>\$ 5,268,019</u>

All amounts due are scheduled to be repaid within one year. The District also reported several operating transfers in and out of various funds. The General Fund transferred \$7.3 million to the internal service fund to reduce the deficit net position during the fiscal year.

JUDSON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)

Exhibit F-1

Note 6 - Capital Assets

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

	Balance July 1, 2024	Additions	(Retirements)	Transfers	Balance June 30, 2025
Capital Assets, Not being Depreciated					
Land	\$ 26,419,753	\$ -	\$ -	\$ -	\$ 26,419,753
Construction in progress	72,540,184	89,437,834	-	(26,947,209)	135,030,809
Total Capital Assets, Not being Depreciated	98,959,937	89,437,834	-	(26,947,209)	161,450,562
Capital Assets, Being Depreciated/Amortized					
Buildings and improvements	826,004,247	8,408,138	-	26,947,209	861,359,594
Furniture and equipment	69,328,003	5,629,901	(117,070)	-	74,840,834
Right-to-use lease assets - equipment	1,235,006	4,956,168	-	-	6,191,174
Subscription IT Arrangements	6,006,662	1,208,180	(2,329,022)	-	4,885,820
Total Capital Assets, Being Depreciated/Amortized	902,573,918	20,202,387	(2,446,092)	26,947,209	947,277,422
Less accumulated Depreciation/Amortization for:					
Buildings and improvements	(334,404,539)	(23,451,247)	-	-	(357,855,786)
Furniture and Equipment	(52,827,350)	(4,083,496)	117,070	-	(56,793,776)
Right-to-use lease assets - equipment	(565,391)	(1,288,932)	-	-	(1,854,323)
Subscription IT Arrangements	(2,907,208)	(1,580,191)	2,329,022	-	(2,158,377)
Total Accumulated Depreciation/Amortization	(390,704,488)	(30,403,866)	2,446,092	-	(418,662,262)
Governmental Capital Assets	\$ 610,829,367	\$ 79,236,355	\$ -	\$ -	690,065,722
Less:					
Outstanding principal of capital-related debt					(800,604,086)
Tax maintenance notes used for capital purchases					(1,340,000)
Unamortized premiums on bonds					(57,261,079)
Lease and SBITA liabilities					(4,443,653)
Plus:					
Unspent bond proceeds					213,335,855
Unamortized deferred losses on refunding					2,801,578
Net Investment in Capital Assets					\$ 42,554,337

Note 6 - Capital Assets (continued)

Depreciation was charged to functions as follows:

Function	Depreciation/ Amortization Expense
Instruction	\$ 16,631,130
Instructional resources & media services	197,179
Curriculum & instructional staff development	716,498
Instructional leadership	359,696
School leadership	1,305,195
Guidance, counseling & evaluation services	1,019,695
Social work services	202,740
Health services	265,237
Student (pupil) transportation	760,052
Food services	1,970,205
Cocurricular/extracurricular activities	794,713
General administration	677,105
Plant maintenance & operations	3,163,055
Security and monitoring services	648,289
Data processing services	1,663,372
Community services	29,705
	<u>\$ 30,403,866</u>

Note 7 - Long-Term Liabilities

The District has entered into a continuing disclosure undertaking to provide annual reports and material event notices to the Municipal Securities Rule Making Board through the electronic municipal market access website. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the District.

Long-term liabilities - Bonds

Bonded indebtedness of the District is reflected as governmental activities in the statement of net position. Effective interest rates range from 0.0196% to 5.63%.

Description	Interest Rate Payable	Original Amounts Issued	Amount Outstanding as of June 30, 2025
School Building Bonds:			
School Building Bonds Series 2007	4.00% to 5.63%	\$ 5,689,223	\$ 5,689,223
School Building and Refunding Bonds Series 2016	3.00% to 5.00%	310,915,000	270,305,000
Refunding Bonds Series 2016 A	1.00% to 5.00%	63,985,000	43,210,000
School Building Bonds Series 2016 B	3.25% to 5.00%	4,945,000	4,195,000
School Building Bonds Series 2017	2.00% to 5.00%	55,730,000	54,330,000
Refunding Bonds Series 2020	2.00% to 5.00%	11,710,000	1,830,000
Refunding Bonds Series 2020	.0196% to 2.16%	87,129,863	72,129,863
School Building Bonds Series 2023	4.00% to 5.00%	87,129,863	73,370,000
School Building Bonds Series 2024	4.00% to 5.00%	245,890,000	243,590,000
Unlimited Tax Refunding Bonds Series 2024	5.00%	31,955,000	31,955,000
Total all Bonds		<u>\$ 905,078,949</u>	<u>\$ 800,604,086</u>

Note 7 - Long-Term Liabilities (continued)

Additions are made up of interest accreted on capital appreciation bonds for the year ended June 30, 2025. The capital appreciation bonds were originally recorded at their face value and have only been reduced as principal payments were made. Since these bonds mature at different dates the bonds are now included in bonds payable at their accreted value, for principal amounts due as of June 30, 2025.

During fiscal year 2025, the District issued \$31,955,000 in Unlimited Tax Refunding Bonds, Series 2024 (non-PSF). The bonds were issued at a premium of \$4,067,000 and were used to refund Unlimited Tax Refunding Bonds, Series 2015 outstanding principal of \$35,695,000. The debt service of the refunded bonds was \$52 million versus \$47.9 million of the refunding bonds debt service. The economic gain on the refunding (present value savings) totaled \$3.6 million. The refunding bonds mature in fiscal year 2037.

Summary information on the capital appreciation bonds is as follows:

Series	Maturity	Original Amount	Accreted Value	Value at
2007	2026-2027	\$ 5,689,223	\$ 23,779,206	\$ 26,400,000
2020	2038-2039	7,364,863	8,656,413	21,170,000

Long-term liabilities include debt and other long-term liabilities. Changes in long-term liabilities for the year ended June 30, 2025 are as follows:

	Balance, as Restated July 1, 2024	Additions	Retirements	Balance June 30, 2025	Due Within One Year
Long-term Debt					
Governmental Activities:					
General obligation bonds	\$ 825,899,086	\$ 31,955,000	\$ (57,250,000)	\$ 800,604,086	\$ 13,590,048
Premium on bonds	59,530,429	4,067,000	(6,336,350)	57,261,079	-
Capital appreciation bonds - accreted interest	17,286,316	2,095,217	-	19,381,533	-
Tax notes - direct borrowing	1,770,000	-	(430,000)	1,340,000	440,000
Total Bonds Payable	904,485,831	38,117,217	(64,016,350)	878,586,698	14,030,048
Other long-term liabilities:					
Arbitrage liability	-	691,087	-	691,087	691,087
Compensated absences*	1,760,080	2,594,838	-	4,354,918	-
Lease liability**	716,682	4,956,168	(1,585,921)	4,086,929	1,443,410
Subscription liability	518,447	-	(161,723)	356,724	175,084
Total Governmental Activities	\$ 907,481,040	\$ 46,359,310	\$ (65,763,994)	\$ 888,076,356	\$ 16,339,629

*GASB No. 101 Implementation required an adjustment of the beginning balance.

** Adjustment due to a correction of error for fiscal year 2024 lease liability.

The general fund, the primary governmental activity fund type, is typically used to liquidate compensated absences.

The beginning balance for compensated absences were adjusted as follows:

Beginning Balance as originally presented	\$ 2,082,914
Restatement for GASB No. 101 Implementation	(322,834)
Beginning Balance as Restated	<u>\$ 1,760,080</u>

Note 7 - Long-Term Liabilities (continued)

Debt service requirements

Debt service requirements on long-term debt at June 30, 2024, are as follows:

Fiscal Year	Principal	Interest	Totals
2026	\$ 13,590,048	\$ 41,933,624	\$ 55,523,672
2027	11,854,175	41,726,719	53,580,894
2028	21,935,000	31,027,026	52,962,026
2029	23,240,000	30,323,484	53,563,484
2030	24,015,000	29,623,272	53,638,272
2031 - 2035	131,800,000	135,814,778	267,614,778
2036 - 2040	142,544,863	122,978,317	265,523,180
2041 - 2045	190,780,000	76,965,550	267,745,550
2046 - 2050	139,885,000	40,123,674	180,008,674
2051-2055	100,960,000	8,658,800	109,618,800
Totals	\$ 800,604,086	\$ 559,175,244	\$ 1,359,779,330

The outstanding 2016 Series Bonds include Serial and Capital Appreciation Bonds (CABs). The interest shown above, with respect to the Capital Appreciation Bonds, includes the interest to be paid on bonds maturing in the respective years and does not include accrued interest on bonds not maturing in those years. The remaining payments for the 2016 CABs are due during fiscal years 2027 and 2038 in the amount of \$13,145,000 and \$6,939,047, respectively.

Tax notes – direct borrowing loan

The District has entered into limited maintenance tax notes to finance the acquisition of school buses.

The assets acquired with the tax notes are:

School buses \$9,177,541

Debt service requirements on tax notes (direct borrowings) at June 30, 2025, are as follows:

Year Ending June 30,	Tax Notes Payable		
	Principal	Interest	Total
2026	\$ 440,000	\$ 27,336	\$ 467,336
2027	445,000	18,360	463,360
2028	455,000	9,282	464,282
Totals	\$ 1,340,000	\$ 54,978	\$ 1,394,978

The effective interest rate on the outstanding tax notes is 2.040%

Note 8 - Leases

At June 30, 2025, the District was obligated under right to use lease for copiers (\$676,674). The copiers were leased for various District offices and campuses for a term of 5 years at interest rates of 1.0% to 6.0%. The monthly payments range from \$215 to \$190,990. These leases are not renewable and the District will not acquire the assets at the end of the lease term. Future minimum lease payments on these operating leases are as follows:

Fiscal Year	Principal	Interest	Total
2026	\$1,443,410	\$ 121,836	\$ 1,565,246
2027	1,366,620	80,905	1,447,525
2028	1,273,258	40,497	1,313,755
2029	3,641	30	3,671
Totals	\$4,086,929	\$ 243,268	\$ 4,330,197

Description	Start Date	End Date	Interest Rate	Lease Liability		Right to Use Asset		
				Original Amount	Outstanding Balance	Original Amount	Accumulated Amortization	Net Amount
Copier	03/15/24	03/14/29	2.4320%	\$ 9,387	\$ 7,106	\$ 9,387	\$ (2,429)	\$ 6,958
Copier	10/15/23	10/15/28	3.6510%	31,727	21,787	31,727	(10,852)	20,875
Copier	05/01/24	05/01/28	2.8320%	9,738	7,209	9,738	(2,838)	6,900
Copier	07/15/23	07/15/27	2.9260%	160,948	86,172	160,948	(78,854)	82,094
Copier	07/15/23	07/15/27	2.9260%	35,389	18,948	35,389	(17,338)	18,051
Copier	09/15/23	12/15/26	3.0410%	8,890	4,212	8,890	(4,904)	3,986
Laptops	09/01/24	08/31/28	3.1940%	4,956,168	3,658,094	4,956,168	(1,032,535)	3,923,633
Copier	11/01/21	11/28/26	0.7120%	937,882	269,131	937,882	(677,245)	260,637
Copier	02/01/22	11/28/26	0.7360%	16,653	5,027	16,653	(11,785)	4,868
Copier	02/15/22	11/28/26	0.7360%	6,912	2,087	6,912	(4,875)	2,037
Copier	01/15/23	03/15/27	2.8160%	9,110	3,957	9,110	(5,377)	3,733
Copier	01/28/23	11/28/26	2.8160%	8,370	3,199	8,370	(5,291)	3,079
				\$ 6,191,174	\$ 4,086,929	\$ 6,191,174	\$ (1,854,323)	\$ 4,336,851

Note 9 - Subscription-Based Information Technology Arrangements (SBITAs)

The District has entered into several subscription-based information technology arrangements for software. The terms of the arrangements range from 12 months to 60 months and interest rates from 2.19 % to 3.76%. District has eight (8) different vendor arrangements making up the asset and liability amounts.

Fiscal Year	Principal	Interest	Total
2026	\$ 175,084	\$ 9,565	\$ 184,649
2027	137,856	4,905	142,761
2028	43,784	1,257	45,041
Totals	\$ 356,724	\$15,727	\$ 372,451

Note 10 - Revenues From Local and Intermediate Sources

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

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Property Taxes	\$ 101,176,135	\$ 47,909,304	\$ -	\$ -	\$ 149,085,439
Food service	-	-	-	1,444,883	1,444,883
Investment Earnings	3,385,977	2,220,124	13,153,510	164,786	18,924,397
Campus Activities	-	-	-	2,396,781	2,396,781
Tuition/Fees	2,118,146	-	-	-	2,118,146
Athletics	476,630	-	-	-	476,630
Gifts and Bequests	105,497	-	-	-	105,497
Rent	113,429	-	-	-	113,429
Insurance Recovery	56,050	-	-	-	56,050
Miscellaneous	676,319	4,578	-	5,067	685,964
Total	\$ 108,108,183	\$ 50,134,006	\$ 13,153,510	\$ 4,011,517	\$ 175,407,216

Note 11 - Defined Benefit Pension Plan

Plan Description

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

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

Pension Plan Fiduciary Net Position

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report 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>, or by writing to TRS at attention Finance Division, PO BOX 149676, Austin, TX, 78714-0185, or by calling 1-800-223-8778.

Note 11 - Defined Benefit Pension Plan (continued)

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered under a previous rule. There are no automatic postemployment benefit changes; including automatic cost of living allowances (COLAs). Ad hoc postemployment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the plan description above. Accordingly, the 2023 Texas Legislature passed Senate Bill (SB) 10 and House Joint Resolution (HJR) 2 to provide eligible retirees with a one-time stipend and an ad hoc cost-of-living-adjustment (COLA).

One-Time Stipends

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

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

Cost-of-Living Adjustment

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

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

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

Contributions

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

Note 11 - Defined Benefit Pension Plan (continued)

Contributions (continued)

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

	Contribution Rates	
	September 1, 2024 to August 31, 2025	September 1, 2023 to August 31, 2024
Member	8.25%	8.25%
Non-employer contributing agency	8.25%	8.25%
Employers	8.25%	8.25%

	Current Fiscal Year Contributions
Employer (District)	\$ 8,093,446
Employee (Member)	16,489,719
Non-employer Contributing Entity	
On-behalf Contributions (State)	11,789,354

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

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate, times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year, reduced by the amounts described below which are paid by the employers. Employers (public schools, junior colleges, 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 is a surcharge an employer is subject to:

- 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% in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Note 11 - Defined Benefit Pension Plan (continued)

Actuarial Assumptions

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

Component	Result
Valuation Date	August 31, 2023, rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term Expected Rate	7.00%
Municipal Bond Rate as of August 2024	3.87% - The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index"
Last year ending August 31 in Projection Period (100 years)	2123
Inflation	2.30%
Salary Increases	2.95% to 8.95% including inflation
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2023. For a full description of these assumptions please see the actuarial valuation report dated November 22, 2023.

Discount Rate

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

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

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

Note 11 - Defined Benefit Pension Plan (continued)

Discount Rate (continued)

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

Asset Class	Target Allocation²	Long-Term Expected Geometric Real Rate of Return³	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.00%	4.40%	1.00%
Non-U.S. Developed	13.00%	4.20%	0.80%
Emerging Markets	9.00%	5.20%	0.70%
Private Equity ¹	14.00%	6.70%	1.20%
Stable Value			
Government Bonds	16.00%	1.90%	0.40%
Absolute Return ¹	0.00%	4.00%	0.00%
Stable Value Hedge Funds	5.00%	3.00%	0.20%
Real Return			
Real Estate	15.00%	6.60%	1.20%
Energy, Natural Resources & Infrastructure	6.00%	5.60%	0.40%
Commodities	0.00%	2.50%	0.00%
Risk Parity	8.00%	4.00%	0.40%
Asset Allocation Leverage			
Cash	2.00%	1.00%	0.00%
Asset Allocation Leverage	-6.00%	1.30%	-0.10%
Inflation Expectation			2.40%
Volatility Drag ⁴			-0.70%
Expected Return	100.00%		7.90%

¹ Absolute Return includes Credit Sensitive Investments.

² Target allocations are based on the fiscal year 2024 policy model.

³ Capital Market Assumptions (CMA) come from 2024 AAA Study CMA Survey (as of 12/31/23).

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

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the net pension liability if the discount rate used was 1 percentage point lower than and 1 percentage point higher than the discount rate that was used (7.00%) in measuring the Net pension liability:

	Discount Rate		
	1% Decrease (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
District's proportional share of the net pension liability	\$ 151,010,061	\$ 94,543,585	\$ 47,757,095

Note 11 - Defined Benefit Pension Plan (continued)

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

On June 30, 2025 the District reported a liability of \$94,543,585 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 94,543,585
State's proportionate share that is associated with the District	<u>118,747,683</u>
Total	<u>\$ 213,291,268</u>

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

On August 31, 2025, the employer's proportion of the collective net pension liability was 0.1548% which was a decrease of 0.0122% from its proportion measured as of August 31, 2023.

Changes in Assumptions and Benefits Since the Prior Actuarial Valuation

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

The 2023 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 the year ended June 30, 2024, the District recognized pension expense of \$14,570,475. The District also recognized on-behalf of pension expense and revenue of \$14,192,333 for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 5,211,113	\$ (738,150)
Changes of assumption	4,881,488	(654,441)
Net difference between projected and actual earnings on pension plan investments	574,698	-
Changes in proportion and differences between District contributions and proportionate share of contributions	10,318,527	(6,792,409)
District contributions subsequent to the measurement date of the net pension liability	6,743,344	-
Total	<u>\$ 27,729,170</u>	<u>\$ (8,185,000)</u>

Note 11 - Defined Benefit Pension Plan (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

The District recognized \$6,743,344 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. The other amounts of the District's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	Pension Expense	Balance of Deferred Outflows (Inflows)
2026	\$ 1,623,058	\$ (1,623,058)
2027	12,116,618	(13,739,676)
2028	2,173,169	(15,912,845)
2029	(2,699,325)	(13,213,520)
2030	(412,694)	
Thereafter	-	
	<u>\$ 12,800,826</u>	

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

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

Note 12 - Defined Other Postemployment Benefit Plan

OPEB Plan Fiduciary Net Position

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

Benefits Provided

TRS-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 postemployment benefit changes; including automatic COLAs.

Note 12 - Defined Other Postemployment Benefit Plan (continued)

Benefits Provided (continued)

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

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

Contributions

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of salary. Section 1575.204 establishes a public school contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the employer. The actual public school contribution rate is prescribed by the Legislature in the General Appropriations Act, which is 0.75% of each active employee's pay for fiscal year 2025. The following table shows contributions to the TRS-Care plan by type of contributor.

	Contribution Rates	
	September 1, 2024 to June 30, 2025	July 1, 2024 to August 31, 2024
Member	0.65%	0.65%
Non-employer contributing agency	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private funding	1.25%	1.25%

	Current Fiscal Year Contributions
Employer (District)	\$ 1,747,569
Employee (Member)	1,299,203
Non-employer Contributing Entity	
On-behalf Contributions (State)	3,468,144

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to. When hiring a TRS retiree, employers are required to pay TRS Care, a monthly surcharge of \$535 per retiree.

Note 12 - Defined Other Postemployment Benefit Plan (continued)

Actuarial Assumptions

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2021. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2023 TRS pension actuarial valuation that was rolled forward to August 31, 2024: (a) Rates of Mortality, (b) Rates of Retirement, (c) Rates of Termination, (d) Rates of Disability, (e) General Inflation, and (f) Wage Inflation.

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

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

Component	Result
Valuation Date	August 31, 2023, rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	3.87% as of August 31, 2024
Aging Factors	Based on the Society of Actuaries' 2013 Study "Health Care Costs - From Birth to Death".
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claim costs.
Projected Salary Increases	2.95% to 8.95% including inflation
Healthcare Trend Rates	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.
Election Rates	Normal Retirement: 62% participation rate prior to age 65 and 25% participation rate after age 65. Pre-65 retirees: 30% of pre-65 retirees are assumed to discontinue coverage at age 65.
Ad hoc post-employment benefit changes	None

Note 12 - Defined Other Postemployment Benefit Plan (continued)

Discount Rate

A single discount rate of 3.87% was used to measure the total OPEB liability. There was a decrease of 0.26% in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The source of the municipal bond rate is the Fidelity “20-year Municipal GO AA Index” as of August 31, 2024 using the fixed-income market data/yield curve/data municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Discount Rate Sensitivity Analysis

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

	Discount Rate		
	1% Decrease (2.87%)	Current Rate (3.87%)	1% Increase (4.87%)
District's proportional share of the net OPEB liability	\$ 72,921,337	\$ 61,379,183	\$ 52,052,948

Healthcare Trend Rate Sensitivity Analysis

The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the assumed healthcare cost trend rate:

	Healthcare Cost Trend Rate		
	1% Decrease	Current Rate	1% Increase
District's proportional share of the net OPEB liability	\$ 49,984,232	\$ 61,379,183	\$ 76,227,940

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

On June 30, 2025, the District reported a liability of \$61,379,183 for its proportionate share of the TRS’s Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 61,379,183
State's proportionate share that is associated with the District	76,907,283
Total	<u><u>\$ 138,286,466</u></u>

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

At August 31, 2024, the District’s proportion of the collective Net OPEB Liability was 0.0041% which was a decrease of 0.0020% from its proportion measured as of August 31, 2023.

Note 12 - Defined Other Postemployment Benefit Plan (continued)

OPEB Liabilities, OPEB Expense, And Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (continued)

Changes Since the Prior Actuarial Valuation

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

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

Changes of Benefit Terms Since the Prior Measurement Date

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

For the year ended June 30, 2025, the District recognized negative OPEB expense of \$5,109,578. The District also recognized negative on-behalf OPEB expense and revenue of \$9,996,527 for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 11,764,329	\$ (30,631,540)
Changes of assumption	7,855,810	(20,027,317)
Net difference between projected and actual earnings on OPEB plan investments		(171,882)
Changes in proportion and differences between District contributions and proportionate share of contributions	16,309,441	(4,621,776)
District contributions subsequent to the measurement date of the net OPEB liability	1,453,877	-
Total	\$ 37,383,457	\$ (55,452,515)

The District recognized \$1,453,877 as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date, which will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2026. The other amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	OPEB Expense Amount	Balance of Deferred Outflows (Inflows)
2026	\$ (6,707,117)	\$ 6,707,117
2027	(3,927,091)	10,634,208
2028	(5,260,292)	15,894,500
2029	(4,228,125)	20,122,625
2030	(1,243,677)	-
Thereafter	1,843,367	18,279,258
	\$ (19,522,935)	

Note 12 - Defined Other Postemployment Benefit Plan (continued)

Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended June 30, 2025, 2024, and 2023, the subsidy payments received by TRS-Care on-behalf of the District were \$1,294,968, \$1,089,743, and \$1,024,940, respectively. These payments are recorded as equal revenues and expenditures in the governmental funds' financial statements of the District.

Note 13 - Health Care Coverage

During the year ended June 30, 2025, employees of the District were covered by a health insurance plan. The District paid premiums of \$400 per month per employee to the plan during 2025. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a licensed insurer through June 30, 2025. The plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by a contractual agreement. Effective January 1, 2022 the District offered 5 plan options, which are self-funded through an Internal Service Fund. Accrued expense in the Health Insurance Fund are based on actuarial estimates of the amounts necessary to pay prior and current period claims and to establish a reserve for catastrophic losses. A liability claim is established if information indicates it is a probability that a liability has incurred as the date of the financial statements and the amount of the loss is reasonably estimable.

A reconciliation of changes in the aggregate liabilities for major medical claims for the prior and current fiscal period is presented below:

	Beginning Balance	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Year
2024-2025	\$ 4,630,693	\$ 36,198,518	\$ (27,187,714)	\$ 13,641,497
2023-2024	1,995,655	18,256,140	(15,621,102)	4,630,693
2022-2023	478,664	15,925,346	(14,408,355)	1,995,655

Note 14 - Workers' Compensation Plan

Judson Independent School District established a limited risk management program for worker's compensation effective September 1, 1991. During the year ended June 30, 2025, a total of \$683,270 was paid in benefits.

An excess coverage insurance policy covers individual claims in excess of \$500,000 for any one event up to a maximum limit of \$1,000,000. Accrued liabilities of \$330,302 represents the administrator's estimate of the aggregate liability for claims made.

	Beginning of Year Accrual	Current Year Estimates	Claims Payments	End of Year Accrual
2023-2024	\$ 455,393	\$ 734,939	\$ (674,104)	\$ 516,238
2024-2025	516,238	497,334	(683,270)	330,302

Note 15 - Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters for which the District carries commercial insurance. During fiscal year 2025, the District purchased replacement value commercial property insurance with a \$100,000 deductible. There were no significant reductions in coverage in the past fiscal year.

Note 16 - Commitments and Contingencies

Contingencies

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

Construction commitments

As of June 30, 2025, the District was obligated under the terms of agreements for the construction of the following projects:

Project	Approved Construction Budget	Construction in Progress	Remaining Commitment
Candlewood Elementary School	\$ 1,811,138	\$ 1,622,060	\$ 189,078
Cibolo Creek Middle School	86,301,468	79,348,569	6,952,899
Converse Elementary School	157,075	15,345	141,730
Copperfield Elementary School	102,608	81,683	20,925
Cornado Village Elementary School	666,774	361,202	305,572
Crestview Elementary School	761,403	546,158	215,245
District Office	58,750	29,375	29,375
Elolf Elementary School	653,826	315,153	338,673
Escondido Elementary School	83,338	71,008	12,330
Facilities	5,680	-	5,680
Franz Elementary School	981,096	404,509	576,587
Hartman Elementary School	1,445,355	1,100,336	345,019
Hopkins Elementary School	658,234	556,536	101,698
Judson High School	89,689	-	89,689
Judson Middle School	1,128,063	945,496	182,567
Masters Elementary School	284,072	234,718	49,354
Metzger Middle School	164,331	140,863	23,468
Miller's Point Elementary School	866,282	600,834	265,448
Olympia Elementary School	526,463	251,135	275,328
Park Village Elementary School	260,628	235,628	25,000
Paschall Elementary School	613,810	467,930	145,880
Performing Arts Center	58,750	29,375	29,375
Rolling Meadows Elementary School	291,929	103,787	188,142
Salinas Elementary School	479,307	129,569	349,738
Selma Elementary School	50,220,937	45,292,468	4,928,469
Spring Meadows Elementary School	732,884	442,605	290,279
Technology	285,317	-	285,317
Veterans Memorial High School	243,821	129,391	114,430
Wagner High School	143,340	62,122	81,218
Woodlake Elementary School	648,455	491,196	157,259
Woodlake Hills Middle School	1,032,199	785,730	246,469
Wortham Oaks Elementary School	241,028	236,028	5,000
	<u>\$ 151,998,050</u>	<u>\$ 135,030,809</u>	<u>\$ 16,967,241</u>

Note 17 - Subsequent Events

Our most recent Chief Financial Officer was hired in August 2025 and left in October 2025.

Note 18 - Shared Services Arrangements

The District participates in a shared services arrangement (SSA) for a federal program with the following school districts:

- Fort Sam Houston Independent School District
- East Central Independent School District
- Randolph Field Independent School District
- North East Independent School District
- San Antonio Independent School District

The District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. The District does not have joint ownership interest in capital assets purchased by the fiscal agent, Judson Independent School District, nor does the District have a net equity interest in the fiscal agent. The fiscal agent does not accumulate significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent manager is responsible for all financial activities of the SSA.

Note 19 - Restatement of Net Position

The District restated its beginning net position due to the implementation of GASB No. 101 *Compensated Absences* and to correct an error with the lease accounting from the prior year.

Governmental Activities	
Beginning Net Position, as originally presented	\$ 11,761,864
Adjustments:	
Implementation of GASB No. 101 <i>Compensated Absences</i>	322,834
Correction - GASB No. 87 <i>Leases</i>	3,843
Total adjustments to net position	<u>326,677</u>
Beginning Fund Balance - As Restated	<u><u>\$ 12,088,541</u></u>

Note 20 - Deficit Net Position/Fund Balance

At June 30, 2025, the District has a deficit unrestricted net position of \$101 million in the government-wide statement of net position. This deficit is due to the effect of GASB Statements 68 and 75 related to the District's proportionate share of the net pension liability and OPEB liability. Total net position as of June 30, 2025 resulted in an overall deficit.

In addition, the District reported \$13.0 million deficit in the Health Insurance Fund as of June 30, 2025. The District will fund this deficit through an analysis of actuarial and risk management data to set appropriate compensation rates for the 2025-2026 fiscal year as well as Board approved budgeted transfers from the general fund, if needed. The District anticipates a positive unrestricted net position as of June 30, 2026.

REQUIRED SUPPLEMENTARY INFORMATION



JUDSON INDEPENDENT SCHOOL DISTRICT*Exhibit G-1***SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE****BUDGET AND ACTUAL - GENERAL FUND****For the Year Ended June 30, 2025**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Local, intermediate, and out-of-state	\$ 109,354,510	\$ 109,456,717	\$ 108,108,183	\$ (1,348,534)
State program revenues	135,281,070	140,404,836	149,508,676	9,103,840
Federal program revenues	4,030,000	4,030,000	3,508,445	(521,555)
Total Revenues	248,665,580	253,891,553	261,125,304	7,233,751
Expenditures				
Current:				
Instruction	164,811,752	164,924,560	163,478,516	1,446,044
Instruction resources and media services	2,344,231	2,443,531	2,422,728	20,803
Curriculum and instructional staff development	3,761,675	4,420,866	4,254,653	166,213
Instructional leadership	4,083,732	5,028,847	4,763,236	265,611
School leadership	15,064,568	15,348,632	15,051,050	297,582
Guidance, counseling and evaluation services	11,108,867	11,268,877	11,052,285	216,592
Social work services	2,183,826	2,338,925	2,179,416	159,509
Health services	2,689,573	3,293,110	2,903,888	389,222
Student transportation	7,057,953	8,097,591	7,483,123	614,468
Food services	150,000	255,000	245,902	9,098
Extracurricular activities	6,107,139	7,102,338	6,848,653	253,685
General administration	8,200,216	8,395,457	7,140,426	1,255,031
Facilities maintenance and operations	31,924,614	32,609,488	31,712,688	896,800
Security and monitoring services	2,662,680	3,347,371	3,087,911	259,460
Data processing services	7,481,817	8,729,051	7,958,874	770,177
Community services	185,000	211,000	160,500	50,500
Debt service:				
Principal on long-term debt	1,450,000	1,500,000	2,160,953	(660,953)
Interest on long-term debt	-	-	52,536	(52,536)
Capital outlay:				
Facilities acquisition and construction	152,657	-	-	-
Intergovernmental:				
Payments to Juvenile Justice Alt. Ed. Prgm.	22,500	22,500	-	22,500
Other intergovernmental charges	912,200	912,200	840,703	71,497
Total Expenditures	272,355,000	280,249,344	273,798,041	6,451,303
Excess (deficiency) of revenues over expenditures	(23,689,420)	(26,357,791)	(12,672,737)	13,685,054
Other Financing Sources (Uses)				
Transfers in	-	-	-	293,616
Issuance of debt - SBITAs	-	-	5,009,250	5,009,250
Transfers out	-	-	(7,300,000)	(7,300,000)
Total Other Financing Sources (Uses)	-	-	(2,290,750)	(1,997,134)
Net change in fund balances	(23,689,420)	(26,357,791)	(14,963,487)	11,687,920
Fund Balance - July 1 (Beginning)	101,510,575	101,510,575	101,510,575	-
Fund Balance - June 30 (Ending)	\$ 77,821,155	\$ 75,152,784	\$ 86,547,088	\$ 11,687,920

JUDSON INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

A. Budgets and Budgetary Accounting

The District adopts annual appropriations type budgets for the General Fund, Child Nutrition Fund, and the Debt Service Fund using the same method of accounting as for financial reporting, as required by law. The remaining Special Revenue Funds (primarily federal grant programs) utilize a managerial type budget approved at the fund level by the Board of Trustees upon acceptance of the grants. These grants are subject to Federal, State and locally imposed project length budgets and monitoring through submission of reimbursement reports.

Expenditures may not legally exceed budgeted appropriations at the function or activity level. Expenditure requests which would require an increase in total budgeted appropriations must be approved by the Trustees through formal budget amendment. State law prohibits trustees from making budget appropriations in excess of funds available and estimated revenues. State law also prohibits amendment of the budget after fiscal year end. Supplemental appropriations were made to the General Fund, Child Nutrition Fund, and Debt Service Fund during the fiscal year ended June 30, 2025.

The administrative level at which responsibility for control of budgeted appropriations begins is at the organizational level within each function of operations. The finance department reviews closely the expenditure requests submitted by the various organizational heads (principal and department heads) throughout the year to ensure proper spending compliance. No public funds of the District shall be expended in any manner other than as provided for in the budget adopted by the Board of Trustees.

The official school budget was prepared for adoption for budgeted governmental fund types by June 30, 2025. The budget was formally adopted by the Board of Trustees at a duly advertised public meeting prior to the expenditure of funds. The final amended budget is filed with the Texas Education Agency (TEA) through inclusion in the annual financial and compliance report.

The District overspent its debt services budget by \$0.7 million due to the reclassification of leases from the functions in which they will be utilized to debt service, since the lease agreement meets the requirements of GASB No. 87 *Leases*.

JUDSON INDEPENDENT SCHOOL DISTRICT
Exhibit G-2
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST TEN MEASUREMENT YEARS

	2024	2023	2022	2021	2020
District's proportion of the net pension liability	0.1548%	0.1670%	0.1511%	0.1390%	0.1206%
District's proportionate share of the net pension liability	\$ 94,543,585	\$ 114,740,195	\$ 89,705,854	\$ 35,632,743	\$ 64,612,318
State's proportionate share of the net pension liability associated with the District	118,747,683	123,670,672	110,092,982	44,486,517	107,448,861
Total	\$ 213,291,268	\$ 238,410,867	\$ 199,798,836	\$ 80,119,260	\$ 172,061,179
District's covered payroll (for Measurement Year)	\$ 202,144,227	\$ 191,710,485	\$ 177,454,040	\$ 155,038,705	\$ 151,807,067
District's proportionate share of the net pension liability as a percentage of it's covered payroll	46.77%	59.85%	50.55%	22.98%	42.56%
Plan fiduciary net position as a percentage of the total pension liability *	77.51%	73.15%	75.65%	88.79%	75.54%
Plan's net pension liability as a percentage of covered payroll *	102.39%	122.32%	112.72%	51.08%	%
	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.1375%	0.1381%	0.1351%	0.1366%	0.1400%
District's proportionate share of the net pension liability	\$ 71,486,352	\$ 76,022,372	\$ 43,212,935	\$ 51,621,002	\$ 49,485,097
State's proportionate share of the net pension liability associated with the District	101,099,367	113,983,813	67,208,882	80,363,413	75,820,959
Total	\$ 172,585,719	\$ 190,006,185	\$ 110,421,817	\$ 131,984,415	\$ 125,306,056
District's covered payroll (for Measurement Year)	\$ 147,717,009	\$ 147,082,750	\$ 141,413,615	\$ 137,649,587	\$ 130,986,768
District's proportionate share of the net pension liability as a percentage of it's covered payroll	48.39%	51.69%	30.56%	37.50%	37.78%
Plan fiduciary net position as a percentage of the total pension liability *	75.24%	73.74%	82.17%	78.00%	78.43%
Plan's net pension liability as a percentage of covered payroll *	114.93%	126.11%	75.93%	92.75%	91.94%

The amounts are presented for each Plan year which ends the preceding August 31 of the District's fiscal year.

* Per Teacher Retirement System of Texas' annual comprehensive financial report.

JUDSON INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION
TEACHER RETIREMENT SYSTEM OF TEXAS
For the Year Ended June 30, 2025

Changes of Assumptions

Measurement Year 2018: The discount rate changed from 8.0% as of August 31, 2017 to a blended rate of 6.907% as of August 31, 2018. The long-term assumed rate of return changed from 8.0% as of August 31, 2017 to 7.25% as of August 31, 2018. Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. The total pension liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.

Measurement Year 2020: The state and employer contribution rate changed from 6.8% to 7.5%. The 1.5% public education employer contribution applied to just employers whose employees were not covered by OASDI in 2019 and it changed in 2020 to apply to all public schools, charter schools and regional education centers irrespective of participation in OASDI.

Measurement Year 2021: The public education employer contribution rate changed from 1.5% in 2020 to 1.6% in 2021.

Measurement Year 2022: The discount rate changed from 7.25% to 7.00%.

Measurement Year 2023: None.

Measurement Year 2024: None.

JUDSON INDEPENDENT SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST TEN FISCAL YEARS

Exhibit G-3

	2025	2024	2023	2022	2021
Contractually required contributions	\$ 8,093,446	\$ 8,745,776	\$ 8,263,627	\$ 6,644,216	\$ 5,723,938
Contributions in relation to the contractual required contributions	8,093,446	8,745,776	8,263,627	6,644,216	5,723,938
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$199,647,366	\$202,584,768	\$187,716,364	\$174,144,026	\$ 152,655,525
Contributions as a percentage of covered payroll	4.05%	4.32%	4.40%	3.82%	3.75%

	2020	2019	2018	2017	2016
Contractually required contributions	\$ 5,015,330	\$ 4,777,335	\$ 4,615,214	\$ 4,425,879	\$ 4,293,995
Contributions in relation to the contractual required contributions	5,015,330	4,777,335	4,615,214	4,425,879	4,293,995
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$152,169,631	\$147,999,610	\$145,882,116	\$140,918,025	\$ 136,489,376
Contributions as a percentage of covered payroll	3.30%	3.23%	3.16%	3.14%	3.15%

JUDSON INDEPENDENT SCHOOL DISTRICT
Exhibit G-4
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST EIGHT MEASUREMENT YEARS ¹

	2024	2023	2022	2021
District's proportion of the net OPEB liability	0.2022%	0.2063%	0.2042%	0.1680%
District's proportionate share of the net OPEB liability	\$ 61,379,183	\$ 45,678,714	\$ 48,970,068	\$ 65,497,688
State's proportionate share of the net OPEB liability associated with the District	76,907,283	55,118,390	59,732,789	87,752,305
Total	\$ 138,286,466	\$ 100,797,104	\$ 108,702,857	\$ 153,249,993
District's covered payroll (for Measurement Year)	\$ 202,144,227	\$ 191,710,485	\$ 177,454,040	\$ 155,038,705
District's proportionate share of the net OPEB liability as a percentage of it's covered payroll	30.36%	23.83%	27.60%	42.25%
Plan fiduciary net position as a percentage of the total OPEB liability *	13.70%	14.94%	11.52%	6.18%
Plan's net OPEB liability as a percentage of covered payroll *	67.98%	51.86%	59.10%	100.13%
	2020	2019	2018	2017
District's proportion of the net OPEB liability	0.1706%	0.1794%	0.1765%	0.1693%
District's proportionate share of the net OPEB liability	\$ 64,845,702	\$ 84,846,961	\$ 88,133,297	\$ 73,638,313
State's proportionate share of the net OPEB liability associated with the District	87,137,080	112,742,632	125,801,641	109,991,712
Total	\$ 151,982,782	\$ 197,589,593	\$ 213,934,938	\$ 183,630,025
District's covered payroll (for Measurement Year)	\$ 151,807,067	\$ 147,082,750	\$ 141,413,615	\$ 137,649,587
District's proportionate share of the net OPEB liability as a percentage of it's covered payroll	42.72%	57.69%	62.32%	53.50%
Plan fiduciary net position as a percentage of the total OPEB liability *	4.99%	2.66%	1.57%	0.91%
Plan's net OPEB liability as a percentage of covered payroll *	101.46%	135.21%	146.64%	132.55%

The amounts are presented for each Plan year which ends the preceding August 31 of the District's fiscal year.

* Per Teacher Retirement System of Texas' annual comprehensive financial report.

¹Ten years of data should be presented in this schedule but data is unavailable prior to 2017.

JUDSON INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY OPEB INFORMATION
TEACHER RETIREMENT SYSTEM OF TEXAS
For the Year Ended June 30, 2025

Changes of Assumptions

Measurement Year 2018: The discount rate changed from 3.42% as of August 31, 2017 to 3.69% as of August 31, 2018, updated the health care trend rate assumption, and revised demographic and economic assumptions based on the TRS experience study.

Measurement Year 2019: The discount rate changed from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019, lowered the participation rates and updated the health care trend rate assumption.

Measurement Year 2020: The discount rate changed from 2.63% as of August 31, 2019 to 2.33% as of August 31, 2020, lowered the participation rate assumption for employees who retire after the age of 65, and lowered the ultimate health care trend rate assumption to reflect the repeal of the excise (Cadillac) tax on high-cost employer health plans.

Measurement Year 2021: The discount rate changed from 2.33% as of August 31, 2020 to 1.95% as of August 31, 2021.

Measurement Year 2022: The discount rate changed from 1.95% as of August 31, 2021 to 3.91% as of August 31, 2022, lowered the participation rates, and updated the healthcare trend rate assumption.

Measurement Year 2023: The discount rate changed from 3.91% as of August 31, 2022 to 4.13% as of August 31, 2023, accompanied by revised demographic and economic assumptions based on the TRS experience study.

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

JUDSON INDEPENDENT SCHOOL DISTRICT*Exhibit G-5***REQUIRED SUPPLEMENTARY INFORMATION****SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS****TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES GROUP INSURANCE PROGRAM****LAST EIGHT FISCAL YEARS¹**

	2025	2024	2023	2022
Contractually required contributions	\$ 1,747,569	\$ 1,837,519	\$ 1,763,745	\$ 1,624,167
Contributions in relation to the contractual required contributions	1,747,569	1,837,519	1,763,745	1,624,167
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 199,647,366	\$ 202,584,768	\$ 187,716,364	\$ 174,144,026
Contributions as a percentage of covered payroll	0.88%	0.91%	0.94%	0.93%
	2021	2020	2019	2018
Contractually required contributions	\$ 1,302,520	\$ 1,306,309	\$ 1,264,698	\$ 1,160,981
Contributions in relation to the contractual required contributions	1,302,520	1,306,309	1,302,520	1,306,309
Contribution deficiency (excess)	\$ -	\$ -	\$ (37,822)	\$ (145,328)
District's covered payroll	\$ 152,655,525	\$ 152,169,631	\$ 147,999,610	\$ 145,882,116
Contributions as a percentage of covered payroll	0.85%	0.86%	0.85%	0.80%

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

¹Ten years of data should be presented in this schedule but data is unavailable prior to 2016

OTHER SUPPLEMENTARY INFORMATION



**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.

Fund	Fund Name	Fund Purpose
206	McKinney-Vento Homeless Assistance Act, Title VII, Subtitle B	Funds granted for activities such as coordination and collaboration with local agencies to provide comprehensive services to homeless children and youths, and a variety of staff-development and supplemental services, including in-service training, counseling, psychological services, and tutoring.
211	ESEA, Title I, Part A-Improving Basic Programs	Funds granted for supplemental service designed to accelerate the academic achievement of economically disadvantaged students, especially in the tested areas, to ensure that the state standards are met on identified campuses.
224	IDEA - Part B, Formula	Funds to operate educational programs for children with disabilities.
225	IDEA - Part B, Preschool	Funds to operate programs for preschool children with disabilities.
226	High Cost Fund	Funds to help offset the financial impact of providing educational services to high need children with disabilities.
240	National School Breakfast and Lunch Program	Funds used for food service when the service is subsidized with federal reimbursement revenues from the United states Department of Agriculture.
244	Career and Technical Education - Basic Grant	Funds to provide career and technical education (CTE) and to develop new and/or improve existing CTE programs for paid and unpaid employment.
255	ESEA - Title II, Part A - Teacher and Principal Training and Recruiting	Funds used to improve student academic achievement by improving teacher and principal quality and increasing the number of highly qualified teachers, principals, and assistant principals.
263	Title III, Part A - Teacher and Principal Training and Recruiting	Funds granted to improve the education of children with limited English proficiency by helping the children learn English and meet challenging academic achievement standards.
272	Medicaid Administrative Claiming Program (MAC)	Funds allocated to reimburse eligible administrative costs for activities that implement the Medicaid state plan.

**Nonmajor Governmental Funds
Special Revenue Funds
(continued)**

Fund	Fund Name	Fund Purpose
277	Counseling American Rescue Plan Act Grant	Funds for expanding mental health services for children and youth through school-based programs.
278	American Rescue Plan ESSER Fund - Homeless Children and Youth (ARP-HCY)	Federal stimulus ESSER funds granted to LEAs through the American Rescue Plan Act to identify homeless children and youth, to provide homeless children and youth with wraparound services to address the challenges of COVID-19, and to enable homeless children and youth to attend school and fully participate in school activities.
280	American Rescue Plan (ARP) Act - Homeless II - Education for Homeless Children and Youth Program	Through shared service arrangement with ESC Region 20, funds to increase capacity to identify, enroll, and provide wraparound services to address the unique needs of homeless children and youth due to the impact of the COVID-19 pandemic.
283	ESSER Supplementary ARP Act	Federal discretionary COVID-19 funding from state discretionary ESSER III fund under the American Rescue Plan Act (ARP) of 2021 to pay for unreimbursed costs due to the coronavirus disease (COVID-19) pandemic and for intensive educational supports for students not performing satisfactory for each of the 2021-2022 and 2022-2023 school years.
286	School Action Fund	Funds that provide technical assistance, resources, and grant funds to support the planning and implementation of school actions.
289	Title IV, Part A - Student Support and Academic Enrichment	Funds to provide all students access to a well-rounded education, improve school conditions for student learning (safe and healthy students), and improve the use of technology to improve the academic outcomes and digital literacy of students.
385	State Supplemental Visually Impaired	State supplemental visually impaired funds received through the ESC or a district fiscal agent of a shared services arrangement.
410	State Instructional Materials	Funds for instructional materials to include textbooks, software, supplemental materials, DVDs, online services, open-source materials, and other means of conveying information electronically.
419	Texas Workforce Commission - Jobs and Education for Texans (JET)	State-funded special revenue fund to operate the Texas Workforce grant.
420	School Safety Standards	State-funded special revenue fund to operate the Texas Workforce the School Safety Standards grant.

**Nonmajor Governmental Funds
Special Revenue Funds
(continued)**

Fund	Fund Name	Fund Purpose
421	Dyslexia Grant Program	State-funded special revenue fund to operate the Texas Workforce the Dyslexia Grant Program.
427	Truancy Prevention & Intervention Program	State-funded special revenue fund to operate the Truancy Prevention & Intervention Program grant.
428	Safe Cycle 2	State-funded special revenue fund to operate the Safe Cycle 2 grant.
429	Mathematics Achievement Academy Stipend Disbursement	State-funded special revenue fund to operate the Mathematics Achievement Academy Stipend Disbursement grant.
461	Campus Activity Fund	State-funded special revenue fund to operate the Mathematics Achievement Academy Stipend Disbursement grant.
491	T-STEM Externship Program	Provides Texas teachers with paid, hands-on work experience in STEM industries, connecting classroom learning to real-world applications and enhancing STEM instruction for students.



JUDSON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2025

Exhibit H-1
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		206	211	224	225
		McKinney-Vento Homeless			
Data Control Codes		Assistance Act, Title VII, Subtitle B	ESEA, Title I, Part A - Improving Basic Programs	IDEA - Part B, Formula	IDEA - Part B, Preschool
Assets					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1120	Investments	-	-	-	-
Receivables:					
1240	Due from other governments	-	1,652,562	745,764	20,059
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1410	Prepaid items	-	-	-	-
1000	Total Assets	\$ -	\$ 1,652,562	\$ 745,764	\$ 20,059
Liabilities					
2110	Accounts payable	\$ -	\$ 89,982	\$ 66,972	\$ -
2160	Accrued wages payable	-	1,042,483	559,067	11,914
2170	Due to other funds	-	520,097	119,725	8,145
2300	Unearned revenue	-	-	-	-
2000	Total Liabilities	-	1,652,562	745,764	20,059
Fund Balance:					
Non-Spendable:					
3430	Prepaid items	-	-	-	-
Restricted:					
3450	Grant funds	-	-	-	-
Committed:					
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	-	-	-	-
4000	Total Liabilities and Fund Balances	\$ -	\$ 1,652,562	\$ 745,764	\$ 20,059

JUDSON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2025

Exhibit H-1
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		226	240	244	255
Data Control Codes		IDEA - Part B, Discretionary	National School Breakfast and Lunch Program	Career and Technical Education - Basic Grant	ESEA - Title II, Part A - Teacher and Principal Training
Assets					
1110	Cash and cash equivalents	\$ -	\$ 346,799	\$ -	\$ -
1120	Investments	-	4,261,299	-	-
	Receivables:				
1240	Due from other governments	6,797	106,595	19,692	620,551
1260	Due from other funds	-	1,865,021	-	-
1290	Other receivables	-	999	-	-
1410	Prepaid items	-	599	-	-
1000	Total Assets	<u>\$ 6,797</u>	<u>\$ 6,581,312</u>	<u>\$ 19,692</u>	<u>\$ 620,551</u>
Liabilities					
2110	Accounts payable	\$ -	\$ 19,791	\$ -	\$ 60,377
2160	Accrued wages payable	-	92,483	6,534	289,874
2170	Due to other funds	6,797	58,799	13,158	270,300
2300	Unearned revenue	-	-	-	-
2000	Total Liabilities	<u>6,797</u>	<u>171,073</u>	<u>19,692</u>	<u>620,551</u>
Fund Balance:					
	Non-Spendable:				
3430	Prepaid items	-	599	-	-
	Restricted:				
3450	Grant funds	-	6,409,640	-	-
	Committed:				
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>6,410,239</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 6,797</u>	<u>\$ 6,581,312</u>	<u>\$ 19,692</u>	<u>\$ 620,551</u>

JUDSON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2025

Exhibit H-1
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		263	272	277	278
Data Control Codes		Title III, Part A - Teacher and Principal Training and Recruiting	Medicaid Administrative Claiming Program (MAC)	Coronavirus Relief Fund – CARES Act	American Rescue Plan ESSER Fund – Homeless Children and Youth (ARP-HCY)
	Assets				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1120	Investments	-	-	-	-
	Receivables:				
1240	Due from other governments	25,105	-	39,350	-
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1410	Prepaid items	-	-	-	-
1000	Total Assets	<u>\$ 25,105</u>	<u>\$ -</u>	<u>\$ 39,350</u>	<u>\$ -</u>
	Liabilities				
2110	Accounts payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued wages payable	7,871	-	-	-
2170	Due to other funds	17,234	-	39,350	-
2300	Unearned revenue	-	-	-	-
2000	Total Liabilities	<u>25,105</u>	<u>-</u>	<u>39,350</u>	<u>-</u>
	Fund Balance:				
	Non-Spendable:				
3430	Prepaid items	-	-	-	-
	Restricted:				
3450	Grant funds	-	-	-	-
	Committed:				
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 25,105</u>	<u>\$ -</u>	<u>\$ 39,350</u>	<u>\$ -</u>

JUDSON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2025

Exhibit H-1
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		280	283	286	289
		American Rescue Plan (ARP) Act - Homeless II - Education for Homeless Children and Youth Program			
		ESSER Supplementary ARP Act		School Action Fund	Federally Funded Special Revenue Funds
Data Control Codes					
Assets					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1120	Investments	-	-	-	9,544
Receivables:					
1240	Due from other governments	-	-	318,954	33,876
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1410	Prepaid items	-	-	-	13,825
1000	Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 318,954</u>	<u>\$ 57,245</u>
Liabilities					
2110	Accounts payable	\$ -	\$ -	\$ 62,169	\$ 2,450
2160	Accrued wages payable	-	-	49,087	-
2170	Due to other funds	-	-	207,698	54,795
2300	Unearned revenue	-	-	-	-
2000	Total Liabilities	<u>-</u>	<u>-</u>	<u>318,954</u>	<u>57,245</u>
Fund Balance:					
Non-Spendable:					
3430	Prepaid items	-	-	-	-
Restricted:					
3450	Grant funds	-	-	-	-
Committed:					
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 318,954</u>	<u>\$ 57,245</u>

JUDSON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2025

Exhibit H-1
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		385	397	410	419
Data Control Codes		State Supplemental Visually Impaired	Advanced Placement Initiatives	Instructional Materials Allotment	Head Start
	Assets				
1110	Cash and cash equivalents	\$ -	\$ 15,440	\$ 404,489	\$ -
1120	Investments	-	-	-	-
	Receivables:				
1240	Due from other governments	-	-	-	-
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1410	Prepaid items	-	-	-	-
1000	Total Assets	<u>\$ -</u>	<u>\$ 15,440</u>	<u>\$ 404,489</u>	<u>\$ -</u>
	Liabilities				
2110	Accounts payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	-	-	-	-
2300	Unearned revenue	-	-	404,489	-
2000	Total Liabilities	<u>-</u>	<u>-</u>	<u>404,489</u>	<u>-</u>
	Fund Balance:				
	Non-Spendable:				
3430	Prepaid items	-	-	-	-
	Restricted:				
3450	Grant funds	-	15,440	-	-
	Committed:				
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>15,440</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 15,440</u>	<u>\$ 404,489</u>	<u>\$ -</u>

JUDSON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2025

Exhibit H-1
Page 6 of 7

		420	421	427	428
Data Control Codes		School Safety Fund	Dyslexia Grant Award Fund	School Safety and Security Grant	Other Local Special Revenue Fund
Assets					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1120	Investments	-	-	-	-
	Receivables:				
1240	Due from other governments	-	-	57,104	-
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1410	Prepaid items	-	-	-	-
1000	Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,104</u>	<u>\$ -</u>
Liabilities					
2110	Accounts payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued wages payable	-	-	26,260	-
2170	Due to other funds	-	-	30,844	-
2300	Unearned revenue	-	-	-	-
2000	Total Liabilities	<u>-</u>	<u>-</u>	<u>57,104</u>	<u>-</u>
Fund Balance:					
	Non-Spendable:				
3430	Prepaid items	-	-	-	-
	Restricted:				
3450	Grant funds	-	-	-	-
	Committed:				
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,104</u>	<u>\$ -</u>

JUDSON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2025

Exhibit H-1
Page 7 of 7

		429	461	491	
Data Control Codes		Innovative Academy and Reading to Succeed	Campus Activity Fund	T-STEM Externship Program	Total Nonmajor Governmental Funds
Assets					
1110	Cash and cash equivalents	\$ 12,077	\$ 2,132,095	\$ 35,000	\$ 2,945,900
1120	Investments	-	-	-	4,270,843
	Receivables:				
1240	Due from other governments	-	-	-	3,646,409
1260	Due from other funds	-	-	-	1,865,021
1290	Other receivables	-	-	-	999
1410	Prepaid items	-	-	-	14,424
1000	Total Assets	\$ 12,077	\$ 2,132,095	\$ 35,000	\$ 12,743,596
Liabilities					
2110	Accounts payable	\$ -	\$ -	\$ -	\$ 301,741
2160	Accrued wages payable	382	-	-	2,085,955
2170	Due to other funds	-	-	-	1,346,942
2300	Unearned revenue	-	-	35,000	439,489
2000	Total Liabilities	382	-	35,000	4,174,127
Fund Balance:					
	Non-Spendable:				
3430	Prepaid items	-	-	-	599
	Restricted:				
3450	Grant funds	11,695	-	-	6,436,775
	Committed:				
3545	Other purposes	-	2,132,095	-	2,132,095
3000	Total Fund Balances	11,695	2,132,095	-	8,569,469
4000	Total Liabilities and Fund Balances	\$ 12,077	\$ 2,132,095	\$ 35,000	\$ 12,743,596

JUDSON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

Exhibit H-2

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		206	211	224	225
		McKinney-Vento Homeless Assistance Act, Title VII, Subtitle B			
Data Control Codes		ESEA, Title I, Part A - Improving Basic Programs		IDEA - Part B, Formula	IDEA - Part B, Preschool
Revenues					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	1,085	8,057,737	5,940,488	140,028
5020	Total Revenues	<u>1,085</u>	<u>8,057,737</u>	<u>5,940,488</u>	<u>140,028</u>
Expenditures					
Current:					
0011	Instruction	101	4,682,948	5,124,522	140,028
0012	Instruction resources and media services	-	150,536	-	-
0013	Curriculum and instructional staff development	-	2,924,736	140,680	-
0021	Instructional leadership	-	54,037	197,771	-
0023	School leadership	-	85,579	-	-
0031	Guidance, counseling and evaluation services	-	4,842	263,582	-
0032	Social work services	984	4,421	-	-
0033	Health services	-	4,763	-	-
0034	Student transportation	-	-	37,127	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	6,779	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0061	Community services	-	139,096	-	-
Debt service:					
0071	Principal on long-term debt	-	-	-	-
0072	Interest on long-term debt	-	-	-	-
Capital outlay:					
0081	Facilities acquisition and construction	-	-	-	-
Intergovernmental:					
0093	Payments related to shared services arrangements	-	-	176,806	-
6030	Total Expenditures	<u>1,085</u>	<u>8,057,737</u>	<u>5,940,488</u>	<u>140,028</u>
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - July 1 (Beginning)	-	-	-	-
3000	Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

JUDSON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

Exhibit H-2

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		226	240	244	255
		IDEA - Part B, Discretionary	National School Breakfast and Lunch Program	Career and Technical Education - Basic Grant	ESEA - Title II, Part A - Teacher and Principal Training
Data Control Codes					
	Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ 1,614,736	\$ -	\$ -
5800	State program revenues	-	94,304	-	-
5900	Federal program revenues	6,797	17,229,415	183,332	1,575,585
5020	Total Revenues	<u>6,797</u>	<u>18,938,455</u>	<u>183,332</u>	<u>1,575,585</u>
	Expenditures				
	Current:				
0011	Instruction	6,797	-	24,114	370,409
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	-	74,148	1,138,982
0021	Instructional leadership	-	-	84,386	4,795
0023	School leadership	-	-	-	61,399
0031	Guidance, counseling and evaluation services	-	-	684	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food services	-	20,977,125	-	-
0036	Extracurricular activities	-	-	-	-
0051	Facilities maintenance and operations	-	369,998	-	-
0052	Security and monitoring services	-	-	-	-
0061	Community services	-	-	-	-
	Debt service:				
0071	Principal on long-term debt	-	-	-	-
0072	Interest on long-term debt	-	-	-	-
	Capital outlay:				
0081	Facilities acquisition and construction	-	-	-	-
	Intergovernmental:				
0093	Payments related to shared services arrangements	-	-	-	-
6030	Total Expenditures	<u>6,797</u>	<u>21,347,123</u>	<u>183,332</u>	<u>1,575,585</u>
1200	Net change in fund balances	-	(2,408,668)	-	-
0100	Fund Balance - July 1 (Beginning)	-	8,818,907	-	-
3000	Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ 6,410,239</u>	<u>\$ -</u>	<u>\$ -</u>

JUDSON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

Exhibit H-2

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		263	272	277	278
		Title III, Part A - Teacher and Principal Training and Recruiting	Medicaid Administrative Claiming Program (MAC)	Coronavirus Relief Fund – CARES Act	American Rescue Plan ESSER Fund – Homeless Children and Youth (ARP-HCY)
Data Control Codes					
	Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	191,416	131,438	253,317	25,445
5020	Total Revenues	<u>191,416</u>	<u>131,438</u>	<u>253,317</u>	<u>25,445</u>
	Expenditures				
	Current:				
0011	Instruction	30,648	-	-	24,628
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	144,844	-	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	250,310	146
0032	Social work services	-	-	2,437	671
0033	Health services	-	131,438	-	-
0034	Student transportation	-	-	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0061	Community services	15,924	-	570	-
	Debt service:				
0071	Principal on long-term debt	-	-	-	-
0072	Interest on long-term debt	-	-	-	-
	Capital outlay:				
0081	Facilities acquisition and construction	-	-	-	-
	Intergovernmental:				
0093	Payments related to shared services arrangements	-	-	-	-
6030	Total Expenditures	<u>191,416</u>	<u>131,438</u>	<u>253,317</u>	<u>25,445</u>
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - July 1 (Beginning)	-	-	-	-
3000	Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

JUDSON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

Exhibit H-2

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		280	283	286	289
		American Rescue Plan (ARP) Act - Homeless II - Education for Homeless Children and	ESSER Supplementary ARP Act	School Action Fund	Federally Funded Special Revenue Funds
Data Control Codes					
	Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	43,385	72,056	1,404,692	511,986
5020	Total Revenues	<u>43,385</u>	<u>72,056</u>	<u>1,404,692</u>	<u>511,986</u>
	Expenditures				
	Current:				
0011	Instruction	43,385	42,553	679,774	355,376
0012	Instruction resources and media services	-	21,371	-	-
0013	Curriculum and instructional staff development	-	-	169,772	10,130
0021	Instructional leadership	-	-	8,000	-
0023	School leadership	-	3,754	540,374	-
0031	Guidance, counseling and evaluation services	-	3,586	-	138,113
0032	Social work services	-	-	-	-
0033	Health services	-	792	-	93
0034	Student transportation	-	-	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	3,665
0061	Community services	-	-	6,772	-
	Debt service:				
0071	Principal on long-term debt	-	-	-	3,993
0072	Interest on long-term debt	-	-	-	616
	Capital outlay:				
0081	Facilities acquisition and construction	-	-	-	-
	Intergovernmental:				
0093	Payments related to shared services arrangements	-	-	-	-
6030	Total Expenditures	<u>43,385</u>	<u>72,056</u>	<u>1,404,692</u>	<u>511,986</u>
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - July 1 (Beginning)	-	-	-	-
3000	Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

JUDSON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

Exhibit H-2

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		385	397	410	419
		State	Advanced	Instructional	
		Supplemental	Placement	Materials	
		Visually Impaired	Initiatives	Allotment	Head Start
Data Control	Codes				
	Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	23,140	1,016	3,100,629	53,357
5900	Federal program revenues	-	-	-	-
5020	Total Revenues	<u>23,140</u>	<u>1,016</u>	<u>3,100,629</u>	<u>53,357</u>
	Expenditures				
	Current:				
0011	Instruction	23,140	-	3,100,629	53,357
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	1,575	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0061	Community services	-	-	-	-
	Debt service:				
0071	Principal on long-term debt	-	-	-	-
0072	Interest on long-term debt	-	-	-	-
	Capital outlay:				
0081	Facilities acquisition and construction	-	-	-	-
	Intergovernmental:				
0093	Payments related to shared services arrangements	-	-	-	-
6030	Total Expenditures	<u>23,140</u>	<u>1,575</u>	<u>3,100,629</u>	<u>53,357</u>
1200	Net change in fund balances	-	(559)	-	-
0100	Fund Balance - July 1 (Beginning)	-	15,999	-	-
3000	Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ 15,440</u>	<u>\$ -</u>	<u>\$ -</u>

JUDSON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

Exhibit H-2

Page 6 of 7

		420	421	427	428
Data Control Codes		School Safety Fund	Dyslexia Grant Award Fund	School Safety and Security Grant	Other Local Special Revenue Fund
	Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	164,851	15,149	439,026	363,292
5900	Federal program revenues	-	-	-	-
5020	Total Revenues	164,851	15,149	439,026	363,292
	Expenditures				
	Current:				
0011	Instruction	-	-	-	-
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	99	-	-
0021	Instructional leadership	-	15,050	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	-	-	439,026	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	122,201
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	119,238	-	-	241,091
0061	Community services	-	-	-	-
	Debt service:				
0071	Principal on long-term debt	-	-	-	-
0072	Interest on long-term debt	-	-	-	-
	Capital outlay:				
0081	Facilities acquisition and construction	45,613	-	-	-
	Intergovernmental:				
0093	Payments related to shared services arrangements	-	-	-	-
6030	Total Expenditures	164,851	15,149	439,026	363,292
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - July 1 (Beginning)	-	-	-	-
3000	Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

JUDSON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

Exhibit H-2

Page 7 of 7

		429	461	491	
Data Control Codes		Innovative Academy and Reading to Succeed	Campus Activity Fund	T-STEM Externship Program	Total Nonmajor Governmental Funds
	Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ 2,396,781	\$ -	\$ 4,011,517
5800	State program revenues	1,122	-	-	4,255,886
5900	Federal program revenues	-	-	-	35,768,202
5020	Total Revenues	1,122	2,396,781	-	44,035,605
	Expenditures				
	Current:				
0011	Instruction	-	-	-	14,702,409
0012	Instruction resources and media services	-	-	-	171,907
0013	Curriculum and instructional staff development	1,122	-	-	4,606,088
0021	Instructional leadership	-	-	-	364,039
0023	School leadership	-	-	-	691,106
0031	Guidance, counseling and evaluation services	-	-	-	661,263
0032	Social work services	-	-	-	447,539
0033	Health services	-	-	-	137,086
0034	Student transportation	-	-	-	159,328
0035	Food services	-	-	-	20,977,125
0036	Extracurricular activities	-	2,343,883	-	2,350,662
0051	Facilities maintenance and operations	-	-	-	369,998
0052	Security and monitoring services	-	-	-	363,994
0061	Community services	-	-	-	162,362
	Debt service:				
0071	Principal on long-term debt	-	-	-	3,993
0072	Interest on long-term debt	-	-	-	616
	Capital outlay:				
0081	Facilities acquisition and construction	-	-	-	45,613
	Intergovernmental:				
0093	Payments related to shared services arrangements	-	-	-	176,806
6030	Total Expenditures	1,122	2,343,883	-	46,391,934
1200	Net change in fund balances	-	52,898	-	(2,356,329)
0100	Fund Balance - July 1 (Beginning)	11,695	2,079,197	-	10,925,798
3000	Fund Balance - June 30 (Ending)	\$ 11,695	\$ 2,132,095	\$ -	\$ 8,569,469

JUDSON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
For the Year Ended June 30, 2025

Exhibit J-1

	1	2	3	10	20	31	32	40	50	99
	Tax Rates		Net Assessed/ Appraised	Beginning	Current	Maintenance	Debt Service	Entire	Ending	Total Taxes
Fiscal Year	Maintenance	Debt Service	Value For School Tax Purposes	Balance 7/01/2024	Year's Total Levy	Total Collections	Total Collections	Year's Adjustments	Balance 6/30/2025	Refunded Under Section 26.1115(c)
2016 and prior	Various	Various	Various	\$ 587,953	\$ -	\$ 22,006	\$ 6,736	\$ (103,564)	\$ 455,647	
2017	\$ 1.0400	\$ 0.4300	\$ 8,192,510,476	118,668	-	3,838	1,587	(2,532)	110,711	
2018	1.0400	0.3850	8,929,763,228	119,612	-	1,025	379	(15,368)	102,840	
2019	1.0400	0.4000	9,917,538,075	183,232	-	8,161	3,139	(14,774)	157,158	
2020	0.9700	0.3884	10,742,429,172	218,779	-	25,721	10,299	27,982	210,741	
2021	0.9121	0.3628	11,051,434,701	292,547	-	30,128	11,984	42,813	293,248	
2022	0.8782	0.3918	12,001,029,291	416,084	-	12,879	5,746	(12,296)	385,163	
2023	0.8546	0.3654	13,714,436,311	778,303	-	(200,468)	(85,714)	(651,735)	412,750	
2024	0.6692	0.3654	14,648,563,793	3,312,495	-	307,684	168,003	(4,174,684)	(1,337,876)	
2025	0.7019	0.3327	14,673,172,047	-	151,808,638	100,362,698	47,571,834	(141,517)	3,732,589	
1000 Totals				<u>\$ 6,027,673</u>	<u>\$ 151,808,638</u>	<u>\$ 100,573,672</u>	<u>\$ 47,693,993</u>	<u>\$ (5,045,675)</u>	<u>\$ 4,522,971</u>	
8000 Taxes Refunded										<u>\$ 393,565</u>
9000 Tax Increment						<u>\$ -</u>				

JUDSON INDEPENDENT SCHOOL DISTRICT
Exhibit J-2

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – CHILD NUTRITION FUND
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Local revenues	\$ 1,925,000	\$ 1,925,000	\$ 1,614,736	\$ (310,264)
State program revenues	75,000	75,000	94,304	19,304
Federal program revenues	18,081,782	18,081,782	17,229,415	(852,367)
Total Revenues	<u>20,081,782</u>	<u>20,081,782</u>	<u>18,938,455</u>	<u>(1,143,327)</u>
Expenditures				
Current:				
Food services	22,870,361	23,450,669	20,977,125	2,473,544
Facilities maintenance and operations	350,000	450,000	369,998	80,002
Total Expenditures	<u>23,220,361</u>	<u>23,900,669</u>	<u>21,347,123</u>	<u>2,553,546</u>
Excess (deficiency) of revenues over expenditures	<u>(3,138,579)</u>	<u>(3,818,887)</u>	<u>(2,408,668)</u>	<u>1,410,219</u>
Other Financing Sources (Uses)				
Transfers in	-	-	293,616	293,616
Transfers out	-	-	(293,616)	(293,616)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(3,138,579)	(3,818,887)	(2,408,668)	1,410,219
Fund Balances - Beginning	<u>8,818,907</u>	<u>8,818,907</u>	<u>8,818,907</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 5,680,328</u>	<u>\$ 5,000,020</u>	<u>\$ 6,410,239</u>	<u>\$ 1,410,219</u>

JUDSON INDEPENDENT SCHOOL DISTRICT*Exhibit J-3***SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE****BUDGET AND ACTUAL – DEBT SERVICE FUND***For the Year Ended June 30, 2025*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Local and intermediate sources	\$ 48,577,713	\$ 48,577,713	\$ 50,134,006	\$ 1,556,293
State program revenues	5,953,632	5,953,632	8,160,199	2,206,567
Total Revenues	<u>54,531,345</u>	<u>54,531,345</u>	<u>58,294,205</u>	<u>3,762,860</u>
Expenditures				
Debt service:				
Principal on long-term debt	54,800,000	54,800,000	21,555,000	33,245,000
Interest on long-term debt	-	-	31,936,689	(31,936,689)
Bond issuance costs and fees	-	-	364,492	(364,492)
Total Expenditures	<u>54,800,000</u>	<u>54,800,000</u>	<u>53,856,181</u>	<u>943,819</u>
Excess (deficiency) of revenues over expenditures	<u>(268,655)</u>	<u>(268,655)</u>	<u>4,438,024</u>	<u>4,706,679</u>
Other Financing Sources (Uses)				
Refunding bonds issued	-	-	31,955,000	31,955,000
Premium on issuance of bonds	-	-	4,067,000	4,067,000
Other uses	-	-	(36,126,997)	(36,126,997)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(104,997)</u>	<u>(104,997)</u>
Net change in fund balances	(268,655)	(268,655)	4,333,027	4,601,682
Fund Balances - Beginning	<u>40,043,358</u>	<u>40,043,358</u>	<u>40,043,358</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 39,774,703</u>	<u>\$ 39,774,703</u>	<u>\$ 44,376,385</u>	<u>\$ 4,601,682</u>

JUDSON INDEPENDENT SCHOOL DISTRICT*Exhibit J-4***COMPENSATORY EDUCATION PROGRAM AND BILINGUAL EDUCATION PROGRAM COMPLIANCE RESPONSES****For the Year Ended June 30, 2025**

Data Codes	Section A: Compensatory Education Programs	Responses
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.	\$25,401,406
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30)	\$16,169,947
	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.	\$ 1,950,858
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PIC 25)	\$ 1,055,717

JUDSON INDEPENDENT SCHOOL DISTRICT
REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
For the Fiscal Year Ended June 30, 2025

Schedule L-1

SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government (If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments.) Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued. Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	\$19,381,533

NOTE: This schedule is to be included as part of the annual financial audit report (AFR) submission on the required due date and published as a part of the school district's AFR. This schedule should be submitted in the data feed file and submitted as an Adobe Acrobat portable document file (pdf).



**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
Judson Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS) issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Judson Independent School District the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and have issued our report thereon dated November 20, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 GAS.

To the Board of Trustees
Judson 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 GAS in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Whitley Penn LLP

San Antonio, Texas
November 20, 2025

JUDSON INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2025

I. Summary of Auditors' Results

Financial Statements	
Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency (ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

II. Financial Statement Findings

None Reported

