

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED
June 30, 2025

2025

Boerne, Texas

Prepared By:

Boerne ISD Office of Business & Finance

ANNUAL COMPREHENSIVE FINANCIAL REPORT

BOERNE INDEPENDENT SCHOOL DISTRICT 235 JOHNS RD. BOERNE, TEXAS 78006

FOR FISCAL YEAR ENDED JUNE 30, 2025

Prepared By: Boerne ISD Office of Business & Finance



BOERNE INDEPENDENT SCHOOL DISTRICT

Boerne, Texas

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ended June 30, 2025

BOARD OF SCHOOL TRUSTEES

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Courtney Darter-Bruce	Vice-President
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Prepared by the Office of Business & Finance

Wesley Scott
Chief Financial & Operations Officer

Boerne Independent School District

Boerne, Texas

Annual Comprehensive Financial Report

June 30, 2025

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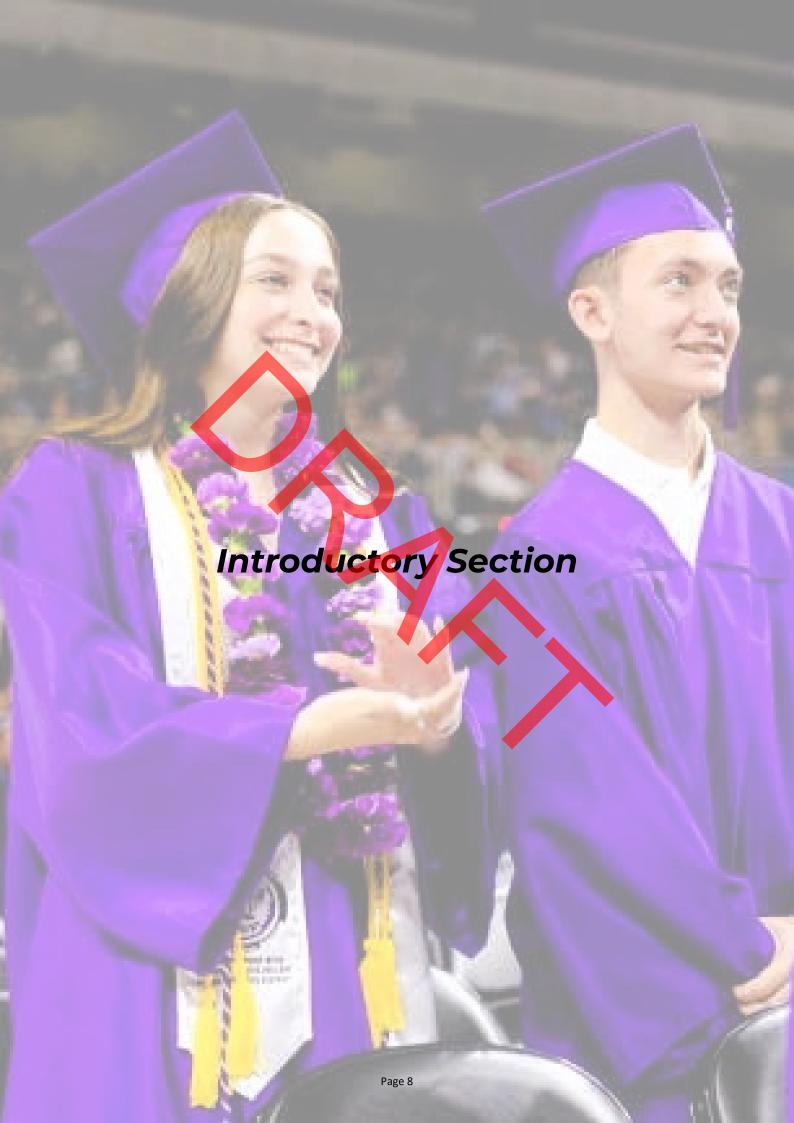
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November XX, 2025

Citizens of Boerne Independent School District Members of the Board of School Trustees Boerne Independent School District Boerne, Texas

Dear Board Members, Citizens, and Patrons of Boerne Independent School District:

The Texas Education Code requires that all school districts file and publish a complete set of financial statements with the Texas Education Agency ("TEA") within 150 days of the close of each fiscal year. The financial statements must be presented in conformity with accounting principles generally accepted in the United States of America. The financial statements must be audited by a firm of licensed certified public accountants in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Pursuant to these requirements, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the Boerne Independent School District ("District," "Boerne," or "BISD") for the year ended June 30, 2025.

This report consists of management's representation concerning the financial condition and operations of the District. Accordingly, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to help protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the presentation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

Weaver and Tidwell, L.L.P., a firm of licensed certified public accountants, has audited the District's financial statements. The goal of the independent audit was to provide reasonable assurance that the District's financial statements for the fiscal year ended June 30, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the District's basic financial statements for the fiscal year ended June 30, 2025, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

The Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the Independent Auditor's Report.

Profile of the District

Boerne was established in 1907. The District is located in rapidly growing Kendall County and includes portions of Bexar and Comal counties and the City of Fair Oak Ranch. The District includes 315 square miles of suburban growth and rural Texas hill country.

Boerne enrollment is 11,101 students for 2024-25. Student demographics for 2024-25 are: 34.77% Hispanic, 58.12% White, 1.38% African American, 0.13% Asian/Pacific Islander, 0.26% Native American, and 2.77% of two or more races. Just over 19 percent of students are considered economically disadvantaged.

Residents of the District elect members of the Board of Trustees to three-year terms from each of seven at-large seats. The Trustee seats are up for election on a rotating basis on the second Saturday in May. Vacancies may be filled by appointment until the next election. Trustees annually elect Board officers, including President, Vice President, and Secretary. The Trustees serve the citizens of the District without compensation.

The District provides a full range of educational services for grade levels Pre-K through 12, in addition to educational programs that begin at age 3 for some children and extend through age 22 for others. These programs include regular and enriched academic education, special education for students with disabilities, occupational and vocational education, bilingual instruction for students with limited English proficiency, and specialized instruction for economically disadvantaged students.

Academically talented students may seek challenges in Honors, Advanced Placement, and dual credit courses in English, Mathematics, Social Studies, and Science, and other subjects in grades 6-12. In addition, students may study four different foreign languages (Spanish, German, American Sign Language, and Computer Science). The District provides programs for gifted students in various settings in grades K-12 that focus on developing higher-level and cognitive thinking skills.

A unique program that every 5th grader in BISD can engage in is The Boerne Outdoor Academy (BOA). This program was created by parents, teachers, and outdoor educators to enrich and extend classroom learning. The program features outdoor inquiry, experience-based learning, and interpersonal skills development through group learning, living, and recreation in an idyllic Hill Country camp setting. The Boerne Outdoor Academy exists to nurture our youth's commitment to themselves, their community, and their environment.

Another non-traditional program BISD offers is the Boerne Academy, which is an alternative high school experience available for students needing a different approach to completing high school. The Boerne Academy not only prepares students to complete high school but also works with students individually to ensure they are ready for their future after high school with connections to the workforce or post-secondary opportunities.

BISD is also committed to serving our community and has partnered with ESC 20 to offer classes for those needing to learn English (English as a Second Language) or to help earn a GED.

In addition to academic instruction, the Boerne ISD Student Support Department and associated campus teams provide comprehensive care services that lead to empathy, resilience, and positive academic outcomes for all students. In conjunction with the District Safety and Security Department, we aim to create a safe, supportive environment that fosters emotional well-being, physical health, and crisis resolution. Using a "System of Care" (SOC) framework, we deliver comprehensive, coordinated, and collaborative services to students with complex needs and their families. The primary goal is to ensure that services support the whole child, are family-driven, and youth-guided. This Boerne ISD framework emphasizes the integration of various services to ensure every student in our schools is healthy, safe, supported, engaged, and challenged.

District Accomplishments

- Boerne ISD students consistently score above the state average on the State's standardized tests in English Language Arts, Mathematics, Science, and Social Studies. In Spring 2012, the Texas Assessment of Knowledge and Skills was replaced by the State of Texas Assessments of Academic Readiness (STAAR). Beginning in 2018-2019, schools in Texas were rated under the new A-F accountability system. Boerne ISD has earned six consecutive 'A' ratings from 2018-25, with an overall average score of 92.4. In addition, multiple campuses received distinctions for excellence in academic subjects and academic growth.
- Over 800 students received diplomas in 2 commencement ceremonies held during the 2024-2025 school year.
- The first two Boerne ISD students graduated from the District's Early College P-TECH program with their associate's degree in Cybersecurity in the Spring of 2025.
- Boerne ISD had a total of 534 students who earned an AP Scholar designation Spring of 2025.
- Ninety percent (95%) of the class of 2024 graduated with at least one measure to indicate College, Career, and Military Readiness. For the Class of 2024, the most recent data available, the graduation rate was 99.4 percent.
- Boerne ISD was named a 2022 and 2024 Innovative District (1 of 12 across the nation) from the Center for Model Schools for their systemwide focus on instruction and organization structures to increase student growth. Innovative districts are selected annually based on rigorous criteria. Innovative Districts have evidence of growth year over year, an aligned vision and structures, and are intentional about instructional decisions.
- Boerne ISD consistently earns an "A" rating from the TEA, reflecting excellence in academic achievement, growth, and school performance. The district has received numerous prestigious honors, including being named the 2020 Best Small School District in Texas by the H-E-B Excellence in Education Awards and a 2020 Top Workplace by the San Antonio Express-News.
- In 2019, 2021, 2022, 2023, and 2024, Boerne ISD was nationally recognized as one of the Best Communities for Music Education.
- In 2025, Curington, Herff, Kendall, Fabra, and Fair Oaks Ranch Elementaries were honored as Capturing Kids' Hearts National Showcase Schools.

Innovative Initiatives

- Project Lead the Way (PLTW) curriculum and teacher training for the development of the Engineering Planning & Development CTE pathway and in Elementary Technology Applications classes.
- Implementation of Pathways to Technology Early College HS (P-TECH) in Cybersecurity opened in the Fall of 2022.
- Implementation of Pathways to Technology Early College HS (P-TECH) in Health Science opened in the Fall of 2024.
- Texas Lesson Study Embedded within the Professional Learning Community learning cycle this is a model that allows teachers to lead their learning to improve student outcomes.

Community Support

- Since 2004, voters have approved almost \$462 million in bonds to build new schools and make improvements to existing schools. In May 2022, Boerne voters approved a \$165 million bond election.
- The Boerne Education Foundation, established in 1997, is dedicated to enhancing educational experiences within the Boerne Independent School District. Its mission is to inspire community engagement and support innovative educational programs by raising and distributing funds and resources that enrich the lives of Boerne ISD students. To date, the Foundation has proudly contributed over \$8 million to Boerne ISD schools, empowering students with opportunities for growth and learning.

Financial Stewardship

• The District has one of the lowest interest and sinking (dedicated to bond debt) tax rates among similar fast-growth ISDs in Texas. Under House Bill 3, which passed in the 2019 legislative session, the M&O rate for the District has decreased by thirty-six cents through the 2024-25 fiscal year.

OUR MISSION, VISION, AND CORE VALUES

Mission:

To engage, enrich, and inspire every student, every day.

Vision:

Boerne ISD is committed to providing a safe, supportive, and innovative learning environment, ensuring that all students are prepared for their futures as responsible, productive citizens.

Core Values:

Every Child, Every Day - We are committed to ensuring every student is engaged, enriched, and inspired.

Respectful Relationships - We build a culture of trust and compassion by actively listening to and learning from others.

Excellence through Integrity - We hold ourselves and others to high standards.

Commitment to Service - We are committed to leading, serving and enriching our community.

FACTORS AFFECTING FINANCIAL CONDITION

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

Introduction

The District is located in the heart of a rapidly growing area in Kendall County, just outside of the seventh largest city in America, San Antonio. The District's appeal to families is due to factors such as excellent teachers, strong academics, and outstanding extracurricular programs. The District facilities provide functionality with aesthetically pleasing facades. As a family-friendly District, our emphasis is on children and families. The District also places great emphasis on a high-quality workforce and an employee-family culture.

Population

There are an estimated 54,453 (as of 2025) people residing in the District and almost 20,000 households. Enrollment in the District has been steadily growing over the past 15 years, with a 1-6% increase each year, and recent trends show a stable enrollment of around 11,100.

Local Economy

The political boundaries of Boerne ISD effectively serve as a bedroom community to the greater San Antonio Metropolitan area. Its proximity to entities such as USAA and Valero, as well as the Texas Hill Country, impacts the economy of the District in unique ways. The largest employment sectors are education, health care, and professional services.

Access

The District has an excellent transportation system, with many major roads and highways traversing through it. Interstate Highway 10, which is the major east-west interstate highway in the southern United States, runs north-south through the District. Highway 46 is the major east-west thoroughfare, and Highway 3351 provides access through the eastern portion of the District.

THE REPORTING ENTITY

Boerne Independent School District is an independent reporting entity clearly within the criteria established in Section 2100 of the Governmental Accounting Standards Board codification.

Internal and Budgetary Controls

The development and evaluation of the District's accounting system considers the adequacy of the internal control structure. The internal control structure is designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that (1) the cost of controls should not exceed the benefits expected to be derived, and (2) the evaluation of costs and benefits requires estimates and judgments by management.

We believe that the District's accounting controls provide reasonable assurance that errors or irregularities that could be material to the financial statements are prevented or would be detected within a timely period by employees in the normal course of performing their assigned functions.

Budgetary controls are established by regulations of the Texas Education Agency and by District policy for all administrators with line-item responsibility. TEA regulations set the level of budgetary control at the major functional expenditure level. Administrators have the responsibility to develop and manage their own program budgets once approved. Revisions within the categories are accepted upon request, but additions in amount or revisions between functions require recommendation of the Superintendent and approval by the Board of Trustees.

General Educational Functions

Principally, local taxes and state entitlements support general educational activities. Direct federal aid is nominal in the General Fund; however, the Special Revenue Fund receives most of its funding from Federal grants, which are distributed through the Texas Education Agency. General educational activities are accounted for in the General and Special Revenue Funds. State and federal grants or entitlements primarily support the Special Revenue Fund. They include support for the economically and academically disadvantaged, federal support for special and vocational education, and a variety of other projects as described in the Combining Statements.

Cash Management

The District's cash position is reviewed regularly, and all idle cash is invested in accordance with the District's investment policy. The District's investment officers invest primarily in U.S. Government agency notes, municipal bonds, and local government investment pools. Yields on investments remain favorable compared to the three-month Treasury bill rate.

The District's investment policy is to protect principal and minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized. All collateral pledged to the District was held in the District's name by the Federal Reserve in Boston, Massachusetts.

Risk Management

The purpose of Risk Management is to plan for the negative consequences of any decision, process, or action by using whatever means feasible to control the chance of financial loss. Effective risk management is a critical component of any sound organization. Every dollar spent on property damage, on-the-job injuries, liability claims, and insurance premiums is a dollar not spent on school district services.

The objectives of risk management are to:

- 1. Ensure that District assets are protected and managed appropriately;
- 2. Identify situations that may create liability and financial burden upon the District;
- 3. Implement effective procedures to minimize and/or avoid loss exposures;
- 4. Act as a resource and service center for all District employees.

The District also maintains a workers' compensation program, property and casualty coverage, and a safety training and inspection program.

Worker's Compensation Program

The District provides all employees with workers' compensation coverage for injuries that occur in the course and scope of employment.

Property and Casualty Coverage

Commercial property and casualty policy (P&C) is purchased by the District to provide fire and extended coverage of all District permanent structures and their contents. Other P&C exposures insured are Boiler & Machinery, Underground Storage Tank Liability, Crime Coverage, Errors & Omissions Coverage, and numerous Fidelity Bonds.

Safety Program

The District provides regular training to various campus personnel and employee groups throughout the District. Specific or targeted training is provided on the basis of need and at periodic intervals throughout the year. In addition, the use of inspections has allowed the District to identify unsafe acts or conditions, make necessary changes, and prevent loss situations from occurring to others.

Employee Benefits

Boerne makes an array of benefits available through a Section 125 Cafeteria Plan to all regular employees who work 20 hours or more per week. Participation in the Cafeteria Plan allows for certain benefits to be deducted from the employee's pay with tax-deferred money. The District subsidizes premiums for active employees based on the coverage tier selected (i.e., employee only, employee and spouse, employee and children, employee and family). The District does not subsidize retiree benefits.

Health Insurance Program

The District offers its employees a suite of health benefit plans fully insured by TRS-ActiveCare.

Supplemental Employee Benefits

Other benefits offered are voluntary and supplemental in nature. The participant pays the total cost of these insurances. The supplemental benefits include 1) Dental Insurance, 2) Vision Insurance, 3) Employee, Spouse and Child Term Life Insurance, 4) Disability/Income Replacement, 5) Pre-Paid Legal, 6) Medical and Dependent Care Spending Accounts, 7) Cancer Insurance, 8) Critical Illness Insurance, and 9) Health Spending Accounts.

Fiscal Strategic Planning

The District continues to be proactive in its strategic fiscal planning by requesting input from community members and staff. The priorities of the Strategic Plan focus on promoting community involvement; educating diverse learners; hiring, developing, and retaining quality staff; and promoting a safe environment for the students and staff.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awards the Certificate of Achievement for Excellence in Financial Reporting to local governments that issue annual financial reports that meet certain requirements. In order to receive a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy accounting principles generally accepted in the United States as well as applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. We believe our current annual comprehensive financial report meets the Certificate of Achievement program's requirements, and we are submitting it to GFOA to determine its eligibility.

Senate Bill 218 of the 77th Texas Legislature (2001) authorized the implementation of the Financial Integrity Rating System of Texas, officially known as Schools FIRST. This law requires each school district to prepare and distribute an annual financial management report and provide the public with an opportunity to comment on the report at a public meeting. The primary goal of Schools FIRST is to improve the management of a school district's financial resources.

For fourteen years in a row, the District earned a "Superior Achievement" rating from the TEA. This is the highest possible rating under the Schools FIRST accountability system. Beginning in 2014-15, the TEA modified the ratings to a point system with a maximum of 100 points and a "Superior" rating for achieving a minimum of 90 points. In the latest FIRST report presented to the public in October 2024 for 2022-23, the District earned a "Superior" rating with a score of 100 points.

The timely preparation of this report could not have been accomplished without the assistance of the following departments: Academics, Administration, Communications, Human Resources, Technology, and Business and Finance. We would like to acknowledge our independent auditors, Weaver and Tidwell, L.L.P., for their role in providing professional guidance and assistance in the preparation of this report.

Finally, without the interest, leadership, and support of the Board of Trustees, the preparation of this report would not have been possible.

Thanks to the collective efforts of several key departments, this report was prepared in a timely and efficient manner. We are thankful for the assistance of the Academics, Administration, Communications, Human Resources, Technology, and Business and Finance teams. Special recognition also goes to Weaver and Tidwell, L.L.P., for their expert advice and support, and to the Board of Trustees for their unwavering interest and leadership.

Kristin Craft, Ed.D.

Superintendent of Schools

Wesley Scott

Chief Financial Officer

Boerne Inde	pendent School	District
Name of Sch	nool District	

Kendall County
County

<u>130-901</u> Co.-Dist. Number

We, the undersigned, certify that the attached An	nual Financial Reports of the above-named school
district were reviewed and { } approved { }	disapproved for the year ended June 30, 2025, at a
meeting of the Board of School Trustees of such s	chool district on the day
of2025.	
Signature of Board Secretary	Signature of Board President

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



BOERNE ISD EXECUTIVE LEADERSHIP



CHIEF ADMINISTRATIVE OFFICER

Administrative Services

- Extracurricular Activities
- Principals
- Transportation

Programs

- Demographics
- Student Transfers

CHIEF FINANCIAL & OPERATIONS OFFICER

Business Services

- Accounts Payable
- Payable
 Payroll
- Purchasing
- Warehouse
- Custodial
- Child Nutrition
- Maintenance

<u>Programs</u>

- Budget Development
- Business Services
- Capital Replacement Plan
- Bond Management
- Energy Management

CHIEF HUMAN RESOURCES OFFICER

Human Resources

- Employee Services
- Staffing
- Substitutes

Programs

- Employee Relations
- New Teacher Mentoring
- Talent Acquisition

CHIEF INSTRUCTIONAL OFFICER

Teaching & Learning

- Alternative Education
- Content Coordinators
- Special Programs

<u>Programs</u>

- Advanced Academics
- Bilingual Programs
- ProgramsCareer & Technology
- Digital Learning
- Early Childhood
- Instructional Materials

CHIEF TECHNOLOGY OFFICER

Technology & Student Information

- Student Information
- Systems Technology

Programs

- Assessment & Accountability
- Information Security
- Network Integration
- PEIMSSoftware
- IntegrationCustomer
- SupportTechnologyMaintenance

CHIEF STUDENT SUPPORT SERVICES OFFICER

Student Support Services

• System of Care

Programs

- Counseling, Nursing & Wellness
- Special Ed
- 504
- At-Risk Youth
- Mentoring
- Family & Community Engagement
- Volunteers
- Crisis
- Management & Behavior Threat Assessments
- Military Connected
- Homeless & McKinney Vento
- Pregnancy Related Services
- Alternative Drug Education Program

CHIEF SAFETY & SECURITY OFFICER

Safety & Security

<u>Programs</u>

- School Resource Officers
- Safety Committee
- Emergency Preparedness
- Safety Training
- Audits & Compliance

BOERNE INDEPENDENT SCHOOL DISTRICT

Boerne, Texas

EXECUTIVE LEADERSHIP AND ADVISORS

June 30, 2025

EXECUTIVE LEADERSHIP

Kristin Craft, Ed.D. Superintendent Jill Rhodes-Pruin Chief Human Resources Officer John O'Hare, Ed.D. **Chief Administrative Officer** Krista Pomeroy Chief Student Support Officer Larissa Flores Chief Instructional Officer **Executive Director of Communications** Maggie Dominguez, Ph.D Rick Goodrich Chief Safety & Security Officer Sean Babcock Chief Technology Officer Wesley Scott Chief Financial & Operations Officer

ACCOUNTANTS AND ADVISORS

Weaver and Tidwell, L.L.P. Certified Public Accountants San Antonio, Texas

Walsh, Gallegos, Trevino, Russo & Kyle, Inc. General Counsel San Antonio, Texas

> Hilltop Securities, Inc. Financial Advisors San Antonio, Texas

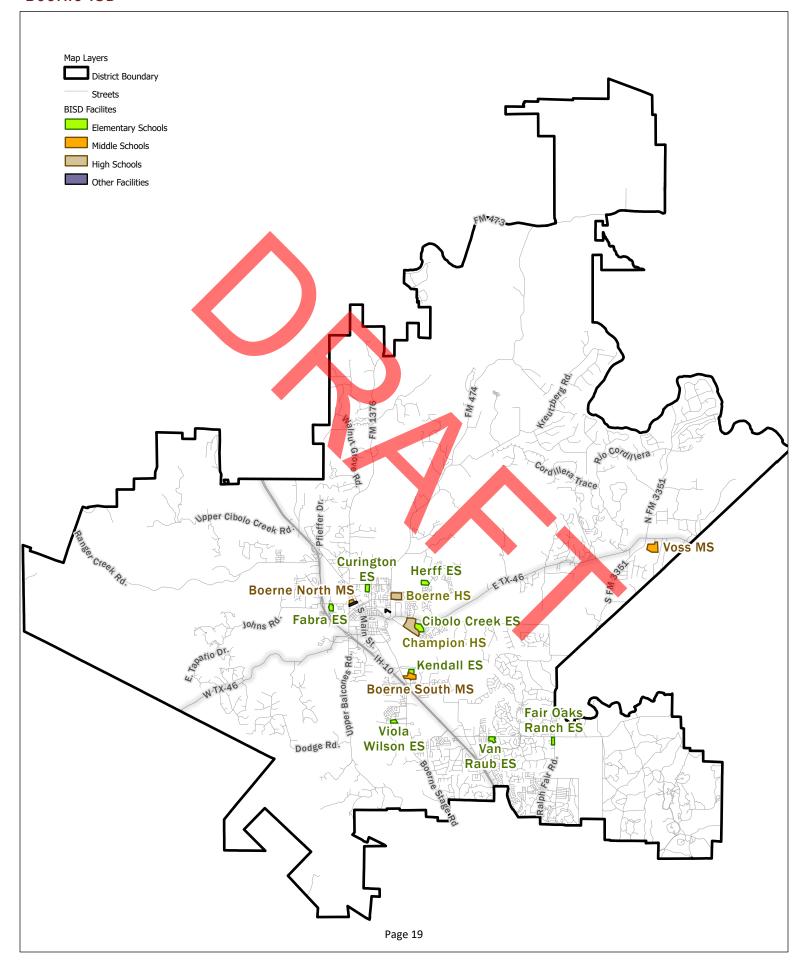
McCall Parkhurst & Horton, LLP Bond Counsel San Antonio, Texas

Facilities Map

Boerne ISD









Independent Auditor's Report

Independent Auditor's Report

Independent Auditor's Report



BOERNE INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2025

This discussion and analysis of the Boerne Independent School District's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2025. It should be read in conjunction with the District's financial statements.

FINANCIAL HIGHLIGHTS

- The District's total combined net position at June 30, 2025, was \$44,806,462.
- For the fiscal year ended June 30, 2025, the District's general fund reported a total fund balance of \$29,548,279, of which \$29,295,268 was unassigned.
- At the end of the fiscal year, the District's governmental funds (the general fund plus all federal, state, and local grant funds, the debt service fund, and the capital projects fund) reported combined ending fund balances of \$79,619,488.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of three parts — Management's Discussion and Analysis (this section), the Basic Financial Statements, and Required Supplementary Information. The basic 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.
- The proprietary fund statements provide information about services provided to parties inside the District. The proprietary funds include the internal service fund (the District's insurance fund).
- 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 fiduciary resources belong. This fund includes student activity funds.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The notes to the financial statements are followed by a section entitled *Required Supplementary Information* that further explains and supports the information in the financial statements.

GOVERNMENT-WIDE FINANCIAL 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 District's assets and liabilities. All of the current period's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The government-wide statements report on the District's net position and how it has changed. Net position is the difference between the District's assets and liabilities and 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, staffing patterns, enrollment, and attendance.

The government-wide financial statements of the District include the *governmental activities*. Most of the District's basic services, such as instruction, extracurricular activities, curriculum, and staff development, health services, general administration, and plant operation and maintenance, are included in *governmental activities*. Locally assessed property taxes, together with State foundation program entitlements, which are based upon student enrollment and attendance, finance most of the governmental 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 simply accounting devices that are used to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law, and other funds are mandated by bond agreements or bond covenants.
- The Board of Trustees (the "Board") establishes other funds to control and manage money set aside for particular purposes or to show that the District is properly using certain taxes and grants.
- Other funds are used to account for assets held by the District in a custodial capacity these assets do not belong to the District, but the District is responsible for properly accounting for them.

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 can readily be converted to cash flow in and out and (2) the balances left at year's 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 at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- Proprietary funds These funds include the internal service fund. The District's workers' compensation and unemployment fund activity is reported in the internal service fund and is shown in a separate statement of net position and statement of changes in net position.
- Fiduciary funds The District serves as the trustee, or fiduciary, for certain funds such as student
 activity funds. The District is responsible for ensuring that the assets reported in these funds are
 used for their intended purposes. All of the District's fiduciary activities are reported in a separate
 statement of 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 governmental
 operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's combined net position was \$44,806,462 at June 30, 2025. *Table 1* focuses on net position, while *Table 2* shows the revenues and expenses that changed the net position balance during the fiscal year ended June 30, 2025. Revenues for the District, not restricted to specific programs, increased commensurate with an increase in enrollment and attendance in accordance with State funding provision and hold harmless provisions instituted by the Texas Education Agency for the 2025 fiscal year. Property tax revenues increased commensurate with an increase in property values and a small decrease in the tax rate. *Table 1* indicates the overall condition of the District remained relatively stable. The District's current assets decreased, and capital assets increased due to the continuation of construction projects stemming from the successful May 2022 bond authorization. The District's long-term liabilities decreased due to the planned defeasance of callable bond issues.

TABLE 1 Net Position

		Government	al A	ctivities
		2025		2024
Assets				
Current and Other Assets	\$	97,259,856	\$	146,687,766
Capital Assets		433,464,434		408,503,976
Total Assets		530,724,290		555,191,742
Total Deferred Outflows of Resources	1	17,828,789		20,314,777
Liabilities	1			
Current and Other Liabilities	7	21,359,118		25,072,027
Long-term Liabilities		463,925,762		484,049,938
Total Liabilities		485,284,880		509,121,965
Total Deferred Inflows of Resources		18,461,737	4	24,112,794
Net Position				
Net Investment in Capital Assets		71,455,056		52,645,468
Restricted		3,923,992		4,905,828
Unrestricted		(30,572,586)		(15,279,536)
Total Net Position	\$	44,806,462	\$	42,271,760

TABLE 2 Change in Net Position

	Governmental Activities			
	2025	2024		
Revenues				
<u>Program Revenues</u>				
Charges for Services	\$ 4,190,025	\$ 3,742,862		
Operating Grants and Contributions	24,681,739	22,665,643		
<u>General Revenues</u>	,,	,===,==		
Property Taxes	111,868,531	102,284,008		
State Aid - formula	26,121,505	23,441,435		
Investment Earnings	5,843,582	7,083,759		
Other	3,305,051	438,757		
Total Revenues	176,010,433	159,656,464		
Expenses				
Instruction	76,146,566			
Instructional Resources & Media Services	1,641,591	1,348,689		
Curriculum & Staff Development	3,487,220	3,504,085		
Instructional Leadership	1,694,271	1,644,269		
School Leadership	6,993,222	6,811,609		
Guidance, Counseling & Evalua <mark>tio</mark> n Services	5,660,098	5,131,134		
Health Services	1,441,462	1,336,925		
Student (pupil) Transportation	4,644,753	3,859,543		
Child Nutrition Services	5,240,414	4,726,271		
Co-Curricular Activities	5,083,886	5,180,777		
General Administration	4,302,766	4,528,720		
Plant Maintenance and Operations	25,626,917	18,182,023		
Security & Monitoring Services	3,108,353	2,960,499		
Data Processing Services	4,939,545	5,661,924		
Community Services	19,288	44,118		
Debt Service	13,286,161	13,713,408		
Contracted Instructional Services Between Schools	-			
Other Governmental Charges	1,221,012	1,061,912		
Total Expenses	164,537,525	152,133,251		
Change in Net Position	11,472,908	7,523,213		
Beginning Net Position (as restated)	33,333,554			
Ending Net Position	\$ 44,806,462	\$ 42,271,760		

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At the close of the fiscal year ending June 30, 2025, the District's governmental funds reported a combined fund balance of \$79,619,488. This compares to a combined fund balance of \$123,178,366 at June 30, 2024. Fund balance reached a peak in 2023 primarily as a result of the issuance of bond debt from the 2022 bond authorization approved by voters in May 2022. The decline in fund balance to 2024 and again in 2025 is due to the beginning and continuation of the major construction project phase of the authorization. Larger declines in fund balance are anticipated in the next several fiscal years as the completion phase progresses.

GENERAL FUND BUDGETARY HIGHLIGHTS

In accordance with State law, the District prepares an annual budget for the general fund, the food service special revenue fund, and the debt service fund. The District budgets the capital projects fund for each *project*, which normally covers multiple years. Special revenue funds have budgets approved by the funding agency and are amended throughout the year as required.

During the period ended June 30, 2025, the District amended its budget as required by State law to reflect current levels of revenue and anticipated expenses. Changes between the original budget and the final amended budget were due primarily to the continuing implementation of 2023 property tax legislation related to frozen values. The general fund's actual revenues exceeded budgeted revenues by \$1,902,517 and the budgeted expenditures exceeded actual expenditures by \$1,814,273.

CAPITAL ASSETS

Capital assets are generally defined as those items that have useful lives of two years or more and have an initial cost or value (if donated) of an amount determined by the Board. During the fiscal year ended June 30, 2025, the District used a capitalization threshold of \$5,000, which means that all capital-type assets, including library books, with a cost or initial value of less than \$5,000 were not included in the capital assets inventory.

As of June 30, 2025, the District had a total of \$433,464,434 invested in capital assets such as land, buildings, and District equipment, net of depreciation. This is a substantial increase from the prior year due to the number of construction projects underway as a result of the 2022 bond authorization.

More detailed information about the District's capital assets can be found in the notes to the financial statements.

LONG-TERM DEBT

At year's end, the District had \$384,264,896 in general obligation bonds and notes outstanding versus \$411,994,896 last year. More detailed information about the District's long-term liabilities is presented in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND TAX RATES

Total appraised market value of the District for the 2025-2026 (2025 Tax Year) is \$21.1 billion, which is a 5 percent increase from the preceding year. Total taxable property values (including "frozen" values) used for the 2025-2026 budget preparation increased one percent from the preceding year, primarily due to the proposed increases in homestead exemptions in the 2025 legislative session, offset by the current year expiration of the homestead cap.

The Board set the tax rate for the 2025-2026 school year at the August 2025 Board meeting. The tax rates were approved with an increase from the prior year, which prompted a Voter Approval Tax Ratification Election. Debt service tax rate is \$0.314, and maintenance and operation rate is \$0.6969 for a total tax rate of \$1.0109 per \$100 valuation.

The original 2025-2026 general operating fund budget was \$116.5 million, an increase of 14.84 percent from the 2024-2025 adopted budget and a 6.4 percent increase from the 2024-2025 final amended budget. Compensation was the primary increase driver and was approved for teaching positions for the 2024-2025 fiscal year. New positions were budgeted to accommodate growth.

The District's 2025-2026 estimated average membership is projected at 11,237, with estimated average daily attendance at 10,542. Attendance was estimated at 94.00 percent.

Enrollment of 11,180 through September 2025 is in line with budgeted expectations. Accordingly, the Administration is closely monitoring revenue and expenditure considerations to ensure budgetary limitations are appropriate.

The District remains aware of its dependence on local taxation to support all phases of its operations and is committed to providing the best possible education to every student, using the resources made available to it by State law and local taxpayer support.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and creditors with a general overview of the District's finances and to demonstrate the District's commitment to accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Boerne Independent School District's business office at 235 Johns Road, Boerne, Texas 78006 or by calling (830) 357-2000.



BOERNE INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION JUNE 30, 2025

Data		Primary Government
Control		Governmental
Codes	-	Activities
	ASSETS	
1110	Cash and Cash Equivalents	\$ 88,167,352
1220	Property Taxes Receivable (Delinquent)	3,097,164
1230	Allowance for Uncollectible Taxes	(1,889,950
1240	Due from Other Governments	7,460,893
1290	Other Receivables	92,109
1300 1490	Inventories Other Current Assets	67,557 264,731
1430	Other Current Assets	204,731
1510	Capital Assets	20.020.00
1510	Land	38,930,665
1520	Buildings, net	358,596,441
1530	Furniture & Equipment, net	7,845,704
1540	Vehicles, net	5,423,630
1550 1580	Leases and Subscriptions, net	591,303
1580 1590	Construction in Progress	9,666,456
1000	Infrastructure, net Total Assets	12,410,235 530,724,290
1000	Total Assets	
	DEFERRED OUTFLOWS OF RESOURCES	
1701	Deferred Charge for Refunding	281,040
1705	Deferred Outflow Related to TRS Pension	7,035,565
1706	Deferred Outflow Related to TRS OPEB	10,512,184
1700	Total Deferred Outflows of Resources	17,828,789
	LIABILITIES	
2110	Accounts Payable	4,728,417
2110	Accrued Interest	5,100,424
2150	Payroll Deductions & Withholdings Payable	31,825
2160	Accrued Wages Payable	10,796,375
2180	Due to Other Governments	94,406
2210	Accrued Expenses	96,411
2300	Unearned Revenue	511,260
2300	official field field field	311,200
	Noncurrent Liabilities	
2501	Due within one year	14,560,898
2502	Due in more than one year	396,692,594
2530	Leases and Subscriptions - Long Term	345,582
2540	Net Pension Liability (District's Share)	28,019,973
2545	Net OPEB Liability (District's Share)	19,802,374
2590	Other Long term liabilities - due or payable after one year	4,504,341
2000	Total Liabilities	485,284,880
	DEFERRED INFLOWS OF RESOURCES	
2605	Deferred Inflow Related to TRS Pension	1,113,019
2606	Deferred Inflow Related to TRS OPEB	17,348,718
2600	Total Deferred Inflows of Resources	18,461,737
2000	Total Deferred Illiows of Resources	
2200	NET POSITION	74 455 000
3200	Net Investment in Capital Assets	71,455,056
3820	Restricted for Federal and State Programs	644,784
3850	Restricted for Debt Service Other Restrictions on Net Desition	1,675,226
3890	Other Restrictions on Net Position	1,603,982
3900	Unrestricted	(30,572,586
3000	Total Net Position	\$ 44,806,462

The accompanying notes are an integral part of this statement.

Net (Expense)/

BOERNE INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

								R	evenue and Changes in
			1		Program	Reve			Net Position
Data			1		3		4 Operating		6
Control					Charges		Grants and	G	overnmental
Codes	Functions/Programs		Expenses		for Services	C	Contributions	Ü	Activities
	Governmental Activities:		'	_					
0011	Instruction	\$	76,146,566	\$	452,012	\$	14,222,815	\$	(61,471,739)
0012	Instructional Resources & Media Services		1,641,591	Y	7,582	Y	133,700	Y	(1,500,309)
0012	Curriculum & Staff Development		3,487,220		23,067		498,458		(2,965,695)
0021	Instructional Leadership		1,694,271		-		138,121		(1,556,150)
0023	School Leadership		6,993,222		13,068		701,759		(6,278,395)
0031	Guidance, Counseling & Evaluation Service	200	5,660,098		43,596		793,002		(4,823,500)
0033	Health Services		1, 441,462		18		133,859		(1,307,585)
0034	Student (Pupil) Transportation		4,644,753		179		277,393		(4,367,181)
0035	Child Nutrition Services		5,240,414		2,745,303		2,198,800		(296,311)
0036	Co-curricular/Extracurricular Activities		5,083,886		538,091		469,927		(4,075,868)
0041	General Administration		4,302,766	7	1,669		587,032		(3,714,065)
0051	Plant Maintenance & Operations		25,626,917	7	319,005		522,981		(24,784,931)
0052	Security & Monitoring Services		3,108,353		46,435		145,369		(2,916,549)
0053	Data Processing Services		4,939,545				137,232		(4,802,313)
0061	Community Services		19,288	4			8,322		(10,966)
0072	Debt Service - Interest		13,275,809			1	3,712,969		(9,562,840)
0073	Debt Service - Fiscal Charges		10,352		-				(10,352)
0099	Other Governmental Charges	<u></u>	1,221,012				-		(1,221,012)
TP	TOTAL PRIMARY GOVERNMENT	\$	164,537,525	\$	4,190,025	\$	24,681,739		(135,665,761)
		General R	evenues:						
		Taxes:							
MT		Pro	perty Taxes, Lev	ied f	or General Purp	oses			75,331,402
DT		Pro	perty Taxes, Lev	ied f	or Debt Service				36,537,129
SF		State aid -	unrestricted for	mula	a grants				26,121,505
MI		Miscellane	eous local & inte	rme	diate				3,305,051
IE		Investmer	nt earnings						5,843,582
TR		Total gene	eral revenues						147,138,669
CN		Changes in	n Net Position						11,472,908
NB		Net Positi	on beginning (as re	estated)				33,333,554
NE		Net Positi	on ending					\$	44,806,462
The a	accompanying notes are an integral par	t of this st	atement.						

BOERNE INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2025

Data Control Codes		. <u> </u>	General Fund		Debt Service Fund	Ca	apital Projects Fund		Non-Major overnmental Funds	G	Total overnmental Funds
	ASSETS										
1110	Cash and Cash Equivalents	\$	34,157,286	\$	10,492,749	\$	40,752,570	\$	2,746,489	\$	88,149,094
1220	Property Taxes - Delinquent		2,186,782		910,382		-		-		3,097,164
1230	Allowance for Uncollectible Taxes (credit)		(1,362,679)		(527,271)		-		-		(1,889,950)
1240	Due from Other Governments		6,415,123		7,308		-		1,038,462		7,460,893
1260	Due from Other Funds		460,540		-		52,540		142,001		655,081
1290	Other Receivables		39,767		-		13,392		38,950		92,109
1300	Inventories, at cost		36,583		-		-		30,974		67,557
1490	Other Current Assets	_	253,011	_			-		11,720		264,731
1000	Total Assets	\$	42,186,413	\$	10,883,168	\$	40,818,502	\$	4,008,596	\$	97,896,679
	LIABILITIES										
2110	Accounts Payable	\$	1,609,584	\$	-	\$	3,536,179	\$	156,354	\$	5,302,117
2150	Payroll Deductions & Withholdings Payable		31,825	·	-		-	·	-		31,825
2160	Accrued Wages Payable		10,145,813		_		-		650,562		10,796,375
2170	Due to Other Funds		179,411		-		_		475,670		655,081
2180	Due to Other Governments				94,406		-		-		94,406
2210	Accrued Expenditures		96,411		-		-		-		96,411
2300	Unearned Revenue		34,016		-		_		477,244		511,260
			12 007 000		04.406		2.526.470		4 750 030		47 407 475
2000	Total Liabilities	_	12,097,060	6	94,406	-	3,536,179	_	1,759,830		17,487,475
	DEFERRED INFLOWS OF RESOURCES			4							
2601	Unavailable Revenue - Property Taxes		541,074		248,642				-		789,716
2600	Total Deferred Inflows of Resources		541,074	7	248,642	A)	-		-		789,716
				/							
	FUND BALANCES										
3410	Nonspendable		253,011	7					40,974		293,985
3450	Restricted - Grant Funds		255,611	T					603,810		603,810
3470	Restricted - Capital Acquisitions and Contractual Obligations		_	•	_		37,282,323		003,810		37,282,323
3480	Restricted - Debt Service		_		10,540,120		37,202,323				10,540,120
3490	Restricted - Other		_		10,340,120				1,603,982		1,603,982
3600	Unassigned		29,295,268		-				1,003,982		29,295,268
	-	_				_					
3000	Total Fund Balance		29,548,279		10,540,120	4	37,282,323	_	2,248,766		79,619,488
4000	Total Liabilities, Deferred Inflows and Fund Balances	\$	42,186,413	\$	10,883,168	\$	40,818,502	\$	4,008,596	\$	97,896,679

44,806,462

BOERNE INDEPENDENT SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION $_{\mbox{\scriptsize JUNE }30,\,2025}$

Amounts reported for government activities in the Statement of Net Position are different because:

Total fund balances - governmental funds		\$	79,619,488
The District uses internal service funds to charge the costs of worker's compensation, equipment and unemployment) to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position, including furniture and equipment and accumulated depreciation in the following			(47.042)
amounts:			(47,842)
Capital assets used in governmental activities are not financial resources, and therefore, are not reported as assets in the governmental funds.			
Land	\$ 38,930,665	5	
Buildings	453,416,013	3	
Furniture and Equipment	19,636,138	3	
Leases and Subscriptions	1,165,040)	
Vehicles	10,765,107	7	
Construction in Progress	9,666,456	5	
Infrastructure	36,917,782	2	570,497,201
		_	
Accumulated Depreciation - Buildings	(94,819,572	2)	
Accumulated Depreciation - Furnit <mark>ure and Equipment</mark>	(11,790,434	l)	
Accumulated Depreciation - Leases and Subscriptions	(573,737	7)	
Accumulated Depreciation - Vehicles	(5,341,477	7)	
Accumulated Depreciation - Infrastructure	(24,507,547	<u>')</u>	(137,032,767)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported as liabilities in the funds. Unearned revenue is not reported as a liability in the government-wide financial statements, because the revenue is considered earned.			
Accrued Interest - Bonds	\$ (5,100,424	l)	
Leases and Subscriptions Payable	(549,455	5)	
Bonds Payable - Long-term	(384,264,896	5)	
Unamortized Bond Premiums	(12,225,008	3)	
Arbitrage Rebate Payable	(3,864,542	L)	
Compensated Absences	(7,893,768	3)	
Accretion of Interest on Capital Appreciation Bonds	(6,665,947	, 7)	(420,564,039)
Unavailable revenue from property taxes and other items is not reported as a deferred inflow in the government-wide financial	-	-	
statements, because the revenue is considered earned. Property Taxes			789,716
Deferred Charge on Refunding Bonds is a deferred outflow and is not reported in the fund financial statements.			281,040
Selected strategy of the ariang solids to determine station, and is not reported in the ratio initiation statements.			201,040
Included in the items related to long term debt, as required by GASB 68 and 75, are the following:			
District's proportionate share of the net pension liability	\$ (28,019,973	3)	
District's proportionate share of the net OPEB liability	(19,802,374	l)	
Deferred resource inflow related to TRS pension	(1,113,019	9)	
Deferred resource inflow related to TRS OPEB	(17,348,718		
Deferred resource outflow related to TRS pension	7,035,565		
Deferred resource outflow related to TRS OPEB	10,512,184	l	(48,736,335)

Net Position - Governmental Activities

BOERNE INDEPENDENT SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

Data Control Codes			General Fund		ebt Service Fund	Ca _l	pital Projects Fund		Non-Major overnmental Funds	G 	Total lovernmental Funds
5700 5800	REVENUES: Local and Intermediate Sources State Sources	\$	78,599,350 32,322,421	\$	37,141,631 3,712,969	\$	5,625,943 212,800	\$	5,337,856 2,810,614	\$	126,704,780 39,058,804
5900 5020	Federal Sources Total Revenues	_	175,556 111,097,327	_	40,854,600	_	5,838,743		4,631,916 12,780,386		4,807,472 170,571,056
	EXPENDITURES Current:				, ,		, ,		<u> </u>		, ,
0011	Instruction		61,800,222		-		185,123		5,569,855		67,555,200
0012	Instructional Resources and Media Services		1,111,912		-		194,590		93,423		1,399,925
0013	Curriculum and Instructional Staff Development		2,932,498		-		-		284,240		3,216,738
0021	Instructional Leadership		1,689,734		-		-		-		1,689,734
0023	School Leadership		6,096,729		-		-		161,027		6,257,756
0031	Guidance and Counseling Services		4,596,785		-		-		537,204		5,133,989
0033	Health Services		1,257,173		-		-		216		1,257,389
0034	Pupil Transportation		4,070,151		-		1,200,536		2,206		5,272,893
0035	Child Nutrition Services		120,058		-		-		4,407,042		4,527,100
0036	Co-Curricular Activities		2,866,804		-		-		1,014,476		3,881,280
0041	General Administration		4, <mark>075,</mark> 383		-		18,427		20,573		4,114,383
0051	Plant Maintenance and Operations		12,626,133		-		2,471,820		12,079		15,110,032
0052	Security & Monitoring Services		2,0 23,469		-		273,226		572,191		2,868,886
0053	Data Processing Services		3,212,295		-		924,848		-		4,137,143
0061	Community Services		12,523	4	-		-		5,223		17,746
0071	Debt Service - Principal on Long-Term Debt		452,284		27,580,000		-		-		28,032,284
0072	Debt Service - Interest		23,265		1 3,723,021		-		-		13,746,286
0073	Debt Service - Cost of Issuance and Fiscal Charges		175	J	10,177		-		-		10,352
0081	Facilities Acquisition and Construction		-		-		44,971,583		-		44,971,583
0099	Other Intergovernmental Charges		1,221,012			_	-		-	_	1,221,012
6030	Total Expenditures		110,188,605		41,313,198	_	50,240,153		12,679,755	_	214,421,711
1100	Excess (Deficiency) of Revenues Over Expenditures		908,722	_	(458,598)	_	(44,401,410)		100,631	_	(43,850,655)
								₹			
	OTHER FINANCING SOURCES (USES)										
7913	Proceeds from Right to Use Leased Assets		291,777		-		-	4	-		291,777
7915	Transfers in		-		-		52,540				52,540
8911	Transfers out	_	(52,540)	_	-	_		_	<u> </u>	_	(52,540)
7080	Total Other Financing Sources (Uses)		239,237		-		52,540		<u> </u>	_	291,777
1200	Net Change in Fund Balance		1,147,959		(458,598)		(44,348,870)		100,631		(43,558,878)
0100	FUND BALANCES, July 1, 2024		28,400,320		10,998,718		81,631,193		2,148,135		123,178,366
3000	FUND BALANCES, June 30, 2025	\$	29,548,279	\$	10,540,120	\$		\$	2,248,766	\$	79,619,488

RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

Amounts reported for government activities in the Statement of Activities are different because:

Total net change in fund balances - governmental funds	\$	(43,558,878)
The District uses internal service funds to charge the costs of worker's compensation to appropriate functions in other funds. The net income (loss) of the internal service fund is reported with the governmental activities.		(19,873)
Current year capital expenditures in the fund financial statements are shown as increases in capital assets in the government-wide financial statements.		38,134,601
Long-term issuances of debt are reported as resources in the fund financial statements and are shown as increases in long-term debt in the government-wide financial statements. Payments of principal on long-term debt are expenditures in the fund financial statements and are shown as reductions in long-term debt in the government-wide financial statements. Long-term debt activity was: Accrued Interest - Bonds Leases and Subscriptions Payable Bonds Payable - Long-term Unamortized Bond Premiums Accreted Interest on Capital Appreciation Bonds Deferred Charge for Refunding Bonds	(102,832) 13,385 27,730,000 1,847,389 (271,157) 30,538	29,247,323
Depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(13,174,143)
Adjustments related to the net pension liability, net OPEB liability, and related deferred inflows and deferred outflows, which impact ending net position.		534,309
Reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue as revenue, recognizing other long-term		

Changes in Net Position - Governmental Activities

liabilities, and consolidating interfund transactions.

\$ 11,472,908

309,569

STATEMENT OF NET POSITION PROPRIETARY FUND JUNE 30, 2025

		Ac	rnmental tivities ternal
		Servi	ce Funds
	ASSETS		
	Current Assets:		
1110	Cash and Cash Equivalents	\$	18,258
1000	TOTAL ASSETS	\$	18,258
	LIABILITIES		
	Current Liabilities		
2110	Accounts Payable	\$	26,300
2123	Other Liabilities		39,800
	Total Current Liabilities		66,100
2000	TOTAL LIABILITIES		66,100
	NET POSITION		
3900	Unrestricted		(47,842)
3000	TOTAL NET POSITION	\$	(47,842)

The accompanying notes are an integral part of this statement.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025

			rnmental tivities
			ternal ce Funds
	OPERATING REVENUES	Servi	Le runus
	OF ENVIRONMENTAL SERVICES		
5754	Charges for Services	\$	314,316
5020	Total Operating Revenues		314,316
	OPERATING EXPENSES		
6400	Other Operating Expenses		334,215
6030	Total Operating Expenses		334,215
	Operating Income (Loss)		(19,899)
7955	NON-OPERATING REVENUES (EXPENSES) Investment Income		26
1300	Changes in Net Position		(19,873)
0100	TOTAL NET POSITION, July 1, 2024		(27,969)
3300	TOTAL NET POSITION, June 30, 2025	\$	(47,842)

The accompanying notes are an integral part of this statement.

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS YEAR ENDED JUNE 30, 2025

	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:	Jervice i unus
	ć 222.04 <i>C</i>
Cash Received from Interfund Services Provided	\$ 332,846
Cash Payments for Premiums	(327,874)
Net Cash Provided (Used) by Operating Activities CASH FLOWS FROM INVESTING ACTIVITIES	4,972
Investment Earnings	26
Net Cash Flows Provided (Used) by Investing Activities	26
iver Cash Flows Provided (Osed) by investing Activities	
Net Increase In Cash & Cash Equivalents	4,998
CASH AND CASH EQUIVALENTS, July 1, 2024	13,260
CASH AND CASH EQUIVALENTS, June 30, 2025	\$ 18,258
Reconciliation of Operating Income (Loss) to Net Cash	
Provided (Used) by Operating Activities:	
Provided (Osed) by Operating Activities.	
Operating Income (Loss)	\$ (19,899)
Effect of Changes in Current Assets and Liabilities:	(13,033)
(Increase) Decrease in Due from Other Funds	18,530
Increase (Decrease) in Accounts Payable	7,113
Increase (Decrease) in Other Liabilities	(772)
Net Cash Provided (Used) by Operating Activities	\$ 4,972
rece cash i rovided (osed) by operating henvities	7 ,372

The accompanying notes are an integral part of this statement.

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS JUNE 30, 2025

	 Custodial Funds
ASSETS	
Cash	\$ 339,085
TOTAL ASSETS	\$ 339,085
LIABILITIES	
Accounts Payable Due to Other Governments	\$ 25,743 1,497
TOTAL LIABILITIES	27,240
NET POSITION	
Restricted for Individuals and Organizations	\$ 311,845

STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION FIDUCIARY FUNDS FOR THE YEAR ENDED JUNE 30, 2025

ADDITIONS:	 Custodial Funds
ADDITIONS.	
Received from Student Groups	\$ 119,519
Enterprising Services Revenue	49,414
Earnings from Temporary Deposits	3,744
Contributions, Gifts, and Donations	94,090
Total Additions	266,767
PERMITTIONS	
DEDUCTIONS:	
Professional and Contracted Services	30,485
Supplies and Materials	72,366
Other Deductions	 164,874
Total Deductions	 267,725
Change in Fiduciary Net Position	(958)
Change in Fladelary Net Fosition	(550)
TOTAL NET POSITION, July 1 (Beginning)	312,803
	312,303
TOTAL NET POSITION, June 30 (Ending)	\$ 311,845

Notes to the Financial Statements For the Year Ended June 30, 2025

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

The District is an independent political subdivision of the State governed by a board elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations, and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the District's financial reporting entity. No other entities have been included in the District's reporting entity. Additionally, as the District is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately.

C. Basis of Presentation - Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Notes to the Financial Statements For the Year Ended June 30, 2025

Governmental Funds

General Fund

The general fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The general fund is always considered a major fund for reporting purposes.

Debt Service Fund

The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest on all long-term debt of the District. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

Capital Projects Fund

The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlay, including the acquisition or construction of capital facilities and other capital assets. The capital projects fund is considered a major fund for reporting purposes.

Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes other than debt service or capital projects. The restricted proceeds of specific revenue sources comprise a substantial portion of the inflows of these special revenue funds. Most federal and some state financial assistance is accounted for in a special revenue fund.

Permanent Funds

The permanent funds are governmental funds that are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs. The District uses these funds for scholarships.

Proprietary Funds

Proprietary funds are used to account for activities that are similar to those often found in the private sector. The measurement focus is on determination of net income, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues include charges for services. Operating expenses includes costs of material, contracts, personnel, and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The proprietary fund type used by the District includes the following:

Internal Service Funds

These funds are used to account for, and report revenue and expenses related to services provided to parties inside the District on a cost-reimbursement basis. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal service fund are the District's governmental activities, this fund type is included in the "Governmental Activities" column of the governmental-wide financial statements.

Notes to the Financial Statements For the Year Ended June 30, 2025

Fiduciary Funds

The fiduciary funds account for assets held by the District in a trustee capacity or as a custodian on behalf of others. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

The District has the following type of fiduciary funds:

Custodial Funds

These funds are custodial in nature and use the economic resources measurement focus. Custodial funds are accounted for using the accrual basis of accounting. These funds are primarily used to account for the District's student activity funds.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

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

E. Measurement Focus and Basis of Accounting

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

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

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

Notes to the Financial Statements For the Year Ended June 30, 2025

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

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

1. Cash and Cash Equivalents

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

2. Investments

Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest earning contracts, such as certificates of deposit, are reported at cost.

The District has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Governmental Code. In summary, the District is authorized to invest in the following:

Direct obligations of the U.S. Government
Fully collateralized certificates of deposit and money market accounts
Government investment pools and commercial paper

3. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded at cost as expenditures when the related liability is incurred (i.e., the purchase method). Certain payments to vendors reflect costs applicable to the future accounting period (prepaid expenditures) are recognized as expenditures when utilized.

4. Restricted Assets

Certain proceeds of bonds, as well as other resources set aside for specific purposes, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants or contractual agreements.

5. Capital Assets

Capital assets, which include land, buildings, furniture and equipment, vehicles, leases, SBITA's, and infrastructure are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at

Notes to the Financial Statements For the Year Ended June 30, 2025

historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government are depreciated and amortized using the straight-line method over the following estimated useful lives:

	Estimated
Asset Description	<u>Useful Life</u>
Infrastructure	30 years
Buildings	20 to 50 years
Vehicle	2 to 15 years
Furniture and equipment	3 to 15 years
Equipment under Leases	3 to 5 years
SBITAs	3 to 5 years

6. Deferred Outflows/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, represent a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. 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, represent an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension/other postemployment benefits (OPEB) activities are amortized over the average of the expected service lives of pension/OPEB plan members, except for the net differences between the projected and actual investment earnings on the pension/OPEB plan assets, which are amortized over a period of five years.
- For employer pension/OPEB plan contributions that were made subsequent to the measurement date through the end of the District's fiscal year, the amount is deferred and recognized as a reduction to the net pension/OPEB liability during the measurement period in which the contributions were made.
- 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.

At the fund level, the District has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Notes to the Financial Statements For the Year Ended June 30, 2025

7. Receivable and Payables Balances

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." All residual balances between governmental activities are eliminated in the government-wide statements. All property taxes receivable are shown net of an allowance for uncollectible taxes.

8. 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 consolidations. 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 "Transfers" line on the government-wide Statement of Activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide Statement of Net Position.

9. Long-Term Obligations

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

Long-term debt for governmental funds is not reported as a liability in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payment of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable, available financial resources.

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund.

10. Fund Balance Policies

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

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted fund balance.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The District's

Notes to the Financial Statements For the Year Ended June 30, 2025

Board is the highest level of decision-making authority for the District that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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

11. Net Position Flow Assumption

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

12. Fund Balance Flow Assumptions

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

13. Estimates

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

14. Data Control Codes

The data control codes refer to the account code structure prescribed by TEA in the Resource Guide. The TEA requires school districts to display these codes in the financial statements filed with the TEA in order to insure accuracy in building a statewide database for policy development and funding plans.

15. 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

Notes to the Financial Statements For the Year Ended June 30, 2025

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.

16. Other Postemployment Benefits

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

G. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

All taxes due to the District on real or personal property are payable at the Office of the Tax Assessor-Collector and may be paid at any time after the tax rolls for the year have been completed and approved, which is no later than October 1. Taxes are due by January 31, and all taxes not paid prior to this date are deemed delinquent and are subject to such penalty and interest.

Property taxes attach as an enforceable lien on property as of January 1 each year. Taxes are levied on October 1 and are payable prior to the next February 1.

I. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with GAAP. The original budget is adopted by the District prior to the beginning of the year. The legal level of control is the function code stated in the approved budget. Appropriations lapse at the end of the year, excluding capital project budgets.

In accordance with State law and generally accepted accounting standards, the District prepares an annual budget for the general fund, the national school lunch and breakfast program special revenue fund, and the debt service fund. The District budgets the capital projects fund for each *project*, which normally covers multiple years. Special revenue funds have budgets approved by the funding agency and are amended throughout the year as required. During the year, the District amended its budget as required by State law and to reflect current levels of revenue and anticipated expenditures.

Notes to the Financial Statements For the Year Ended June 30, 2025

DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

1. Cash Deposits

At June 30, 2025, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$1,121,001 and the bank balance was \$1,506,360. The District's cash deposits at June 30, 2025, and during the year ended June 30, 2025, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

2. Investments

The District is required by Government Code Chapter 2256, the Public Funds Investment Act (the "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 requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports, and establishment of appropriate policies, the District adhered to the requirements of the Act. Additionally, investment practices of the District were in accordance with local policies.

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, U.S. agencies, and the State of Texas; 2) certificates of deposit; 3) certain municipal securities; 4) securities lending program; 5) repurchase agreements; 6) bankers' acceptances; 7) mutual funds; 8) investment pools; 9) guaranteed investment contracts; and 10) commercial paper.

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

Investment Type	air Value/	Ratings	Weighted Average Maturity (Days)
External investment pools:			
Lone Star	\$ 22,731,754	AAAm	32
TexPool	25,520,285	AAAm	42
Texas CLASS	38,948,678	AAAm	85
Texas Range	 184,715	AAAmmf	1
Total Value	\$ 87,385,432		
Portfolio weighted average maturity			58

Notes to the Financial Statements For the Year Ended June 30, 2025

Interest rate risk. In accordance with its investment policy, the District manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities.

Credit risk. — is the risk that a security issuer may default on an interest or principal payment. The District controls and monitors this risk by purchasing quality rated instruments that have been evaluated by recognized rating agencies. The District's policy manages credit risk by authorizing only the safest types of investments backed by the federal or state government or their obligations and/or with ratings from nationally recognized rating firms of a least A or its equivalent.

Custodial credit risk – deposits. In the case of deposits, this is the risk that the District's deposits may not be returned in the event of a bank failure. The District's investment policy requires funds on deposit at the depository bank to be collateralized by securities. As of June 30, 2025, fair market values of pledged securities and FDIC coverage exceeded bank balances.

Custodial credit risk – investments. For an investment, this is the risk that the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party in the event of the failure of the counterparty. The District's investment policy requires that it will seek to safekeep securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, shall be conducted on a delivery versus payment basis or commercial book entry system as utilized by the Federal Reserve and shall be protected through the use of a third-party custody/safekeeping agent.

Fair Value Measurements

The District categorizes its fair values measurements with the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, Fair Value Measurement and Application, provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities. 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. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure the fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District's assessment of the significance inputs to these fair value measurements requires judgement and considers factors specific to each asset or liability.

The District's investments in State Investment Pools (statewide 2a7-like external investment pools) are not required to be measured at fair value but are measured at amortized cost.

Lone Star

The Lone Star Investment Pool ("Lone Star") is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. Lone Star is administered by First Public, a subsidiary of the Texas Association of School Boards, with Standish and American Beacon Advisors managing the investment and reinvestment of Lone Star's assets. State Street Bank provides custody and valuation services to Lone Star. All of the Board of Trustees' eleven members are Lone Star participants by either being employees or elected officials of a participant. Lone Star has established an advisory board composed of both Lone Star members and nonmembers. Lone Star is rated 'AAAm' by Standard and Poor's and

Notes to the Financial Statements For the Year Ended June 30, 2025

operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The District is invested in the Government Overnight Fund of Lone Star which seeks to maintain a net asset value of \$1.00. Lone Star has 3 different funds: Government Overnight, Corporate Overnight, and Corporate Overnight Plus. Government Overnight, Corporate Overnight, and Corporate Overnight Plus maintain a net asset value of \$1.00. Lone Star is measured at amortized cost.

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool.

The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rates TexPool 'AAAm.' As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, TexPool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within TexPool.

TexPool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than five percent of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national state of emergency that affects TexPool's liquidity.

Texas Range

The Texas Range Investment Program "the Pool" was organized as the TexasTERM Local Government Investment Pool in conformity with the State of Texas Interlocal Cooperation Act and is administered by PFM Asset Management, LLC/ U.S. Bank serves at the Pool's custodial bank. The Pool operates three separate investment Portfolios, Texas DAILY, Texas DAILY Select and Texas TERM.

The primary objective of the Texas DAILY portfolio is to produce the highest income consistent with preserving principal and maintaining liquidity. The portfolio will maintain a dollar-weighted average maturity that does not exceed 60 days and seeks to maintain a net asset value of \$1.00 per share. Texas DAILY may invest in securities including: obligations of the United States or its agencies and instrumentalities, obligations that are fully guaranteed or insured by the FDIC or the United States, certificates of deposit issued by FDIC insured banks, money-market mutual funds, and repurchase agreements involving obligations of the United States or its agencies and instrumentalities which meet the requirements of the Public Funds Investment Act.

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

Notes to the Financial Statements For the Year Ended June 30, 2025

Texas CLASS

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

Texas CLASS is an external investment pool measured at fair value, i.e., net asset value. The investment pool's strategy is to seek preservation of principal, liquidity, and current income through investment in a diversified portfolio of short-term marketable securities. There are no unfunded commitments related to the investment pool. Texas CLASS has a redemption notice period of one day and may redeem daily.

The investment pool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pool's liquidity. The Texas CLASS portfolio consists of U.S. Government securities; collateralized repurchase and reverse repurchase agreements' AAA rated money market mutual funds; and commercial paper.

B. Receivables

Receivables due from other governments as of June 30, 2025, for the District's individual major funds and Non-major Governmental Funds are as follows:

General Fund	
State Aid	\$ 6,363,410
Other	51,713
Total General Fund	6,415,123
Nonmajor Special Revenue Funds Grants	1,038,462
Debt Service Other	7,308
Total Governmental Activities	\$ 7,460,893

Notes to the Financial Statements For the Year Ended June 30, 2025

C. Capital Assets

A summary of changes in capital assets for governmental activities at year end is as follows:

	Balance				Balance,
	July 1,				June 30,
	2024	Additions	Transfers	Deletions	2025
Capital Assets not being deprec	iated and amort	ized:			
Land	\$ 26,762,567	\$ 12,037,656	\$ 130,442	\$ -	\$ 38,930,665
Construction In Progress	75,910,602	18,514,696	(84,758,842)		9,666,456
Total	102,673,169	30,552,352	(84,628,400)		48,597,121
Caultal Assats halos dans Assa	d d d	i-			
Capital Assets being depreciate		<u>ı:</u>			
Buildings and Improvements	373,885,973	-	79,530,040	-	453,416,013
Furniture and Equipment	15,815,407	3,820,731	-	-	19,636,138
Equipment under lease	560,186	60,434	-	-	620,620
SBITAs	313,077	231,343	-	-	544,420
Vehicles	10,535,822	1,366,337	-	(1,137,052)	10,765,107
Infrastructure	29,672,737	2,146,685	5,098,360		36,917,782
Total	430,783,202	7,625,530	84,628,400	(1,137,052)	521,900,080
Less Accumulated Depreciation	and Amortization	on:			
Buildings and Improvements	(85,73 <mark>5,2</mark> 26)	(9,084,346)	-	-	(94,819,572)
Furniture and Equipment	(9,93 <mark>2,3</mark> 36)	(1,858,098)	-	-	(11,790,434)
Equipment under lease	(1 <mark>12,</mark> 037)	(122,831)	-	-	(234,868)
SBITAs	(156,538)	(182,331)	-	-	(338,869)
Vehicles	(5,909,416)	(525,832)	-	1,093,771	(5,341,477)
Infrastructure	(23,106,842)	(1,400,705)			(24,507,547)
Total	(124,952,395)	(13,174,143)	-	1,093,771	(137,032,767)
Total Capital Assets being					
depreciated and amortized	305,830,807	(5,548,613)	84,628,400	(43,281)	384,867,313
Capital Assets, Net	\$408,503,976	\$ 25,003,739	\$ -	\$ (43,281)	\$433,464,434

Depreciation and amortization was charged to governmental functions as follows:

		G	overnmental
			<u>Activities</u>
11	Instruction	\$	6,805,324
12	Instructional Resources & Media Services		188,872
13	Curriculum & Staff Development		181,687
23	School Leadership		553,747
31	Guidance, Counseling & Evaluation Services		346,092
33	Health Services		138,437
34	Student Transportation		492,246
35	Child Nutrition Services		505,804
36	Co-Curricular Activities		1,142,079
41	General Administration		63,984
51	Plant Maintenance & Operations		1,513,397
52	Security & Monitoring Services		222,198
53	Data Processing Services		1,019,541
61	Community Services		735
	Total Depreciation Page 55	\$	13,174,143

Notes to the Financial Statements For the Year Ended June 30, 2025

D. Long-Term Debt

The following is a summary of changes in the District's total governmental long-term liabilities for the year. In general, the District uses the debt service fund to liquidate governmental long-term liabilities.

	Beginning			Ending	Due Within
	Balance	۸ ما ما : 4: م.م.a	Dadwati a a a	Dalamas	On a Vacu
	(as restated)	Additions	Reductions	Balance	 One Year
Bonds Payable	\$ 411,844,896	\$ -	\$ 27,580,000	\$ 384,264,896	\$ 11,310,000
Notes Payable	150,000	-	150,000	-	-
Subscriptions Payable	107,704	231,343	182,331	156,716	77,087
Leases Payable	455,136	60,434	122,831	392,739	126,786
Accreted Interest	6,394,790	271,157	-	6,665,947	-
Bond Premium	14,072,397	-	1,847,389	12,225,008	-
Compensated Absences	8,938,206	3,180,214	4,224,652	7,893,768	 3,047,025
Total	\$ 441,963,129	\$ 3,743,148	\$ 34,107,203	\$ 411,599,074	\$ 14,560,898

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

The annual requirements to amortize debt issues outstanding at year end were as follows:

	Bonds Payable					
Year Ending						
June 30,		Principal		Interest		Total
2026	\$	11,310,000	\$	13,255,172	\$	24,565,172
2027		11,095,000		12,799,954		23,894,954
2028		12,255,000		13,739,484		25,994,484
2029		11,925,000		14,638,507		26,563,507
2030		9,750,220		18,115,352		27,865,572
2031-35		72,544,676		68,574,582		141,119,258
2036-40		76,545,000		50,584,858		127,129,858
2041-45		92,010,000		33,316,848		125,326,848
2046-50		65,185,000		13,935,950		79,120,950
2051-54		21,645,000		2,968,850		24,613,850
Total	\$	384,264,896	\$	241,929,557	\$	626,194,453
-						

Notes to the Financial Statements For the Year Ended June 30, 2025

A summary of changes in long term obligations for the year ended June 30, 2025, is as follows:

	Original	Interest	Final	Outstanding	Issued/		Retired/	Outstanding	Due Within	Accreted
Series	Amount	Rates	Maturity	07/01/24	Remarketed		Remarketed	06/30/25	One Year	Interest
Bonds Par	yable									
Current I	nterest									
2014	\$ 8,854,992	0.60 - 3.55%	2036	\$ 5,195,000	\$ -	\$	90,000	\$ 5,105,000	\$ 90,000	\$ -
2016	81,545,000	2.00 - 5.00%	2047	76,955,000	-		5,225,000	71,730,000	850,000	-
2017	81,215,000	3.00 - 5.00%	2048	79,280,000	-		255,000	79,025,000	250,000	-
2019	40,980,000	5.00%	2029	30,185,000	-		5,665,000	24,520,000	5,690,000	-
2020	90,699,896	0.28 - 2.63%	2043	83,334,896	-		1,900,000	81,434,896	1,790,000	6,665,947
2024	13,890,000	3.25 - 3.42%	2026	13,890,000	-		12,890,000	1,000,000	1,000,000	-
Variable	Debt Rate Obligation	ons								
2022	45,000,000	3.85%	2043	17,300,000	-		540,000	16,760,000	570,000	-
2023	65,000,000	3.125%	2053	64,625,000	-		1,015,000	63,610,000	1,070,000	-
2024	41,080,000	3.370%	2054	41,080,000	-		-	41,080,000	-	-
Notes Pay	/able									
2015	1,500,000	0.50 - 2.25%	2025	150,000	-		150,000	-		-
Totals	\$ 469,764,888			\$ 411,994,896	\$	- \$	27,730,000	\$ 384,264,896	\$ 11,310,000	\$ 6,665,947

2022 Authorization

In May of 2022 voters authorized \$165.34M to be issued in bond debt solely for the purpose of constructing, equipping, and renovating school buildings, purchasing sites for future schools, and paying costs of issuance. Through June 30, 2025, the District has issued the entirety of the authorization.

The District has outstanding variable rate unlimited tax school building bonds. These bonds were issued as term bonds scheduled to mature on various dates. Following the initial rate period, the bonds will bear interest at a term rate determined by the remarketing agent with a term rate period of two years unless a different rate period is specified by the District; however, the interest rate mode on the bonds may at the District's option, be converted from time to time to a weekly rate, monthly rate, quarterly rate, semiannual rate, or a different term rate period; or to a flexible rate; or to a fixed rate until maturity. The bonds are subject to mandatory redemption and a mandatory redemption schedule for each subseries has been established.

The following is a summary of all variable rate unlimited tax school building bonds issued by the District:

			Initial/	Stated	Initial/	Initial/	
	Principal	Issue	Current Rate	Maturity	Remarketed	Remarketed	Stepped
	Amount	Date	Period	Date	Interest Rate	Yield	Rate
Series 2022	\$17,300,000	8/1/2022	11/30/2027	12/1/2043	3.85%	3.85%	7.00%
Series 2023	65,000,000	4/15/2023	1/31/2027	2/1/2053	3.125%	3.125%	7.00%
Series 2024	54,970,000	6/5/2024	1/31/2028	2/1/2054	4.000%	3.370%	7.00%

2024-25 Bond Transactions

On February 4, 2025, the District advance defeased \$4,430,000 of the 2016 Building Bond 2047 maturity by committing \$4,493,919 to escrow. The escrow will pay current bondholders on February 1, 2026. The defeasement produced \$3,834,481 in present value savings and \$3,898,400 in total interest savings.

Lease Payable

On July 1, 2023, the District entered a 60-month lease for the use of copier/printers. An initial lease liability was recorded in the amount of \$560,186. As of June 30, 2025, the value of the lease liability is \$392,738. The District is required to make annual fixed payments of \$137,544. The lease has an interest rate of 3.22%. The value of the right to use the asset as of June 30, 2025, is \$620,620 with accumulated amortization of \$234,868.

Notes to the Financial Statements For the Year Ended June 30, 2025

The future principal and interest lease payments as of June 30, 2025, are as follows:

June 30	_Principal	_Interest_	Total
2026	\$126,786	\$ 10,757	\$137,543
2027	130,869	6,675	137,544
2028	135,084	2,461	137,545
	\$392,739	\$ 19,893	\$412,632

Subscription-Based Information Technology Arrangements (SBITA)

The District has entered SBITA's that allows the right-to-use the SBITA vendor's information technology software over the subscription term of three years. The District is required to make annual payments at its incremental borrowing rate or the interest rate stated or implied within the SBITAs. An initial lease liability was recorded in the amount of \$313,078 in November 2022 and \$231,343 in November 2024, respectively. The SBITA's have an implied interest rate of 3.24% and 3.297%, respectively, and an annual fixed payment of \$107,704 and \$79,629, respectively, due in the final year of the agreements ended November 30, 2024 and November 30, 2027, respectively.

Compensated Absences

The District provides vacation, non-duty, compensatory, sick, and personal leave benefits in accordance with Board policy. A liability is reported for leave balances that:

- Are attributable to services already rendered,
- Accumulate and may be carried forward, and
- Are more likely than not to be used for time off or otherwise paid/settled.

Vacation, Non-Duty, and Compensatory leave accumulate, are subject to limits, and are paid upon separation or retirement; therefore, the entire balance is reported as a liability. Sick and personal leave accumulate without limit but are not paid upon separation. The District records a liability for the portion of sick and personal leave that is more likely than not to be used in the future, based on historical usage patterns.

E. Commitments Under Noncapitalized Leases

The District has various operating lease agreements where the future minimum payments are immaterial to the operations of the District and, accordingly, the District has elected not to disclose future payments by fiscal year.

Notes to the Financial Statements For the Year Ended June 30, 2025

F. Interfund Transactions

The interfund balances at June 30, 2025, were as follows:

		Receivable		Payable
		Balance		Balance
General Fund:		_		
Non-Major Special Revenu	e Funds <u>\$</u>	460,540	\$	179,411
Capital Projects Fund:				
General Fund		52,540		
Non-Major Special Revenue F	unds:			
General Fund		126,871		460,096
Non-Major Permanent Fun	d	15,130		-
Total Non-Major Special Revenue		142,001		460,096
Non-Major Permanent Fund:				
General Fund		-		444
Non-major Special Revenu	ıe Fun <mark>ds</mark>			15,130
Total Non-Major Perma <mark>ne</mark> r	nt Fund			15,574
TOTAL	\$	655,081	\$	655,081

Amounts recorded as due to/from are considered to be temporary loans and will be repaid during the following year.

Transfers From	Transfers To		Amount	Purpose
General Fund	Capital Projects Fund	7	\$ 52,540	Reimburs ement of deductible

II. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District purchases commercial insurance. The District has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

B. Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including

Notes to the Financial Statements For the Year Ended June 30, 2025

frequency and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end.

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or not performed correctly, it could result in a substantial liability to the District. The District has engaged an arbitrage consultant to perform the calculations in accordance with IRS rules and regulations. The calculated Arbitrage Rebate Payable at June 30, 2025 is \$3,864,541.

C. Defined Benefit Pension Plan - Teacher Retirement System

Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by 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. TRS'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 TRS.

Pension Plan Fiduciary Net Position

Detailed information about TRS'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; by writing to TRS at PO Box 149676, Austin, TX, 78714-0185, or by calling (800)223-8778.

Benefits Provided

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

Notes to the Financial Statements For the Year Ended June 30, 2025

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 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 the manner are determined by the System's actuary.

Contributions

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. SB12 of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2019 through 2025.

Contribution Rates					
		2024			
Active Employee (Member)		8.25%			
Non-Employer Contributing Entity (State)		8.25%			
Employers		8.25%			
Employer Contributions	\$	2,293,830			
Member Contributions	\$	6,229,715			
NECE On-behalf Contributions	\$	4,438,596			

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

Notes to the Financial Statements For the Year Ended June 30, 2025

Appropriations Act.

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

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

- All public schools, charter schools, and regional educational 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 TRS, the employer shall pay both the member contribution rate and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions

The total pension liability (TPL) in the August 31, 2023, actuarial valuation was determined using the following actuarial assumptions:

Municipal bond rate

3.87%. - The source for the rate is the Bond Buyers 20 Index which represents the estimated yield of a portfolio of 20 general obligation bonds maturing in 20 years based on a survey of municipal bond traders.

Last year ending August 31 in projection period (100 years)

Inflation

2.30%

Salary increases

Ad hoc postemployment benefit changes

None

The actuarial methods and assumptions used in the determination of the TPL are the same assumptions used in the actuarial valuation as of ending August 31, 2023. For a full description of these assumptions,

Notes to the Financial Statements For the Year Ended June 30, 2025

please see the TRS actuarial valuation report dated November 21, 2023.

Discount Rate

A single discount rate of 7.00% was used to measure the TPL. 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 NECE 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% of payroll in fiscal year 2025 and thereafter. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, TRS' 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 TRS investments was applied to all periods of projected benefit payments to determine the TPL.

The long-term rate of return on TRS investments is 7.00%. The long-term expected rate of return on TRS pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in TRS' target asset allocation as of August 31, 2024, are summarized as follows:

Asset Class	Target Allocation (1)	Long-Term Expected Geometric Real Rate of Return	Expected Contribution to Long-Term Portfolio Results
Global Equity			
U.S.	18 <mark>.00%</mark>	4.40%	1.00%
Non-U.S. Developed	13.00%	4.20%	0.80%
Emerging Markets	9.00%	5.20%	0.70%
Private Equity (4)	14.00%	6.70%	1.20%
Stable Value		•	
Government Bonds	16.00%	1.90%	0.40%
Absolute Return (4)	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 and Natural Resources	6.00%	5.60%	0.40%
Commodities	0.00%	2.50%	0.00%
Risk Parity			
Risk Parity	8.00%	4.00%	0.40%
Leverage			
Cash	2.00%	1.00%	0.00%
Asset Allocation Leverage	-6.00%	1.30%	-0.10%
Inflation Expectation			2.40%
Volatility Drag (3)			-0.70%
Total	100%		7.90%

- (1) Target allocations are based on the fiscal year 2024 policy model.
- (2) Capital Market Assumptions come from 2024 SAA Study CMA Survey (as of 12/31/2023).
- (3) The volatility drag results from the conversion between arithmetic and geometric mean returns.
- (4) Absolute Return includes credit sensitive investments.

Notes to the Financial Statements For the Year Ended June 30, 2025

Discount Rate Sensitivity Analysis

The following table presents the net pension liability (NPL) of the plan using the discount rate of 7.00%, and what the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current rate:

	1% Decrease in	Discount Rate	1% Increase in Discount
	Discount Rate (6.00%)	(7.00%)	Rate (8.00%)
District's proportionate			
share of the net pension			
liability:	\$44,754,997	\$28,019,973	\$14,153,816

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

On August 31, 2024, the District reported a liability of \$28,019,973 for its proportionate share of the TRS's NPL. 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 NPL, the related State support, and the total portion of the NPL that was associated with the District were as follows:

District's proportionate share of th	e collective net	pension liability	\$28,019,973
State's proportionate share that is	associated with	District	48,111,971
		Total	\$76,131,944

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

At August 31, 2024, the District's proportion of the collective NPL was 0.0458711%, which was an increase of 0.0010233% from its proportion measured as of August 31, 2023.

Changes Since the Prior Actuarial Valuation

The actuarial assumptions and methods are the same as those 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 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.

Notes to the Financial Statements For the Year Ended June 30, 2025

The amount of pension expense recognized by the District in the reporting period was \$6,075,103. For the year ended August 31, 2024, the District recognized pension expense of \$4,438,596 and revenue of \$4,438,596 for support provided by the State.

On August 31, 2024, 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	\$ 1,544,423	\$ 218,766
Changes in actuarial assumptions	1,446,731	193,957
Difference between projected and actual investment earnings	170,324	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,580,257	700,296
Contributions paid to TRS subsequent to the measurement date	2,293,830	-
Total	\$ 7,035,565	\$ 1,113,019

The District recognized \$2,293,830 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 measurement year ended August 31, 2025. 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:

Year ended June	Pension Expense		
30:	Amount		
2026	\$ 482,982		
2027	3,228,898		
2028	473,061		
2029	(711,618)		
2030	155,393		
Thereafter	-		
Total	\$ 3,628,716		

D. Defined Other Postemployment Benefit Plan

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 that has a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature.

The TRS Board of Trustees (the "Board") administers the TRS-Care program and the related fund in accordance with Texas Insurance Code Chapter 1575. The Board is granted the authority to establish basic and optional group insurance 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.

Notes to the Financial Statements For the Year Ended June 30, 2025

OPEB Plan Fiduciary Net Position

Detailed information about the TRS-Care's fiduciary net position is available in the separately issued TRS Annual Comprehensive Financial Report that includes financial statements and Required Supplementary Information. That report may be obtained at https://www.trs.texas.gov/learning-resources/publications; by writing to TRS at P.O. Box 149676, Austin, TX, 78714-0185; or by calling (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 prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least ten years of service credit in the TRS pension system. There are no automatic postemployment benefit changes, including automatic cost-of-living adjustments.

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

TRS-Care Monthly Premium Rates

	Med	<u>licare</u>	Non-Medicare
Retiree*	\$	1 35 \$	200
Retiree and Spouse		529	689
Retiree* and Children		468	408
Retiree and Family		1,020	999
*or surviving spouse			

Contributions

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

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

Notes to the Financial Statements For the Year Ended June 30, 2025

Contribution Rates

	 2024
Active Employee	0.65%
Non-Employer Contributing Entity (State)	1.25%
Employers	0.75%
Federal/private funding remitted by employers	1.25%
Employer Contributions	\$ 501,462
Member Contributions	\$ 490,827
NECE On-behalf Contributions	\$ 742,566

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

Actuarial Assumptions

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

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the TRS pension plan, except that the OPEB valuation is more complex. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2021. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2023, TRS pension actuarial valuation that was rolled forward to August 31, 2024:

Rates of Mortality
 Rates of Retirement
 Rates of Termination
 Rates of Disability
 General Inflation
 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 the monthly projection scale MP-2021.

Additional actuarial methods and assumptions are as follows:

Valuation date 8/31/2023 rolled forward to 8/31/2024

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 healthcare benefits are included in the age-

adjusted claims costs.

Notes to the Financial Statements For the Year Ended June 30, 2025

Projected salary increases 2.95% to 8.95%, including inflation Ad hoc postemployment benefit changes None

Discount Rate

A single discount rate of 3.87% was used to measure the total OPEB liability. There was an increase of 0.26% in the discount rate since the previous year.

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

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

Discount Rate Sensitivity Analysis

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

		1% Decrease in		Current Single		1% Increase in	
	Di	count Rate (2.87%)	D	iscount Rate (3.87%)	Disc	count Rate (4.87%)	
District's proportionate share			7				
of the Net OPEB Liability:	\$	23,526,145	\$	19,802,374	\$	16,793,510	

Healthcare Trend Rate Sensitivity Analysis

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

	1% Decrease in	Current Healthcare		1% Increase in
	Healthcare Trend Rate	Trend Rate	He	althcare Trend Rate
District's proportionate share				
of the Net OPEB Liability:	\$ 16,126,094	\$ 19,802,374	\$	24,592,934

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

At August 31, 2024, the District reported a liability of \$19,8021,374 for its proportionate share of TRS-Care'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	\$19,802,374
State's proportionate share that is associated with the District	24,812,106
Total	\$44,614,480

Notes to the Financial Statements For the Year Ended June 30, 2025

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

On August 31, 2024, the employer's proportion of the collective net OPEB liability was 0.0652434%, compared to 0.0651180% as of August 31, 2023.

Changes Since the Prior Actuarial Valuation

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

- The single discount rate was 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.

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

For the year ended June 30, 2025, the District recognized OPEB expense of (\$1,428,250).

For the year ended August 31, 2024, the District recognized OPEB expense of \$742,566 and revenue of \$742,566 for support provided by the State.

At August 31, 2024, the District reported its proportionate share of TRS-Care's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Defe	rred Outflows	Defe	rred Inflows
Y	of	Resources	of	Resources
Difference between expected and actual economic experience	\$	3,795,450	\$	9,882,458
Changes in actuarial assumptions		2,534,470		6,461,285
Difference between projected and actual investment earnings		(55,453)		-
Changes in proportion and Differences between the District's				
contributions and proportionate share of contributions		3,736,255		1,004,975
Contributions paid to TRS subsequent to the measurement date		501,462		-
Total	\$	10,512,184	\$	17,348,718

Notes to the Financial Statements For the Year Ended June 30, 2025

The District recognized \$501,462 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 pension liability in the measurement year ended August 31, 2025. The other amounts of the District's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPE	OPEB Expense		
Year ended June 30:		Amount		
2026	\$	(2,084,676)		
2027		(1,187,800)		
2028		(1,676,029)		
2029		(1,466,944)		
2030		(854,348)		
Thereafter		(68,199)		
Total	\$	(7,337,996)		

Medicare Part D Subsidies

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for 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 \$498,276, \$389,912, and \$371,096, respectively.

E. Employee Health Care Coverage

During the year ended June 30, 2025, employees of the District were covered by a health insurance plan (the "Plan"). The District paid premiums of \$335 per month per employee, \$365 per month per employee with child, \$395 per month per employee and spouse, and \$435 per month per employee and family to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a licensed insurer. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement. The contract between the District and the insurer is renewable September 1, 2025, and terms of coverage and premiums costs are included in the contractual provisions.

F. Risk Management

The District is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District is insured. This exposure is in property and general liability, workers' compensation, and unemployment compensation.

Property and General Liability

The District purchases commercial insurance to cover general liabilities. There have been no significant reductions in insurance coverage from the prior year for any category of risk.

Workers' Compensation

During the year ended June 30, 2025, the District purchased commercial insurance to cover workers compensation claims.

Notes to the Financial Statements For the Year Ended June 30, 2025

Unemployment Compensation

During the year ended June 30, 2025, the District provided unemployment compensation coverage to its employees through participation in the TASB Risk Management Fund (the "Fund"). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Unemployment Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute interlocal agreements that define the responsibilities of the parties.

The Fund meets its quarterly obligation to the Texas Workforce Commission. Expenses are accrued monthly until the quarterly payment has been made. Expenses can be reasonably estimated; therefore, there is no need for specific or aggregate stop-loss coverage for the unemployment compensation pool. For the year ended June 30, 2025, the Fund anticipates that the District has no additional liability beyond the contractual obligation for payment of contribution.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2024, are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

G. Adjustments to Restatements of Beginning Balances

During fiscal year 2025, changes in accounting principles changes to or within the financial reporting entity resulted in adjustments to and restatements of beginning net position and fund net position, as follows:

Change in Accounting Principle

During fiscal year 2025, the District implemented GASB. Statement 101, Compensated Absences. The effect of the implementation is shown in the preceding table.

H. Subsequent Events

At the August 18th, 2025 meeting of the Board of Trustees for the District, the Board adopted a resolution authorizing the defeasement of an estimated \$13,875,000 from the Interest and Sinking property tax levy for the 2025-26 fiscal year.

I. New Accounting Pronouncements

GASB Statement No. 101: Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This statement becomes effective in this fiscal year, and its impact is addressed in these financial statements.

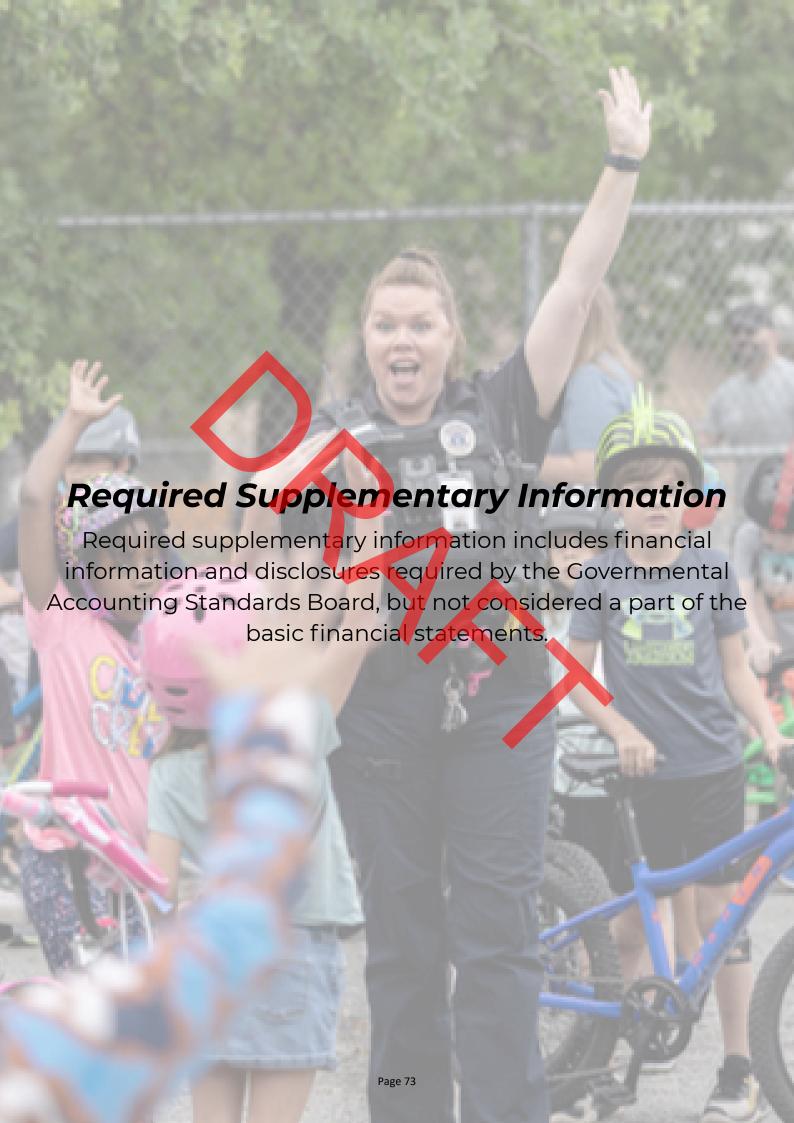
GASB Statement No. 102: Certain Risk Disclosures. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's

Notes to the Financial Statements For the Year Ended June 30, 2025

vulnerabilities due to certain concentrations or constraints. This statement becomes effective in fiscal year 2025 and it did not impact the financial statements.

GASB Statement No. 103: Financial Reporting Model Improvements. The objective of this Statement is to improve key components of the financial reporting model. The purposes of the improvements are to (a) enhance the effectiveness of the financial reporting model in providing information that is essential for decision making and assessing a government's accountability and (b) address certain application issues identified through pre-agenda research conducted by the GASB. This statement becomes effective in fiscal year 2026 and its impact has not yet been determined.





SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2025

Actual Data **Budgeted Amounts** Amounts Control Variance with Final Codes Original (GAAP Basis) Budget Final **REVENUES** 5700 Local and Intermediate Sources Ś 76,044,285 \$ 76,599,985 \$ 78,599,350 1,999,365 5800 24,936,998 32,099,825 32,322,421 State Sources 222.596 5900 **Federal Sources** 495,000 495,000 175,556 (319,444)5020 101,476,283 109,194,810 111,097,327 1,902,517 **Total Revenues EXPENDITURES** Current: Instruction & Instructional Related Services: 0010 62,040,416 61,800,222 0011 Instruction 60,195,702 240,194 0012 Instructional Resources and Media Services 1,217,370 1,267,483 1,111,912 155,571 0013 Curriculum and Instructional Staff Development 3,026,923 3,126,428 2,932,498 193,930 Total Instruction & Instructional Related Services 64,439,995 66,434,327 65,844,632 589,695 0020 Instructional & School Leadership: 0021 Instructional Leadership 1,640,694 1,788,897 1,689,734 99,163 0023 School Leadership 6,045,659 6,215,255 6,096,729 118,526 Total Instructional and School Leadership 7,686,353 8,004,152 7,786,463 217,689 Support Services - Student: 0030 0031 **Guidance and Counseling Services** 4,275,696 4,645,236 4,596,785 48,451 0033 **Health Services** <mark>,1</mark>83,396 1,261,442 1,257,173 4,269 0034 **Pupil Transportation** 3,378,513 4,134,999 4,070,151 64,848 0035 **Child Nutrition Services** 142,967 22,909 117,499 120,058 0036 Co-Curricular Activities 3,058,437 3,070,803 2,866,804 203,999 **Total Support Services - Student** 12,013,541 13,255,447 12,910,971 344,476 0040 Administration: 0041 General Administration 4,140,159 4,075,383 4,362,744 64,776 4,075,383 **Total Administration** 4,362,744 4,140,159 64,776 Support Services - Non-Student Based: 0050 0051 Plant Maintenance and Operations 12,028,506 12,710,273 12,626,133 84,140 0052 Security & Monitoring Services 1,829,445 2<mark>,09</mark>5,111 2,023,469 71,642 0053 **Data Processing Services** 2,719,568 3,445,339 3,212,295 233,044 Total Support Services - Non-Student Based 16,577,519 18,250,723 17,861,897 388,826 0060 **Ancillary Services:** 45,758 0061 **Community Services** 45,758 12,523 33,235 **Total Ancillary Services** 45,758 45,758 12,523 33,235 0070 **Debt Service** 407,683 487,312 475,724 11,588 0071 **Debt Service Total Debt Service** 407,683 487,312 475,724 11,588

Data			Budgeted	Amounts	Actual Amounts	
Control			budgeted	Amounts	Amounts	Variance with Final
Codes	-		Original	Final	(GAAP Basis)	Budget
'	EXPENDITURES (Continued)			_	_	
0090	Intergovernmental Charges					
0099	Other Intergovernmental Charges		1,160,000	1,385,000	1,221,012	163,988
	Total Intergovernmental Charges		1,160,000	1,385,000	1,221,012	163,988
6030	Total Expenditures	_	106,693,593	112,002,878	110,188,605	1,814,273
1100	Excess (Deficiency) of Revenues Over Expenditures		(5,217,310)	(2,808,068)	908,722	3,716,790
	Other Financing Sources (Uses):					
7913 8911	Proceeds from Right to Use Leased Assets Transfer Out		-	291,343	291,777 (52,540)	434 (52,540)
0311		-				
	Total Other Financing Sources (Uses)		-	291,343	239,237	(52,106)
1200	Net Change in Fund Balance		(5,217,310)	(2,516,725)	1,147,959	3,664,684
0100	FUND BALANCES, July 1, 2024		28,400,320	28,400,320	28,400,320	
3000	FUND BALANCES, June 30, 2025	\$	23,183,010	\$ 25,883,595	\$ 29,548,279	\$ 3,664,684

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TEACHER RETIREMENT SYSTEM OF TEXAS YEAR ENDED JUNE 30, 2025

						Measuremen	t Year				
		2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District Description of the Net Description Link (Its. (Access))		0.04507440/	A 10 1700/	0.04545400/	0.04405740/	0.04047000/	0.04400000/	0.00000000	0.000.000.00	0.00000.450/	0.000550004
District's Proportion of the Net Pension Liability (Asset)		0.0458711%	0.0448478%	0.0464649%	0.0418674%	0.0431739%	0.0413868%	0.0399888%	0.0394284%	0.0383046%	0.0395622%
District's Proportionate Share of Net Pension Liability (Asset)	\$	28,019,973 \$	30,806,109 \$	27,585,027 \$	10,662,144 \$	23,123,035 \$	21,514,139 \$	22,010,814 \$	12,607,080 \$	14,474,737 \$	13,984,711
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	_	48,111,971	54,788,474	47,628,259	22,682,109	45,823,139	41,785,626	42,175,066	24,437,063	28,970,238	26,992,031
Total	\$	76,131,944 \$	85,594,583 \$	75,213,286 \$	33,344,253 \$	68,946,174 \$	63,299,765 \$	64,185,880 \$	37,044,143 \$	43,444,975 \$	40,976,742
District's Covered Payroll	\$	77,394,047 \$	68,412,752 \$	65,212,403 \$	63,174,589 \$	60,689,798 \$	53,179,855 \$	48,863,880 \$	46,966,848 \$	44,011,175 \$	40,418,780
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll		36.20%	45.03%	42.30%	16.88%	38.10%	40.46%	45.05%	26.84%	32.89%	34.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		77.51%	73.15%	75.62%	75.24%	73.74%	73.74%	73.74%	82.17%	78.00%	78.43%

Note: GASB 68, 81.a.(2)(a) requires that the information on this schedule be data from the period corresponding with the period covered as of the measurement date of August 31, 2024 - the period from September 1, 2023 - August 31, 2024.

SCHEDULE OF DISTRICT CONTRIBUTIONS TEACHER RETIREMENT SYSTEM OF TEXAS YEAR ENDED JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 2,732,299	\$ 2,549,957	\$ 2,280,629	\$ 2,075,187	\$ 1,773,928	\$ 1,599,407	\$ 1,208,597	\$ 1,340,091	\$ 1,282,679	\$ 1,207,743
Contribution in Relation to the Contractually Required Contribution Associated with the District	(2,732,299)	(2,549,957)	(2,280,629)	(2,075,187)	(1,773,928)	(1,599,407)	(1,208,597)	(1,340,091)	(1,282,679)	(1,207,743)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 79,613,020	\$ 71,864,966	\$ 68,019,486	\$ 64,662,666	\$ 62,854,308	\$ 59,411,556	\$ 53,179,855	\$ 48,863,880	\$ 46,596,786	\$ 44,011,175
Contributions as a Percentage of Covered Payroll	3.43%	3.55%	3.35%	3.21%	2.82%	2.69%	2.27%	2.74%	2.75%	2.74%

Note: GASB 68, Paragraph 81.b. requires that the data in this schedule be presented as of the District's current fiscal year end.

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET LIABILITY OF A COST-SHARING MULTIPLE EMPLOYER OPEB PLAN TEACHER RETIREMENT SYSTEM OF TEXAS YEAR ENDED JUNE 30, 2025

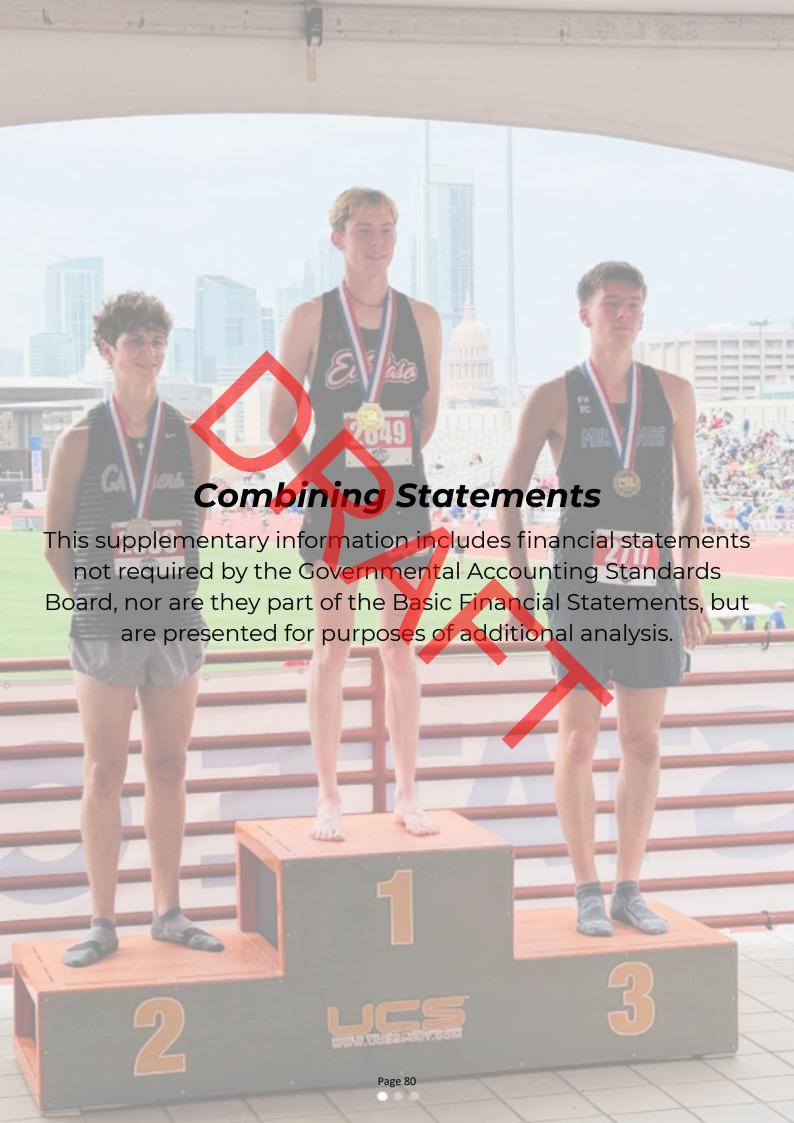
					Measuremen	t Year			
		2024	2023	2022	2021	2020	2019	2018	2017
District's Proportion of the Net Pension Liability (Asset)		0.0652434%	0.0651180%	0.0674302%	0.0632240%	0.0626829%	0.0599127%	0.0571479%	0.0539478%
District's Proportionate Share of Net Pension Liability (Asset)	\$	19,802,374 \$	14,416,016 \$	16,145,498 \$	24,388,321 \$	23,828,609 \$	28,333,429 \$	28,534,482 \$	23,439,856
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District		24,812,106	17,395,139	19,694,970	32,674,914	41,563,944	37,648,788	43,232,210	37,806,439
Total	<u>\$</u>	44,614,480 \$	31,811,155 \$	35,840,468 \$	57,063,235 \$	65,392,553 \$	65,982,217 \$	71,766,692 \$	61,246,295
District's Covered Payroll	\$	77,394,047 \$	6 <mark>8,41</mark> 8,841 \$	65,212,403 \$	63,174,589 \$	60,689,798 \$	53,179,855 \$	48,863,880 \$	44,011,175
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll		25.59%	21.07%	24.76%	38.60%	39.26%	53.28%	58.40%	53.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		13.70%	14.94%	11.52%	6.18%	4.99%	2.66%	1.57%	0.91%

Note: The authoritative pronouncement that mandates this schedule requires ten years of historical data or the maximum available as of the date the financial statements. Eight years of data is available as of the date of these statements.

SCHEDULE OF DISTRICT CONTRIBUTIONS TO THE A COST-SHARING MULTIPLE EMPLOYER OPEB PLAN TEACHER RETIREMENT SYSTEM OF TEXAS YEAR ENDED JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Contractually Required								
Contribution	\$ 742,566	\$ 681,617	\$ 564,350	\$ 484,924	\$ 470,285	\$ 466,914	\$ 420,542	\$ 374,736
Contribution in Relation to the Contractually Required Contribution Associated with the District	(742,566)	(681,617)	(564,350)	(484,924)	(470,285)	(466,914)	(420,542)	(374,736)
Contribution Deficiency								
(Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$79,613,020	\$71,871,054	\$68,019,486	\$64,662,666	\$62,854,308	\$59,411,556	\$53,179,855	\$48,863,880
Contributions as a Percentage of Covered Payroll	0.93%	0.95%	0.83%	0.75%	0.75%	0.79%	0.79%	0.77%
•								

Note: The amounts presented for the fiscal year were determined as of the Plan's fiscal year end, August 31 of the prior year. Eight years of data is available as of the date of these statements.



COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2025

Data Control Codes	_	eral Special enue Funds	State Special Revenue Funds	Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	Permanent Fund Boerne Outdoor Academy	Total Nonmajor Governmental Funds
	ASSETS						
1110	Cash and Cash Equivalents	\$ 1,004,219	\$ -	\$ 1,742,27	70 \$ 2,746,489	9 \$ -	\$ 2,746,489
1240	Due from Other Governments	682,398	356,064	-	1,038,46	2 -	1,038,462
1260	Due from Other Funds	126,784	-	15,23	142,00	1 -	142,001
1290	Other Receivables	29,439	-	9,53	1 38,950	0 -	38,950
1300	Inventories	30,974		-	30,97	4 -	30,974
1410	Deferred Expenditures	 	1,720	10,00	00 11,72	<u> </u>	11,720
1000	TOTAL ASSETS	\$ 1,873,814	\$ 357,784	\$ 1,776,99	98 \$ 4,008,59	6 \$ -	\$ 4,008,596
	LIABILITIES						
2110	Accounts Payable	\$ 63,284	\$ 37,562	\$ 55,47	'4 \$	0 \$ 34	\$ 156,354
2160	Accrued Wages Payable	559,741		88,50	5 648,24	6 2,316	650,562
2170	Due to Other Funds	335,671	123,312	1,1:		6 15,574	475,670
2300	Unearned Revenues	 286,639	190,605		477,24	4	477,244
2000	TOTAL LIABILITIES	 1,245,335	351,479	145,09	1,741,90	6 17,924	1,759,830
	FUND BALANCES			•			
3410	Nonspendable	30,974	-	10,00	00 40,974	-	40,974
3450	Restricted - Grant Funds	597,505	6,305	-	603,81	-	603,810
3490	Restricted - Other	 -		1,621,90	1,621,90	6 (17,924)	1,603,982
3000	TOTAL FUND BALANCES	 628,479	6,305	1,631,90	2,266,690	0 (17,924)	2,248,766
4000	TOTAL LIABILITIES AND FUND BALANCES	\$ 1,873,814	\$ 357,784	\$ 1,776,99	9 <u>8</u> \$ 4,008,59	<u>6</u> \$	\$ 4,008,596

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2025

Control Codes		Federal Special Revenue Funds	State Special Revenue Funds	Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	Permanent Fund Boerne Outdoor Academy	Total Nonmajor Governmental
	REVENUES:						
5700	Local & Intermediate Sources	\$ 2,745,303	\$ -	\$ 2,531,498	\$ 5,276,801	\$ 61,055	\$ 5,337,856
5800	State Program Revenues	26,943	2,783,671	-	2,810,614	-	2,810,614
5900	Federal Program Revenues	4,631,916			4,631,916		4,631,916
5020	Total Revenues	7,404,162	2,783,671	2,531,498	12,719,331	61,055	12,780,386
	EXPENDITURES:						
0011	Instruction	2,548,644	2,275,021	668,506	5,492,171	77,684	5,569,855
0012	Instructional Resources & Media Services	-	55	93,368	93,423	-	93,423
0013	Curriculum & Inst'l Staff Development	246,066	6,744	31,430	284,240	-	284,240
0023	School Leadership		-	161,027	161,027	-	161,027
0031	Guidance, Counseling & Evaluation Services	196,368	-	340,836	537,204	-	537,204
0033	Health Services	-	-	147	147	69	216
0034	Student (Pupil) Transportation	<mark>2</mark> ,150		56	2,206	-	2,206
0035	Child Nutrition Services	<mark>4,38</mark> 1,432	-	-	4,381,432	25,610	4,407,042
0036	Cocurricular/Extracurricular Activities	-		1,014,476	1,014,476	-	1,014,476
0041	General Administration	'		20,573	20,573	-	20,573
0051	Plant Maintenance & Operations	-		12,079	12,079	-	12,079
0052	Security & Monitoring Services	-	506,155	66,036	572,191	-	572,191
0061	Community Services	5,223			5,223		5,223
6030	Total Expenditures	7,379,883	2,787,975	2,408,534	12,576,392	103,363	12,679,755
1100	Excess (Deficiency) of Revenues Over Expenditures	24,279	(4,304)	122,964	142,939	(42,308)	100,631
1200	Excess (Deficiency) Of Revenues and Other						
	Resources Over Expenditures and Other Uses	24,279	(4,304)	122,964	142,939	(42,308)	100,631
0100	FUND BALANCE, July 1 (Beginning)	604,200	10,609	1,508,942	2,123,751	24,384	2,148,135
3000	FUND BALANCE, June 30 (Ending)	\$ 628,479	\$ 6,305	\$ 1,631,906	\$ 2,266,690	\$ (17,924)	\$ 2,248,766



SCHEDULE OF DELINQUENT TAXES RECEIVABLE JUNE 30, 2025

	1	2		3	10	20	31	32	40	50
Year		Tax Rates		Taxable		Current	Maintenance			
Ended	Maintenance &	Debt Service		Assessed	Balance	Year's	& Operations	Debt Service	Net	Balance
06/30	Operations	Debt Service	Total	Valuation	07/01/24	Tax Levy **	Collections	Collections	Adjustments	06/30/25
2015 & Prior years	\$ various	\$ various \$	various	\$ various	\$255,760		\$14,844	\$3,722	-\$37,176	\$200,018
2016	1.0400	0.2540	1.2940	\$5,599,270,443	\$69,525		\$2,660	\$650		\$66,215
2017	1.0400	0.2760	1.3160	\$5,989,593,782	\$84,330		\$4,216	\$1,119		\$78,995
2018	1.0400	0.3140	1.3540	\$6,263,391,229	\$89,785		\$5,884	\$1,777		\$82,124
2019	1.0400	0.3140	1.3540	\$6,688,345,157	\$128,368		\$8,362	\$2,525		\$117,481
2020	0.9700	0.3140	1.2840	\$7,550,239,262	\$159,373		\$24,350	\$7,882	\$3,713	\$130,854
2021	0.9379	0.3140	1.2519	\$8,046,678,127	\$223,159		\$42,542	\$14,243	\$4,249	\$170,623
2022	0.8806	0.3240	1.2046	\$8,764,613,982	\$281,303		\$106,820	\$39,302	\$44,286	\$179,467
2023	0.8546	0.3240	1.1786	\$10,964,833,457	\$484,850		\$133,331	\$50,549	-\$111,834	\$189,136
2024	0.6692	0.3240	0.9932	\$12,016,395,913	1,617,248		\$581,465	\$281,499	-\$591,913	\$162,371
2025	0.6669	0.3240	0.9909	\$12,935,956,681	-	\$114,573,175	\$73,662,049	\$35,788,492	-\$3,402,754	\$1,719,880
				=	\$3,393,701	\$114,573,175	\$74,586,523	\$36,191,760	-\$4,091,429	\$3,097,164

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

^{\$ 192,445 \$ 93,495}

^{**}Reflects net tax levy as of June 30th for the year then ended.

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL DEBT SERVICE FUND YEAR ENDED JUNE 30, 2025

				Actual	
Data		 Budgeted	Amounts	Amounts	
Control					Variance with Final
Codes		 Original	Final	(GAAP Basis)	Budget
	REVENUES				
5700	Local and Intermediate Sources	\$ 36,445,000	\$ 36,445,000	\$ 37,141,631	\$ 696,631
5800	State Sources	 1,500,000	3,698,928	3,712,969	14,041
5000	Total Revenues	 37,945,000	40,143,928	40,854,600	710,672
0070	EXPENDITURES Debt Service				
0070	Debt Service - Principal on Long-Term Debt	23,150,000	27,580,000	27,580,000	_
0072	Debt Service - Interest	13,667,095	13,723,021	13,723,021	-
0073	Debt Service - Cost of Issuance and Fiscal Charges	1,127,905	51,979	10,177	41,802
	Total Debt Service	37,945,000	41,355,000	41,313,198	41,802
6030	Total Expenditures	 37,945,000	41,355,000	41,313,198	41,802
1100	Excess (Deficiency) of Revenues Over Expenditures	0	(1,211,072)	(458,598)	752,474
0100	FUND BALANCES, July 1, 2024	10,998,718	10,998,718	10,998,718	
3000	FUND BALANCES, June 30, 2025	\$ 10,998,718	\$ 9,787,646	\$ 10,540,120	\$ 752,474

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CHILD NUTRITION FUND
YEAR ENDED JUNE 30, 2025

					Actual	
Data			Budgeted	Amounts	Amounts	
Control						Variance with Final
Codes			Original	Final	(GAAP Basis)	Budget
	-		Original	Tillar	(2.2.2.2.2.2)	
	REVENUES					
5700	Local and Intermediate Sources	\$	2,100,000	\$ 2,800,000	\$ 2,745,303	\$ (54,697)
5800	State Sources	•	-	-	24,793	24,793
5900	Federal Sources		1,700,000	1,500,000	1,625,938	125,938
5000	Total Revenues		3,800,000	4,300,000	4,396,034	96,034
	EXPENDITURES					
	Current:					
0030	Support Services - Student:					
0035	Child Nutrition Services		3,800,000	4,381,909	4,371,754	10,155
	Total Support Services - Student		3,800,000	4,381,909	4,371,754	10,155
6030	Total Expenditures		3,800,000	4,381,909	4,371,754	10,155
			3,223,232			
1100	Excess (Deficiency) of Revenues Over Expenditures			(81,909)	24,280	106,189
	Other Financing Sources (Uses):		1			
1200	Net Change in Fund Balance			(81,909)	24,280	106,189
0100	FUND BALANCES, July 1, 2024		593,673	593,673	593,673	
3000	FUND BALANCES, June 30, 2025	\$	593,673	\$ 511,764	\$ 617,953	\$ 106,189

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CHILD NUTRITION FUND
YEAR ENDED JUNE 30, 2025

Data		 Budgeted	Amounts	Actual Amounts	
Control Codes		Original	Final	(GAAP Basis)	Variance with Final Budget
	REVENUES				
5700	Local and Intermediate Sources	\$ 2,100,000	\$ 2,800,000	\$ 2,745,303	\$ (54,697)
5800	State Sources	-	-	24,793	24,793
5900	Federal Sources	 1,700,000	1,500,000	1,625,938	125,938
5000	Total Revenues	 3,800,000	4,300,000	4,396,034	96,034
	EXPENDITURES				
	Current:				
0030 0035	Support Services - Student: Child Nutrition Services	3,800,000	4,381,909	4,371,754	10,155
	Total Support Services - Student	3,800,000	4,381,909	4,371,754	10,155
6030	Total Expenditures	3,800,000	4,381,909	4,371,754	10,155
1100	Excess (Deficiency) of Revenues Over Expenditures		(81,909)	24,280	106,189
1200	Net Change in Fund Balance	1	(81,909)	24,280	106,189
0100	FUND BALANCES, July 1, 2024	593,673	593,673	593,673	
3000	FUND BALANCES, June 30, 2025	\$ 593,673	\$ 511,764	\$ 617,953	\$ 106,189

Use of Funds Report - Select State Allotment Programs For the Year Ended June 30, 2025

Data Codes			Responses
	Section A: Compensatory Education Programs		
	Districts are required to use at least 55% of state compensatory education state allotmosts. Statutory Authority: Texas Education Code §48.104.	ent funds o	on direct program
AP1	Did your district expend any state compensatory education program state allotment funds during the district's fiscal year? If no, please disregard the remaining questions in Section A and go to Section B.		Yes
AP2	Does the district have written policies and procedures for its state compensatory education program?		Yes
AP3	Total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$	2,982,343
AP4	Actual direct program expenditures for state compensatory education programs during the district's fiscal year.	\$	2,401,418
	Section B: Bilingual Education Programs		
	Districts are required to spend at least 55% of bilingual education state allotment funds Statutory Authority: Texas Education Code §48.105.	on direct	program costs.
AP5	Did your district expend any bilingual education program state allotment funds during the district's fiscal year? If no, please disregard the remaining questions in Section B.		Yes
AP6	Does the district have written policies and procedures for its bilingual education program?		Yes
AP7	Total state allotment funds received for bilingual education programs during the district's fiscal year.	\$	553,835
AP8	Actual direct program expenditures for bilingual education programs during the district's fiscal year.	\$	707,689





NET POSITION BY COMPONENT LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

		Go	vernmental Activities			
			Restricted For:			
Year	t Investment Capital Assets	State and Federal Programs	Debt Service	Other	Unrestricted	Total
	 <u> </u>					
2025	\$ 71,455,056	644,784	1,675,226	1,603,982	(30,572,586)	\$ 44,806,462
2024	\$ 52,645,468	622,554	2,757,693	1,525,581	(15,279,536)	\$ 42,271,760
2023	\$ 55,471,212	872,743	4,860,784	1,625,631	(28,081,823)	\$ 34,748,547
2022	\$ 37,579,928	15,808	6,474,031	1,552,441	(35,185,957)	\$ 10,436,251
2021	\$ 32,545,511	131,294	5,204,383	1,425,897	(43,351,942)	\$ (4,044,857)
2020	\$ 18,413,989	297,585	7,545,123	2,622,056	(31,771,067)	\$ (2,892,314)
2019	\$ 21,018,070	776,733	6,035,641	1,640,884	(28,624,256)	\$ 847,072
2018	\$ 18,437,759	639,037	6,275,417	1,406,281	(29,231,840)	\$ (2,473,346)
2017	\$ 14,472,005	514,086	5,598,304	1,326,420	(34,920,873)	\$ (13,010,058)
2016	\$ 16,035,572	337,326	2,434,950	1,135,358	7,791,469	\$ 27,734,675

CHANGES IN NET POSITION LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses									-	
Governmental Activities:										
Instruction	\$ 76,146,566	\$ 72,437,345	\$ 66,578,214 \$	62,682,087	61,304,730	\$ 59,505,033	\$ 51,419,282 \$	31,081,951 \$	45,430,069 \$	41,783,452
Instructional Resources and Media Services	1,641,591	1,348,689	1,272,647	1,287,564	1,252,214	1,227,420	1,021,112	664,834	832,818	804,378
Curriculum and Staff Development	3,487,220	3,504,085	3,397,154	3,058,357	2,817,859	2,410,842	2,489,056	1,294,502	1,498,147	1,364,514
Instructional Leadership	1,694,271	1,644,269	1,518,607	1,334,183	1,347,941	1,587,071	894,011	468,266	565,542	523,465
School Leadership	6,993,222	6,811,609	6,163,158	5,849,796	6,259,304	5,848,539	5,306,579	2,659,945	3,934,241	3,332,457
Guidance, Counseling, and Evaluation Services	5,660,098	5,131,134	4,839,799	4,324,899	4,382,545	3,971,152	3,753,501	1,754,474	3,103,861	2,973,970
Health Services	1,441,462	1,336,925	1,218,911	1,162,670	1,335,471	1,500,031	966,611	461,512	769,862	682,220
Student (pupil) Transportation	4,644,753	3,859,543	3,669,719	3,484,979	3,156,341	3,061,686	2,641,926	2,145,076	2,603,637	2,529,115
Food Services	5,240,414	4,726,271	4,660,723	5,024,345	3,592,139	3,841,689	2,732,226	1,969,754	2,595,812	2,381,336
Co-curricular/Extracurricular Activities	5,083,886	5,180,777	4,969,478	4,611,532	4,425,202	3,392,270	3,700,698	3,419,309	3,841,479	3,315,729
General Administration	4,302,766	4,528,720	3,978,418	3,974,448	3,809,047	4,374,559	2,720,077	1,686,850	2,176,813	1,962,739
Plant Maintenance and Operations	25,626,917	18,182,023	11,438,324	12,080,887	10,706,826	8,807,461	8,143,551	6,747,686	7,165,622	6,965,016
Security and Monitoring Services	3,108,353	2,960,499	1,680,131	1,130,245	1,190,892	1,290,174	690,820	473,564	371,430	335,898
Data Processing Services	4,939,545	5,661,924	3,805,342	3,336,667	5,509,873	2,382,878	2,388,479	1,601,698	1,618,754	1,416,803
Community Services	19,288	44,118	49,737	44,923	54,329	41,401	46,365	61,498	84,854	163,855
Interest on Long-term Debt	13,275,809	13,203,567	9,154,730	8,985,660	8,411,431	12,736,542	14,044,438	14,524,854	11,197,778	8,770,095
Bond Issuance Costs and Fees	10,352	509,841	774,315	16,739	2,409,195	12,730,342	-	215,158	535,917	164,487
Capital Outlay	10,552	303,041	- 174,313	10,733	2,403,133	_	_	213,130	12,212	658,007
Contracted instructional services between state and others	_		7,485,147	_	2,176,662	_	10,554,906	9,377,461	7,670,790	6,377,347
Payments related to shared services arrangements	_	_	7,105,217	_	-	18,500	15,000	15,000	5,000	15,443
Other Intergovernmental Charges	1,221,012	1,061,912	817,510	851,213	760,023	873,655	726,318	671,313	726,660	688,564
Total Primary Government Expenses	164,537,525	152,133,251	137,472,064	123,241,194	124,902,024	116,870,903	114,254,956	81,294,705	96,741,298	87,208,890
· · · · · · · · · · · · · · · · · · ·			,,							01,200,000
Program Revenues										
Governmental Activities:										
Charges for services	4,190,025	3,742,862	3,543,543	1,769,004	2,901,070	2,233,620	2,895,384	3,884,811	4,395,138	4,316,399
Operating Grants and Contributions	24,681,739	22,665,643	21,639,364	25,515,403	15,286,557	13,065,238	10,362,199	(5,800,868)	6,889,173	5,078,871
Capital Grants and Contributions	- 1,002,703	-	4,325,000	-	20,200,007	-	-	(3)000)000)	-	-
Total Primary Government Revenues	28,871,764	26,408,505	29,507,907	27,284,407	18,187,627	15,298,858	13,257,583	(1,916,057)	11,284,311	9,395,270
rotal rimary dovernment nevenues	20,071,704	20,400,303	23,307,307	27,204,407	10,107,027	13,230,030	13,237,303	(1,510,057)	11,204,311	3,333,270
Total Primary Government Net Expense	\$ (135,665,761)	\$ (125,724,746)	\$ (107,964,157) \$	(95,956,787)	\$ (106,714,397)	\$ (101,572,045)	\$ (100,997,373) \$	(83,210,762) \$	(85,456,987) \$	(77,813,620)
General Revenues and Other Changes in Net Position					•					
General Revenues:										
Property taxes	\$ 111,868,531	\$ 102,284,008	\$ 121,300,871 \$	103,395,430	98,366,506		\$ 91,745,004 \$	85,421,125 \$	77,680,838 \$	71,720,652
Investment Earnings	5,843,582	7,083,759	3,307,356	142,720	144,254	1,005,812	2,457,470	2,022,390	865,349	214,003
Grants and Contributions Not Restricted							•			
to Specific Programs	26,121,505	23,441,435	7,135,837	6,404,667	6,140,939	3,284,820	8,308,593	5,034,158	5,078,736	6,817,882
Insurance proceeds					534,172	-	-	-	-	-
Miscellaneous	3,305,051	438,757	532,389	495,078	375,983	1,815,344	1,806,724	1,269,801	3,771,156	147,230
Total Primary Government General Revenues	147,138,669	133,247,959	132,276,453	110,437,895	105,561,854	99,954,171	104,317,791	93,747,474	87,396,079	78,899,767
,			,,	,,	,,	,:,	,,	- 2/1 11/11 1	- ,,	
Change in Net Position - Total Primary Government	\$ 11,472,908	\$ 7,523,213	\$ 24,312,296 \$	14,481,108	(1,152,543)	\$ (1,617,874)	S 3,320,418 S	10,536,712 \$	1,939,092 \$	1,086,147
,						. , , , , ,			· · · ·	<u> </u>

Table 3

FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

				General Fund				All Other Governmental Funds						
	Non	-Spendable	Committed	<u>Assigned</u>	<u>Unassigned</u>	<u>Total</u>	Non-	-Spendable	Restricted	Committed	Unassigned	<u>Total</u>		
2025	\$	253,011	-	-	29,295,2 <mark>68</mark>	\$ 29,548,279	\$	40,974	50,030,235	-	-	\$ 50,071,209		
2024	\$	353,783	-	-	28,046, <mark>537</mark>	\$ 28,400,320	\$	9,819	94,768,227	-	-	\$ 94,778,046		
2023	\$	37,508	-		28,085,039	\$ 28,122,547	\$	15,693	104,951,257	-	-	\$ 104,966,950		
2022	\$	36,952	-	-	23,155,462	\$ 23,192,414	\$	27,997	12,670,907	-	(625,789)	\$ 12,073,115		
2021	\$	40,323	-	-	19,482,127	\$ 19,5 <mark>22,</mark> 450	\$	66,694	14,093,465	-	-	\$ 14,160,159		
2020	\$	-	-	-	19,746,632	\$ 19,746,632	\$	43,411	15,083,537	-	-	\$ 15,126,948		
2019	\$	306,551	677,151	-	18,377,054	\$ 19,360,756	\$	71,638	32,286,023	1,481,507	-	\$ 33,839,168		
2018	\$	261,988	677,151	-	15,856,873	\$ 16,796,012	\$	15,226	85,835,951	-	-	\$ 85,851,177		
2017	\$	291,646	-	-	15,266,876	\$ 15,558,522	\$	24,199	61,018,861	-	-	\$ 61,043,060		
2016	\$	314,901	-	-	12,743,781	\$ 13,058,682	\$	11,643	1,471,298	-	-	\$ 1,482,941		

NOTE - The increases/decreases in fund balances are explained in the governmental funds section of the Management's Discussion and Analysis.

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2025	_	2024	_	2023		2022
REVENUES	\$ 126,704,780	٠	117 105 004	ċ	120 747 002	ċ	107 402 070
Local and Intermediate Sources State Sources	\$ 126,704,780 39,058,804	\$	117,185,994 33,410,863	\$	130,747,903 13,801,637	\$	107,402,079 12,130,351
Federal Sources	4,807,472		5,831,118		8,569,763		13,493,831
Total Revenues	170,571,056	-	156,427,975	_	153,119,303	_	133,026,261
rotal nevenues	170,371,030	-	130,427,373		133,113,303		133,020,201
EXPENDITURES Current:							
Instruction	67,555,200		63,611,664		58,432,271		55,174,610
Instructional Resources and Media Services	1,399,925		1,166,901		1,068,966		1,093,299
Curriculum and Instructional Staff Development	3,216,738		3,242,946		3,495,529		2,928,061
Instructional Leadership	1,689,734		1,627,777		1,469,840		1,289,706
School Leadership	6,257,756		6,117,391		5,474,818		5,218,012
Guidance and Counseling Services	5,133,989		4,638,520		4,387,787		3,909,005
Health Services	1,257,389		1,168,953		1,060,864		1,015,324
Pupil Transportation	5,272,893		3,237,602		5,231,026		2,917,728
Child Nutrition Services	4,527,100		4,125,805		4,255,770		4,425,419
Co-Curricular Activities	3,881,280		4,212,289		3,974,586		3,791,563
General Administration	4,114,383		4,279,916		3,738,909		3,775,341
Plant Maintenance and Operations	15,110,032		11,205,075		10,446,690		10,771,674
Security & Monitoring Services	2,868,886		2,728,712		1,494,474		920,194
Data Processing Services	4,137,143		4,635,126		6,815,369		2,646,209
Community Services	17,746		42,474		48,786		44,308
Debt Service:	20 022 204		24 400 700		20 627 202		44 262 447
Principal on Long-term Debt	28,032,284		21,109,708		20,637,283		14,262,447
Interest Cost of Issuance and Fiscal Charges	13,746,286		14,702,946		14,208,987		12,994,424
Cost of issuance and riscal charges Capital Outlay:	10,352		509,841		774,315		16,739
Facilities Acquisition and Construction	44,971,583		69,483,569		11,058,284		3,398,065
Intergovernmental:	44,371,383	4	09,463,309		11,036,264		3,336,003
Contracted Instructional Services Between Schools			_		7,485,147		_
Payments to Shared Services Arrangements			,				_
Other Intergovernmental Charges	1,221,012	47	1,061,912		817,510		851,213
Total Expenditures	214,421,711	7 -	222,909,127	_	166,377,211	_	131,443,341
		_			, , ,		
Excess (Deficiency) of Revenues Over							
(Under) Expenditures	(43,850,655)	_	(66,481,152)	_	(13,257,908)		1,582,920
OTHER FINANCING SOURCES (USES)	•						
Issuance of Debt - Capital-Related Bonds	-		54,970,000		110,000,000		-
Issuance of Debt - Refunding Bonds	-		-		-		-
Proceeds from Right to Use Leased Assets	291,777		560,186		313,078		-
Premium on Issuance of Bonds	-		1,039,835	4	318,798		-
Sale of Real and Personal Property	-		-		-		-
Insurance Recovery	-		4		-		-
Transfers In	52,540		134,182		590,446		-
Transfers Out	(52,540)		(134,182)		(140,446)		-
Payment to Refunded Bond Escrow Agent	-	_	-	_	-		-
Total Other Financing Sources (Uses)	291,777	-	56,570,021		111,081,876		
Net Change in Fund Balances	\$ (43,558,878)	\$_	(9,911,131)	\$_	97,823,968	\$	1,582,920
Debt Service as a Percentage of Noncapital Expenditures (1)	24.66%		23.34%		22.44%		21.29%

⁽¹⁾ Noncapital expenditures consist of total expenditures less capital outlays noted in the reconciliation of governmental funds to governmental activities. Debt service includes principal and interest only.

	2021	_	2020	_	2019		2018		2017		2016
\$	102,860,319 11,726,940	\$	98,695,584 9,644,262	\$	98,870,987 12,377,814	\$	92,051,189 9,609,250	Ş	83,747,139 8,889,146	\$	76,100,028 7,895,676
_	5,115,326	_	3,507,971	_	4,054,445		3,517,160		2,878,765		2,929,019
_	119,702,585	_	111,847,817	_	115,303,246		105,177,599		95,515,050		86,924,723
	51,544,091		50,674,786		43,878,596		41,188,738		39,026,550		36,873,668
	1,021,229		1,559,975		1,119,002		836,447		729,428		747,735
	2,634,764		2,202,629		2,272,207		1,547,192		1,390,643		1,327,614
	1,265,696		1,152,472		750,853		685,609		515,390		513,726
	5,395,057		5,110,081		4,461,560		4,119,787		3,617,399		3,146,872
	3,834,268		3,504,111		3,175,569		2,729,988		2,874,723		2,838,860
	1,142,920		1,023,112		821,154		718,574		714,670		678,785
	3,315,584		3,019,807	•	2,724,653		2,975,682		2,739,024		2,190,213
	3,069,365		2,658,801		2,575,787		2,386,535		2,339,274		2,283,038
	3,363,270		3,234,150		3,370,359		3,090,816		3,002,632		2,684,245
	3,497,488		3,256,730		2,362,868		2,230,089		2,058,582		2,108,670
	9,517,114		8,636,803		7,354,536		7,288,316		6,860,830		6,821,681
	1,087,207		880,938		628,380		499,686		360,229		331,638
	5,007,763		3,343,250		3,896,403		4,993,009		5,445,379		1,882,098
	53,137		40,726		38,020		68,279		78,238		160,156
	7,340,634		5,865,138		6,435,916		6,123,694		5,163,422		6,316,144
	14,135,869		15,399,731	4	15,585,094		14,018,547		11,366,885		9,478,303
	2,409,195		2,697,402	•	4,457		710,748		713,406		3,875
	725,491		15,590,043		53,494,235		61,590,990		36,010,427		31,236,865
	2,176,662		-		10,554,906	1	9,377,461		7,670,790		6,377,347
	-		18,500		15,000		15,000		5,000		15,443
	760,023	_	873,655		726,318		671,313		726,660		688,564
	123,296,827		130,742,840		166,245,873		167,866,500	7	133,409,581		118,705,540
_	(3,594,242)	_	(18,895,023)	_	(50,942,627)		(62,688,901)		(37,894,531)		(31,780,817)
	-		-		-		81,215,000		81,545,000	7	-
	90,699,896		40,980,000		-		-		-		-
	5,481,842		7,736,082		-		7,519,508		6,862,082		-
	3,461,642		3,346		13,855		7,313,306		0,802,082		
	534,172		3,340		15,055		_		_		_
	450,000		1,273,835		750,734		1,058,034		374,639		178,429
	(555,229)		(1,273,835)		(750,734)		(1,058,034)		(374,639)		(178,429)
	(95,685,423)		(46,669,242)		(750,754)		(1,030,034)		(577,055)		(170,723)
_	925,258	-	2,050,186	-	13,855		88,734,508		88,407,082		
\$	(2,668,984)	\$_	(16,844,837)	\$_	(50,928,772)	\$	26,045,607	\$	50,512,551	\$	(31,780,817)
	17.52%		18.47%		19.53%		18.95%		16.97%		18.06%

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Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

Started Togethe Jaring Forever!

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

		Assessed and	A c	tual Value			Total			
Fiscal Year Ended 6/30:	<u> </u>	Real Property Value (1)	-	Personal Property Value (1)	_	Less: Exemptions	_	Total Assessed and Actual Value	_	Total Direct Rate (2)
2025	\$	19,601,611,092	\$	479,434,872	\$	(7,130,555,346)	\$	12,950,490,618	\$	0.9909
2024		19,075,450,337		470,227,373		(7,528,997,461)		12,016,680,249		0.9932
2023		15,964,830,545		444,831,582		(5,351,131,208)		11,058,530,919		1.1786
2022		11,740,095,841		392,538,705		(2,966,437,012)		9,166,197,534		1.2046
2021		10,700,247,098		392,311,171		(2,676,673,493)		8,415,884,776		1.2519
2020		9,919,189,061		355,771,631		(2,510,178,584)		7,764,782,108		1.2840
2019		9,183,403,666		321,393,483		(2,323,871,405)		7,180,925,744		1.3540
2018		8,776,888,189		300,414,275		(2,303,156,164)		6,774,146,300		1.3540
2017		7,915,658,190		317,843,205	'	(2,034,746,484)		6,198,754,911		1.3160
2016		7,688,120,537		306,614,687		(2,139,890,787)		5,854,844,437		1.2940

⁽¹⁾ The value is the appraised value at original certification and fluctuates due to property owner protests and preliminary appraisal values at the time of certification.

Source: Kendall County (Texas) Appraisal District annually provides the District's with appraised values for properties within the District's taxing authority. Appraised value equals actual value. Actual value less exemptions equals taxable value. Taxable value times the tax rate set by the District's Board of Trustees each fall equal the tax levy. The term "assessed value" means taxable value.

⁽²⁾ Tax Rates are per \$100 of assessed value.

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN FISCAL YEARS (PER \$100 OF ASSESSED VALUE)

Taxing Authority		2025	2024	_	2023	2022	2021	2020	2019	2018	2017	2016
Overlapping Rates:												
City of Boerne	\$	0.4716 \$	0.4766	\$	0.4510 \$	0.4720 \$	0.4720 \$	0.4720 \$	0.4720 \$	0.4720 \$	0.4720 \$	0.4720
City of Fair Oaks Ranch		0.2853	0.3005		0.3291	0.3518	0.3735	0.3735	0.3668	0.3295	0.3234	0.3073
Bexar County		0.7433	0.7434		0.7437	0.7440	0.7451	0.3011	0.3011	0.3041	0.3090	0.3145
Kendall County		0.3827	0.3827		0.3877	0.4127	0.4127	0.4127	0.4127	0.4127	0.4127	0.3867
Comal County		0.2262	0.2262		0.2489	0.3140	0.3585	0.3585	0.3779	0.3579	0.3579	0.3429
Kendall County MUD #1 - Cordillera MUD (1)		0.6500	0.6500		0.6389	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	
Miralomas MUD (1)		1.0000	1.0000		1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
Kendall County WCID #1 - Esperanza MUD		0.1583	0.1558	4	0.0179	0.2693	0.2800	0.2800	0.3207	0.3149	0.2900	0.2750
Cow Creek Groundwater Cons. Dist.	_	0.0050	0.0050		0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050
Total Other Entities	\$	3.9224 \$	3.9402	\$_	3.8222 \$	4.2188 \$	4.2968 \$	3.8528 \$	3.9062 \$	3.8461 \$	2.8200 \$	2.1034
District Direct Rates:												
Maintenance & Operations	\$	0.6669 \$	0.6692	\$	0.8546 \$	0.8806 \$	0.9379 \$	0.9700 \$	1.0400 \$	1.0400 \$	1.0400 \$	1.0400
Debt Service	_	0.3240	0.3240	_	0.3240	0.3240	0.3140	0.3140	0.3140	0.3140	0.2760	0.2540
Total District Direct Rates	\$	0.9909 \$	0.9932	\$	1.1786 \$	1.2046 \$	1.2519 \$	1.2840 \$	1.3540 \$	1.3540 \$	1.3160 \$	1.2940

(1) - entity began taxing within the last ten fiscal years, rates shown from initial year of taxation

Source: Tax rates verified through various sources such as Kendall, Bexar, Comal County websites as well as the Texas Comptroller website.

2016

Taxpayer	Property Type	Assessed Value (1)	Rank	Percentage of Total Assessed Value (2)	Assessed Value (1)	Rank	Percentage of Total Assessed Value (3)
Amfp V Napa Oaks LLC	Apartments	48,097,069	1	0.42%	-		-
Rustico at Fair Oaks LLC	Apartments	48,000,000	2	0.41%	-		-
Breit Steadfast MF Fairmarc TX LP	Apartments	46,000,000	3	0.40%	-		-
Vantage at Fair Oaks LLC	Apartments	43,501,050	4	0.38%	-		-
Albany Engineered Composites	Industrial Manufacturing	24,629,036	5	0.21%	11,293,210	7	0.20%
Mariposa Development	Developer	23,616,438	6	0.20%	-		-
VBM Acquisition LLC	Car Dealership	22,134,870	7	0.19%	11,778,610	6	0.21%
HEB Grocery Company LP	Grocery Store	19,744,000	8	0.17%	17,580,600	3	0.31%
RV Retailer Texas II LLC	Mobile <mark>Ho</mark> mes/Parks	17,814,370	9	0.15%	-		-
ZYLSTRA Holdings at Boerne LLC	Apartments	17,600,000	10	0.15%	-		-
Sir Fairmark LLC	Commercial Land	-		-	34,566,000	1	0.62%
LCRA Transmission Services Corp	Oil and Gas	-		-	12,628,540	5	0.23%
Mission Pharmacal Co.	Industrial Manufacturing			-	24,188,220	2	0.43%
Wal-Mart Real Est. Biz Tr.	Commercial Land	-		-	17,170,510	4	0.31%
Jet Specialty Inc.	Reta <mark>il St</mark> ore	-		-	10,067,550	9	0.18%
Cavender Boerne Properties Ltd.	Commercial Land			-	10,295,030	8	0.18%
Guadalupe Valley Telephone Co-op	Telephone Utility			-	9,445,060	10	0.17%
TOTALS	\$	311,136,833		2.68%	159,013,330		2.84%
(1) Assessed (taxable) value equals ap(2) Total assessed value equals:(3) Total assessed value equals:	praised value after exemptions.			\$ \$	12,016,680,249 5,529,906,163		

2025

Source: Municipal Advisory Council of Texas

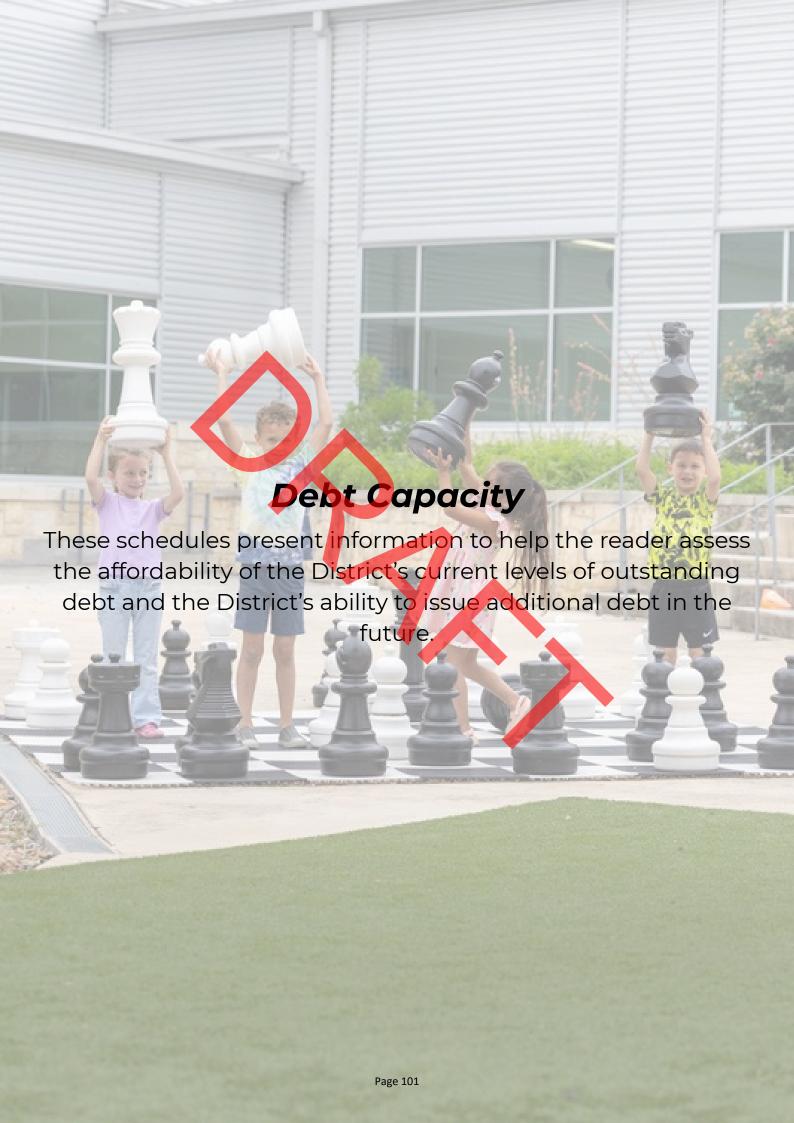
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

			Discount Realized				Realized		Collected wi				Total Collect	tions to Date
Fiscal Year Ended 6/30:	_	Net Tax Levy For The Fiscal Year (1)		Within the Fiscal Year of the Levy (2)	Amount	Percentage of Net Tax Levy	Collections in Subsequent Years		Amount	Percent of Total Tax Collections to Net Tax Levy				
2025	\$	114,573,175	\$	2,524,769 \$	109,450,540	97.68%	\$	- \$	109,450,540	97.68%				
2024		106,035,002		2,373,186	102,044,568	98.44%		862,965	102,907,533	99.27%				
2023		122,710,095		2,834,955	118,619,721	98.42%		954,449	119,574,170	99.75%				
2022		105,146,204		2,439,146	101,318,729	98.62%		1,253,149	102,571,878	99.87%				
2021		100,328,422		2,257,098	96,717,837	98.64%		1,187,113	97,904,950	99.83%				
2020		95,446,622		2,146,221	91,860,790	98.45%		1,313,474	93,174,264	99.86%				
2019		92,624,870		2,064,966	89,312,079	98.62%		1,130,343	90,442,422	99.87%				
2018		87,005,340		2,197,160	83,675,307	98.66%		1,050,749	84,726,056	99.90%				
2017		78,823,054		1,869,174	75,830,548	98.54%		1,044,335	76,874,883	99.90%				
2016		72,454,560		1,701,559	69,572,631	98.33%		1,114,155	70,686,786	99.91%				

Source: Kendall County (Texas) Appraisal District provides the District with appraised values for properties within the District's taxing authority.

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

⁽²⁾ The District provides discounts for payments made in the taxable year as follows: 3% for payments made in October, 2% for payments made in November, 1% for payments made in December.



OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

			Gover	nmental Activities					
Fiscal Year Ended 6/30:	General Obligation Bonds (1)		Premiums/Discounts of General Obligation Bonds (1)	Accreted Interest (1)	Leases/SBITA Payable (1)	Notes Payable (1)	Total Primary Government	Ratio of Debt to Assessed Value (2)	Debt Per Student (3)
2025	\$	384,264,896	\$ 12,225,008 \$	6,665,947 \$	549,455 \$	- \$	403,705,306	3.12% \$	38,658
2024		411,844,896	14,072,397	6 <mark>,39</mark> 4,790	562,840	150,000	433,024,923	3.60%	42,242
2023		377,605,230	14,659,032	8,834,745	212,028	320,000	401,631,035	3.63%	39,928
2022		287,976,463	16,450,660	12,030,912	-	485,000	316,943,035	3.46%	32,957
2021		302,078,910	18,251,160	14,035,207	-	645,000	335,010,277	3.98%	36,011
2020		309,264,647	20,627,937	11,486,1 <mark>64</mark>		800,000	342,178,748	4.41%	37,598
2019		320,837,405	19,087,116	13,075,471		950,000	353,949,992	4.93%	40,731
2018		327,109,650	19,896,332	13,951,192	-	1,095,000	362,052,174	5.34%	43,753
2017		251,878,344	13,709,049	14,650,934	-	1,235,000	281,473,327	4.54%	35,472
2016		189,806,072	7,069,930	14,444,306	_	1,370,000	212,690,308	3.63%	28,015

⁽¹⁾ Details regarding the District's general obligation bonds, net of premiums and discounts, leases payable, subscriptions, accreted interest, and notes payable can be found in the Notes to the Financial Statements.

⁽²⁾ See Table 5 for assessed value data.

⁽³⁾ See Table 16 for student enrollment data.

RATIOS OF NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS

Fiscal Year Ended 6/30:	_	General Obligation Bonds (1)	emiums/Discounts of General oligation Bonds (1)	Accreted Interest (1)	Less Amounts Available in Debt Service Fund (4)	<u>-</u>	Net Bonded Debt	Bonded	of Net Debt to Value (2)	 Bonded Debt Student (3)
2025	\$	384,264,896	\$ 12,225,008 \$	6,665,947	\$ 10,557,728	\$	373,707,168	2.8	39%	\$35,785
2024		411,844,896	14,072,397	6,394,790	10,998,718		400,846,178	3.3	34%	39,103
2023		377,605,230	14,659,032	8,834,745	9,868,996		367,736,234	3.3	33%	36,558
2022		287,976,463	16,450,660	12,030,912	10,423,847		277,552,616	3.0)3%	28,861
2021		302,078,910	18,251,160	14,035,207	9,523,439		292,555,471	3.4	18%	31,447
2020		309,264,647	20,627,937	11,486,164	7,545,123		301,719,524	3.8	39%	33,152
2019		320,837,405	19,087,116	13,075,471	6,035,641		314,801,764	4.3	38%	36,226
2018		327,109,650	19,896,332	13,951,192	6,275,417		320,834,233	4.7	74%	38,772
2017		251,878,344	13,709,049	14,650,934	5,598,304		246,280,040	3.9	97%	31,037
2016		189,806,072	7,069,930	14,444,306	5,173,030		184,633,042	3.1	15%	24,319

⁽¹⁾ Details regarding the District's general obligation bonds, net of premiums and discounts, and accreted interest can be found in the Notes to the Financial Statements.

⁽²⁾ See Table 5 for assessed value data.

⁽³⁾ See Table 16 for student enrollment data.

⁽⁴⁾ This is the amount restricted for debt service payments on general obligation bonds in the governmental fund financial statements.

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF JUNE 30, 2025

Taxing Authority	_	Gross Debt Outstanding	Percent Overlapping (1)	Overlap Applicable to School District
Overlapping:				
Alamo CCD	\$	674,050,000	1.70%	\$ 11,458,850
Bexar Co		2,153,310,000	1.70%	36,606,270
Bexar Co Hosp Dist		1,238,865,000	1.70%	21,060,705
Boerne, City of		65,830,000	100.00%	65,830,000
Comal Co		98,450,000	0.60%	590,700
Fair Oaks Ranch, City of		9,795,000	94.27%	9,233,747
Kendall Co		30,700,000	85.35%	26,202,450
Kendall Co MUD #1		6,600,000	100.00%	6,600,000
Kendall Co WC&ID #3A		7,525,000	100.00%	7,525,000
Kendall Co WC&ID #2A		54,385,000	100.00%	54,385,000
Mirolomas MUD		2,475,000	100.00%	2,475,000
San Antonio, City of	7	2,798,005,000	0.09%	2,518,205
Total Overlapping Debt				244,485,926
<u>Direct:</u>				
Boerne Independent School District		40 <mark>3,7</mark> 05,306 (2) 100.0%	403,705,306
TOTAL OVERLAPPING AND DIRECT DEBT				\$ 648,191,232
Ratio of Total Overlapping Debt and Direct Deb	ot to A	ssessed Value		5.01%
Direct and Overlapping Debt per Capita			7	\$ 10,963

- (1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District.

 The percentage of overlapping debt is estimated using taxable assessed property values. Percentages were estimated by determining the portion of the overlapping taxing authority's taxable assessed value that is within the District's boundaries and dividing it by the overlapping taxing authority's total taxable assessed value.
- (2) The District's total direct debt includes all long term debt instruments including bonds, premiums/discounts, accreted interest, notes payable, leases, and subscriptions.

Source: Municipal Advisory Council (MAC) of Texas

Table 12 LEGAL DEBT MARGIN INFORMATION (1)

LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2022 2021		2019	2018	2017	2016
Debt Limit	\$ 1,295,049,062 \$	1,201,668,025 \$	1,105,853,092 \$	916,619,753 \$	841,588,478 \$	776,478,211 \$	718,092,574 \$	677,414,630 \$	619,875,491 \$	585,484,444
Total Net Debt	373,707,168	400,846,178	367,736,234	277,552,616	292,555,471	301,719,524	314,801,764	320,834,233	246,280,040	184,633,042
Legal Debt Margin	\$ 921,341,894 \$	800,821,847 \$	738,116,858 \$	639,067,137 \$	549,033,007 \$	474,758,687 \$	403,290,810 \$	356,580,397 \$	373,595,451 \$	400,851,402
Total Net Debt Applicable Percentage of Debt Lin	a 28.86%	33.36%	33.25%	30.28%	34.76%	38.86%	43.84%	47.36%	39.73%	31.54%

Legal Debt Margin Calculation for Fiscal Year 2024:

Assessed Value (2)	\$ 12,950,490,618	
Debt Limit Percentage of Assessed Value	10%	,
Debt Limitation	1,295,049,062	_
Debt Applicable to Debt Limitation:		2
Total Bonded Debt	403,155,851	

Less Restricted for Retirement of Bonded Debt (3) Total Amount of Debt Applicable to Debt Limitation

392,598,123

10,557,728

- (2) See Table 5.
- (3) See Restricted for long-term debt at the fund level.

⁽¹⁾ The District voted its maintenance tax under former Article 2784e-1, which provided that the net bonded indebtedness of the District shall not exceed 10% of all assessed real and personal property in the District.



BOERNE INDEPENDENT SCHOOL DISTRICT *DEMOGRAPHIC AND ECONOMIC STATISTICS*

LAST TEN FISCAL YEARS

Fiscal Year Ended 6/30:	Residential Units (1)	Total Market Value of Residential Units (1)	Average Market Value per Residential Unit	Average Household Income (3)	Unemployment Rate (2)
2025	20,514 \$	12,773,821,214	\$ 622,688	125,386	2.8%
2024	19,845	12,290,161,430	619,308	123,988	3.6%
2023	19,246	10,250,710,103	532,615	117,396	3.5%
2022	18,081	7,732,979,247	427,685	92,121	3.3%
2021	17,525	7,075,024,751	403,710	90,403	4.4%
2020	16,738	6,312,064,945	377,110	(4)	5.0%
2019	15,740	5,822,279,409	369,903	(4)	2.7%
2018	15,394	5,567,651,138	361,677	(4)	2.9%
2017	14,717	5,099,232,738	346,486	(4)	3.1%
2016	13,949	4,641,951,658	332,780	(4)	3.2%

⁽¹⁾ Source: Kendall County (Texas) Appraisal District.

⁽²⁾ Source: TRACER of Texas Workforce Commission; Unemployment rate is for Kendall County.

⁽³⁾ Source: Kendall County Economic Development Corporation

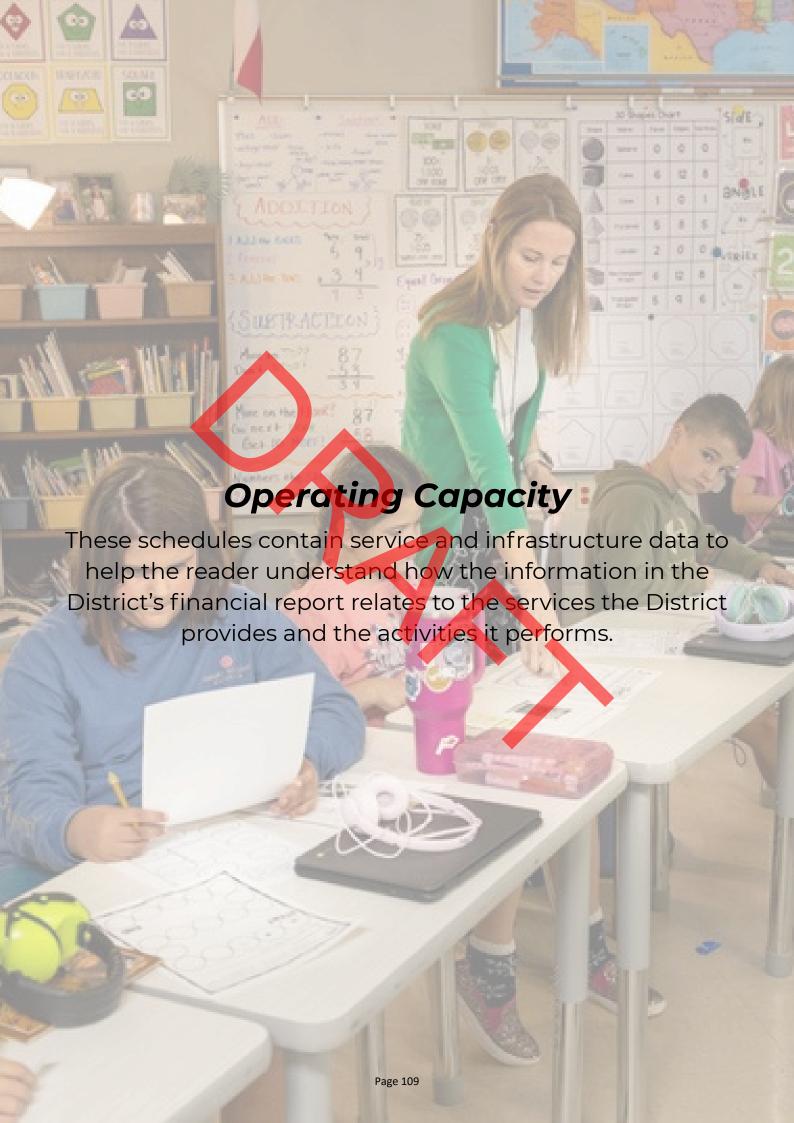
⁽⁴⁾ Information not available as of the date of this report.

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

		202	2015 (1)		
Employer	Business	Employees	Rank	Employees	Rank
Boerne ISD	Public School	1,334	1	841	1
H-E-B Super Store	Grocery Store	385	2	385	2
Mission Pharmacal	Manufacturing	362	3	362	3
Wal-Mart	Discount Store	293	4	293	4
Kendall County	Public Entity	225	5	225	5
Albany Engineered Composites	Manufacturing	223	6	223	6
City of Boerne	Public Entity	220	7	220	7
Mercedes Benz of Boerne	Automobile Sales	147	8	147	8
Toyota of Boerne	Automobile Sales	145	9	145	9
Home Depot	Retail Store	134	10	-	-
Cibolo Creek Health and Rehab	Health <mark>car</mark> e	-	-	115	10
Per the Texas Workforce Commission	on:				
Total Employment for 2024 (Ke	ndall County)	24,126			
Total Employment for 2015 (Ke		18,611			

(1) closest available data is from 2016

Sources: Municipal Advisory Council (MAC) of Texas.



FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY POSITION LAST TEN FISCAL YEARS

POSITION:

	Teacher	Professional Support	Administration	Educational Aide	Auxiliary Staff	Total
2025	714.00	133.00	49.00	141.00	273.00	1,310.00
2024	689.00	131.00	51.00	117.00	280.00	1,268.00
2023	674.00	131.00	46.00	119.00	281.00	1,251.00
2022	679.00	137.00	42.00	136.00	340.00	1,334.00
2021	631.25	126.60	46.59	106.97	286.72	1,198.13
2020	609.23	122.51	41.00	112.79	270.43	1,155.96
2019	566.36	112.98	35.90	100.20	258.52	1,073.96
2018	535.65	85.44	42.86	87.06	244.05	995.06
2017	519.17	77.21	50.07	85.19	222.90	954.54
2016	500.56	70.62	37.79	84.38	262.00	955.35

OPERATING STATISTICS LAST TEN FISCAL YEARS

Fiscal Year Ended 6/30:	Average Daily Attendance	Operating Expenditures (1)	Cost Per Student	Percentage Change	Government Wide Expenses	-	Cost Per Student	Percentage Change	Teaching Staff	Student to Teacher Ratio	Percentage of Students in Free/Reduced Lunch Program
2025	10,443	\$ 127,661,206	\$ 12,225	7.01%	\$ 166,174,670	\$	15,913	7.98%	714	14.63	18.76%
2024	10,251	\$ 117,103,063	\$ 11,424	2.40%	\$ 151,071,339	\$	14,737	8.48%	689	14.88	20.73%
2023	10,059	\$ 112,213,195	\$ 11,156	6.46%	\$ 136,654,554	\$	13,585	6.75%	674	14.92	19.28%
2022	9,617	100,771,666	10,478	3.14%	122,389,981		12,726	-5.21%	679	14.16	16.67%
2021	9,303	94,512,096	10,159	3.60%	124,902,024		13,426	4.55%	631	14.74	18.11%
2020	(2) 9,101	89,244,248	9,806	9.27 <mark>%</mark>	116,870,903		12,842	-2.33%	609	14.94	17.69%
2019	8,690	77,983,893	8,974	3.46%	114,254,956		13,148	33.83%	566	15.35	18.24%
2018	8,275	71,776,890	8,674	1.86%	81,294,705		9,824	-19.42%	536	15.44	17.32%
2017	7,935	67,572,407	8,516	0.27%	96, 741 ,298	K	12,192	6.14%	519	15.29	16.81%
2016	7,592	64,478,251	8,493	-0.23%	87,208,890		11,487	-0.48%	501	15.15	14.74%
2015	7,186	61,172,428	8,513	2.20%	82,939,188		11,542	6.84%	473	15.19	14.83%

Source: Non-financial data is from Texas Education Agency Summary of Finances Report and District records.

⁽¹⁾ Operating expenditures are total expenditures less debt service, capital outlay (to the extent capitalized for the government-wide statement of net position), expenditures for capitalized assets included within the functional expenditures categories and recapture.

⁽²⁾ Due to the outbreak of the COVID worldwide outbreak, ADA is only calculated through March of 2020.

TEACHER BASE SALARIES LAST TEN FISCAL YEARS

Fiscal Year Ended 6/30:	_	District Average Base Salary (1)	_	Region Average Salary (1)	_	Statewide Average Salary (1)
2025	\$	59,343	\$	59,430	\$	63,749
2024		58,935		59,393		62,463
2023		57,569		59,226		60,716
2022		57,423		58,634		58,887
2021		56,594		57,073		57,641
2020		56,289		57,386		57,091
2019		54,229		55,011		54,122
2018		53,259		54,547		53,334
2017		52,699		53,918		52,525
2016		52,561	Y	54,101		51,892

 ⁽¹⁾ Source: Texas Education Agency website through 2022.
 2023 and 2024 information provided by the Texas Association of School Boards.
 2024 Statewide Average is an estimate from the National Education Agency

BOERNE INDEPENDENT SCHOOL DISTRICT *SCHOOL BUILDING INFORMATION*

LAST NINE FISCAL YEARS

Building:	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
HIGH SCHOOLS										
Boerne High School										
Square Footage	285,554	265,954	265,954	265,954	265,954	265,954	265,954	265,954	265,954	265,954
Enrollment	1,494	1,426	1,356	1,288	1,228	1,168	1,136	1,098	1,115	1,087
Samuel V. Champion High School	,	,	,	,	,	•	,	,	,	,
Square Footage	370,919	332,877	332,877	332,877	332,877	332,877	332,877	332,877	332,877	332,877
Enrollment	2,067	2,071	2,014	1,960	1,884	1,770	1,739	1,659	1,591	1,532
MIDDLE SCHOOLS	,		,-	,	,	, -	,	,	,	,
Boerne Middle School North										
Square Footage	124,296	124,296	124,296	124,296	124,296	124,296	124,296	124,296	124,296	124,296
Enrollment	863	828	813	829	813	802	871	851	788	729
Boerne Middle School South	803	020	813	823	013	802	6/1	831	700	723
Square Footage	205,723	205,723	205,723	205,723	205,723	205,723	205,723	205,723	205,723	205,723
	203,723	927			829	885				
Enrollment	909	927	911	924	829	883	1,277	1,225	1,195	1,125
Capt. Mark T. Voss Middle School	100 567	100 507	100 507	100 567	100 567	100 567				
Square Footage	199,567	199,567	199,567	199,567	199,567	199,567	-	-	-	-
Enrollment	764	772	772	761	706	559	-	-	-	-
ELEMENTARY SCHOOLS										
Curington Elementary School		07.000					07.000		07.000	
Square Footage	97,980	97,980	97,980	9 7,980	97,980	97,980	97,980	97,980	97,980	97,980
Enrollment	639	642	646	634	589	643	702	650	662	633
Fabra Elementary School										
Square Footage	98,674	98,674	98,674	98,674	98,674	98,674	98,674	98,674	98,674	98,674
Enrollment	697	706	702	632	573	549	580	618	583	585
Fair Oaks Elementary School										
Square Footage	83,763	83,763	83,763	83,763	83,763	83,763	83,763	83,763	83,763	83,763
Enrollment	821	805	825	768	649	689	609	1,003	916	843
Kendall Elementary School										
Square Footage	88,241	88,241	88,241	88,241	88,241	88,241	88,241	88,241	88,241	88,241
Enrollment	562	834	816	72 <mark>7</mark>	710	752	719	762	694	658
Cibolo Creek Elementary School										
Square Footage	88,713	88,713	88,713	88,713	88,713	88,713	88,713	88,713	88,713	88,713
Enrollment	438	438	471	470	427	478	769	821	756	710
Van Raub Elementary School										
Square Footage	101,610	101,610	101,610	101,610	101,610	101,610	101,610	-	-	-
Enrollment	759	835	827	789	739	827	768	-	-	-
Herff Elementary School										
Square Footage	102,651	102,651	102,651	102,651	102,651	102,651	-	-	-	-
Enrollment	615	626	610	545	470	457	-	-	-	-
Viola Wilson Elementary School										
Square Footage	97,151						-	-	-	-
Enrollment	473						-	-	-	-
Administration Center/Alternative Campus						•				
(Formerly Fabra ES)										
Square Footage	76,930	76,930	76,930	76,930	76,930	76,930	76,930	-	-	-
Maintenance										
Square Footage	14,736	14,736	14,736	14,736	14,736	14,736	14,736	14,736	14,736	14,736
Transportation	,	•	•	,	,	,	,	,	,	,
Square Footage	17,176	17,176	17,176	17,176	17,176	17,176	17,176	17,176	17,176	17,176
Former Central Office Facility	, -	, -	, -	, -	, -	, -	, -	, -	, -	, -
Square Footage	16,582	16,582	16,582	16,582	16,582	16,582	16,582	16,582	16,582	16,582
Former Alternative Campus Facility	,	,	,	,	,	,	,	,	,	,
Square Footage	9,779	9,779	9,779	9,779	9,779	9,779	9,779	9,779	9,779	9,779
-400.0.00000	3,	5,775	5,,,5	3,,,,	5,,,5	5,,,5	3,773	3,,,,	3,,,,	3,,,,

Source: District records

