ALBANY INDEPENDENT SCHOOL DISTRICT
NOTICE OF BOARD OF TRUSTEES
BOARD OF TRUSTEES
5:30 PM

A Board of Trustees of the Board of Trustees of the Albany Independent School District will be held on September 14, 2026 beginning @ 5:30 PM in the AISD Superintendent's Office, 501 E. South 1st Street, Albany, Texas 76430.

The subjects to be discussed or considered or upon which any formal action may be taken are listed below. Items do not have to be taken in the same order as shown on this meeting notice.

Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

1. Call to Order

   A. Roll call and announcement by the chairman whether a quorum is present.
   B. Recognition of Guests
   C. Public Forum

2. Administrative Reports
   -Elementary
   -Secondary
   -Superintendent

3. Items for Discussion and Consideration, and Any Appropriate Action

   A. Consider Consent Agenda
      1. Minutes from August 10, 2026, Regular Board Meeting
      2. Minutes from August 31, 2026, Special Board Meeting
      3. Payment of Monthly Bills
      4. Budget Amendment
      5. Enrollment
4. Financial Audit for 2025-2026
5. Consider ADJUNCT FACULTY AGREEMENT and RESOLUTION
   Regarding EXTRA CURRICULAR STATUS OF 4-H ORGANIZATION
6. Consider allowing the Superintendent to negotiate and sign a contract with Kings Clean for custodial services.
7. Adjournment

   If, during the course of the meeting, any discussion of any items on the agenda should be held in executive or closed session, the Board will convene in such executive or closed session in accordance with the Texas Open Meeting Act, Texas Government Code, Chapter 551 Subchapters D and E. All final votes, actions or decisions will be taken in open meeting. {(See BEC (LEGAL)} This notice was posted in compliance with the Texas Open Meetings Act before September 14, 2026, by 5:30 p.m.

   Daryl Stuard

For the Board of Trustees

If during the course of the meeting, any discussion of any items on the agenda should be held in executive or closed session, the Board will convene in such executive or closed session in accordance with Texas Open Meeting Act, Texas Government Code, Chapter 551 Subchapters D and E. All final votes, actions or decisions will be taken in open meeting. {(See BEC (LEGAL)} This notice was posted in compliance with the Texas Open Meetings Act before .

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For the Board of Trustees

ALBANY ISD
FINANCIAL SUMMARY
2026-2027
9/14/2026

PAYROLL - 9/2026 and 9/2026 Supplemental

$	298,398.61	Payroll Checks
$	140,723.60	Liabilities
$	439,122.21	Total Payroll

ACCOUNTS PAYABLE

$	119,560.86	9/4/2026
$	45,197.34	9/11/2026

$	**603,880.41**	**GRAND TOTAL**

Credit Card Payment Listing
ALBANY INDEPENDENT SCHOOL DIST
From Month 09 To 09

Credit Card Code	Trans Date	Vendor Nbr	Vendor Name	Acct Per / PO Nbr	Recon Ind / Invoice Nbr	Fnd-Fnc-Obj.So-Org-Prog / Expenditure Amt	Liq Amt	Credit Card Fnd-Fnc-Obj.So-Org-Prog / Reason
0002	09-11-2026	00022	WESTERN TRAIL MEDIA	09	Y	199-00-2110.01-000-700000		864-00-2110.00-000-700000
				270059		370.00	.00	AP-FROM 25/26-ADS
0002	09-11-2026	03883	AMAZON	09	Y	199-11-6399.00-101-711000		864-00-2110.00-000-700000
				270057		83.32	.00	EL SUPPLIES-2ND GRADE
0002	09-11-2026	03883	AMAZON	09	Y	199-11-6399.00-101-711000		864-00-2110.00-000-700000
				270057		119.91	.00	EL SUPPLIES-4TH GRADE
0002	09-11-2026	03883	AMAZON	09	Y	199-11-6399.01-001-722000		864-00-2110.00-000-700000
				270058		412.22	.00	HS FCS SUPPLIES-J. MARSHALL
0002	09-11-2026	03883	AMAZON	09	Y	199-11-6399.04-001-722000		864-00-2110.00-000-700000
				270025		80.00	.00	VIDEO CLASS-R. PEACOCK
0002	09-11-2026	03883	AMAZON	09	Y	199-11-6399.04-001-722000		864-00-2110.00-000-700000
				270044		51.61	.00	VIDEO CLASS-R. PEACOCK
0002	09-11-2026	03883	AMAZON	09	Y	199-12-6399.00-001-799000		864-00-2110.00-000-700000
				270060		215.98	.00	HS LIBRARY SUPPLIES
0002	09-11-2026	03883	AMAZON	09	Y	199-21-6399.00-101-799000		864-00-2110.00-000-700000
				270057		265.76	.00	EL SSS SUPPLIES-K. FAIRCHILD
0002	09-11-2026	03883	AMAZON	09	Y	199-21-6499.00-101-799000		864-00-2110.00-000-700000
				270057		63.74	.00	EL SSS-MISC.-K. FAIRCHILD
0002	09-11-2026	03883	AMAZON	09	Y	199-21-6499.00-101-799000		864-00-2110.00-000-700000
				270057		15.85	.00	EL SSS-MISC.-K. FAIRCHILD
0002	09-11-2026	03883	AMAZON	09	Y	199-21-6499.00-101-799000		864-00-2110.00-000-700000
				270057		226.03	.00	EL SSS-MISC.-K. FAIRCHILD
0002	09-11-2026	00906	HATAHOE FAST FOOD-	09		199-36-6399.10-001-791000		864-00-2110.00-000-700000
				270045		368.50	.00	FOOTBALL MEALS
0002	09-11-2026	00906	HATAHOE FAST FOOD-	09		199-36-6399.10-001-791000		864-00-2110.00-000-700000
				270045		-368.50	.00	CC REVERSAL-WRONG ACCTT
0002	09-11-2026	01975	TMEA-TEXAS MUSIC	09	Y	199-36-6411.00-001-799000		864-00-2110.00-000-700000
				270024		70.00	.00	REGISTRATION-R. LUSK
0002	09-11-2026	01975	TMEA-TEXAS MUSIC	09	Y	199-36-6411.01-001-799000		864-00-2110.00-000-700000
				270024		70.00	.00	REGISTRATION-J. WATKINS
0002	09-11-2026	00906	HATAHOE FAST FOOD-	09	Y	199-36-6412.10-001-791000		864-00-2110.00-000-700000
				270047		368.50	.00	FOOTBALL MEALS
0002	09-11-2026	01669	SUBWAY - ANSON	09	Y	199-36-6412.16-001-791000		864-00-2110.00-000-700000
				270046		77.11	.00	CHEERLEADER MEALS
0002	09-11-2026	05709	RAISING CANE'S -	09	Y	199-36-6412.28-001-791000		864-00-2110.00-000-700000
				270048		60.56	.00	CROSS COUNTRY MEALS
0002	09-11-2026	01975	TMEA-TEXAS MUSIC	09	Y	199-36-6495.00-001-799000		864-00-2110.00-000-700000
				270024		65.00	.00	MEMBERSHIP-R. LUSK
0002	09-11-2026	01975	TMEA-TEXAS MUSIC	09	Y	199-36-6495.00-001-799000		864-00-2110.00-000-700000
				270024		65.00	.00	MEMBERSHIP-J. WATKINS
0002	09-11-2026	03883	AMAZON	09	Y	199-53-6399.03-999-799000		864-00-2110.00-000-700000
				270060		40.55	.00	DISTRICT TECHNOLOGY
				Grand Totals		**2,721.14**	**.00**	

End of Report

Check Nbr	Trans Date	Payee	PO Nbr	Invoice Nbr	Fnd-Fnc-Obj.So-Org-Prog	Reason	Amount	EFT
	09-04-2026	ALOE SOFTWARE GROU	270015	2039-A	199-21-6399.00-101-799000	EL SSS-SUPPLIES	375.00	N
			270015	2039-A	199-21-6399.00-999-799000	DSS-SUPPLIES	1,375.00	N
			270015	2039-A	199-23-6399.00-001-799000	HS OFFICE-SUPPLIES	375.00	N
			270015	2039-A	199-23-6399.00-101-799000	EL OFFICE-SUPPLIES	375.00	N
			270015	2039-A	199-31-6399.00-001-799000	HS COUNSELOR-SUPPLIES	375.00	N
			270015	2039-A	199-41-6399.00-701-799000	ADMIN-SUPPLIES	375.00	N
						Totals for Vendor 06381	**3,250.00**	
	09-04-2026	ATMOS ENERGY	270007		199-00-2110.01-000-700000	AP-FROM 25-26 - GAS	366.61	N
	09-04-2026	BSN SPORTS LLC	270016	935279016	199-00-2110.01-000-700000	AP-FROM 25-26 - COACHING	1,422.50	N
	09-04-2026	CDW GOVERNMENT, IN	270017	AK7TQ5D	199-00-2110.01-000-700000	AP-FROM 25/26-EL TECHNOLOGY	7,730.90	N
	09-04-2026	COWBELL CBYER INC.	270001		199-53-6429.00-999-799000	INSURANCE-CYBER SECURITY	2,114.00	N
	09-04-2026	FCCLA	270003	195353	199-36-6495.00-001-722000	FCCLA DUES	1,409.00	N
	09-04-2026	FRONTLINE TECHNOLO	270011	INVUS249222	199-11-6399.00-001-711000	HS SUPPLIES	479.09	N
			270011	INVUS249222	199-11-6399.00-001-725000	HS ESL SUPPLIES	31.22	N
			270011	INVUS249222	199-11-6399.00-101-711000	EL SUPPLIES	479.09	N
			270011	INVUS249222	199-11-6399.00-101-725000	EL ESL SUPPLIES	31.22	N
						Totals for Vendor 06106	**1,020.62**	
	09-04-2026	HUDL	270018	HUS00037688	199-36-6399.17-001-791001	COACHING SUPPLIES	3,000.00	N
			270018	HUS00037709	199-36-6399.17-001-791001	COACHING SUPPLIES	1,699.00	N
						Totals for Vendor 05507	**4,699.00**	
	09-04-2026	M&R ROOFING & CONST	270008	26025	199-00-2110.01-000-700000	AP FROM 25-26 - ROOF PATCH	3,250.00	N
			270008	25080	199-00-2110.01-000-700000	AP FROM 25-26 - GUTTERS	24,750.00	N
						Totals for Vendor 06407	**28,000.00**	
	09-04-2026	PARROTT & FOX	270009	329893	199-11-6399.00-001-722000	AG SUPPLIES-BEARD	73.50	N
	09-03-2026	PROSPERITY BANK	270023		864-00-2110.00-000-700000	PYMT VISA-PROSPERITY BANK	1,048.65	N
	09-04-2026	RED ROVER TECHNOLO	270006	17141	199-41-6299.00-750-799000	ADMIN-C'SERVICES-PAYROLL	9,579.00	N
	09-04-2026	SCHOOLCOMP	270004	20503	753-41-6143.00-999-799000	WC-1ST QTR	2,311.50	N
	09-04-2026	SHACKELFORD CO APP	270002	90	199-41-6213.00-703-799000	4TH QUARTER	28,505.73	N
	09-04-2026	WATCHFIRE ENTERPRIS	270010	12558374	199-00-2110.01-000-700000	AP-FROM 25/26 - REPAIRS	872.85	N
	09-04-2026	TASB LEGAL ASSISTAN	270012	693084	199-41-6499.02-701-799000	ADMIN-BOARDBOOK PREMIER	2,000.00	N
			270012	692098	199-41-6499.02-701-799000	ADMIN-POLICY SERVICE	2,000.00	N
						Totals for Vendor 00179	**4,000.00**	
	09-04-2026	TASB RISK MGMT FUND	270013	RMF011441	199-11-6145.00-001-799000	UNEMPLOYMENT	545.00	N
			270013	RMF011441	199-11-6145.00-101-799000	UNEMPLOYMENT	545.00	N
			270013	RMF011441	199-12-6145.00-001-799000	UNEMPLOYMENT	15.00	N
			270013	RMF011441	199-12-6145.00-101-799000	UNEMPLOYMENT	9.00	N
			270013	RMF011441	199-21-6145.00-001-799000	UNEMPLOYMENT	15.00	N
			270013	RMF011441	199-21-6145.00-101-799000	UNEMPLOYMENT	12.00	N
			270013	RMF011441	199-21-6145.00-999-799000	UNEMPLOYMENT	19.00	N
			270013	RMF011441	199-23-6145.00-001-799000	UNEMPLOYMENT	107.00	N
			270013	RMF011441	199-23-6145.00-101-799000	UNEMPLOYMENT	101.00	N

Check Payments
ALBANY INDEPENDENT SCHOOL DIST
Computer Written Checks
For the Month of September

Check Nbr	Trans Date	Payee	PO Nbr	Invoice Nbr	Fnd-Fnc-Obj.So-Org-Prog	Reason	Amount	EFT
			270013	RMF011441	199-31-6145.00-001-799000	UNEMPLOYMENT	16.00	N
			270013	RMF011441	199-33-6145.00-001-799000	UNEMPLOYMENT	13.00	N
			270013	RMF011441	199-33-6145.00-101-799000	UNEMPLOYMENT	13.00	N
			270013	RMF011441	199-34-6145.00-999-799000	UNEMPLOYMENT	58.00	N
			270013	RMF011441	199-36-6145.00-001-791000	UNEMPLOYMENT	35.00	N
			270013	RMF011441	199-36-6145.00-001-799000	UNEMPLOYMENT	22.00	N
			270013	RMF011441	199-41-6145.00-701-799000	UNEMPLOYMENT	120.00	N
			270013	RMF011441	199-41-6145.00-750-799000	UNEMPLOYMENT	34.00	N
			270013	RMF011441	199-51-6145.00-001-799000	UNEMPLOYMENT	102.00	N
			270013	RMF011441	199-51-6145.00-101-799000	UNEMPLOYMENT	64.00	N
			270013	RMF011441	199-52-6145.00-999-799000	UNEMPLOYMENT	70.00	N
			270013	RMF011441	199-53-6145.00-001-799000	UNEMPLOYMENT	3.00	N
			270013	RMF011441	199-53-6145.00-101-799000	UNEMPLOYMENT	11.00	N
			270013	RMF011441	199-53-6145.00-750-799000	UNEMPLOYMENT	15.00	N
			270013	RMF011441	199-53-6145.00-999-799000	UNEMPLOYMENT	40.00	N
			270013	RMF011441	240-35-6145.00-101-799000	UNEMPLOYMENT	16.00	N
						Totals for Vendor 00180	**2,000.00**	
	09-04-2026	TRI-COUNTY EDUCATIO	270005		199-93-6492.00-999-723000	SP ED SERVICES	18,557.00	N
	09-04-2026	UNIVERSITY OF TEXAS	270014	2A FEES	199-36-6499.01-001-791000	UIL FEES	1,950.00	N
			270014	2A FEES	199-36-6499.01-001-799000	UIL FEES	650.00	N
						Totals for Vendor 03465	**2,600.00**	
						Total For Computer Written Checks	**119,560.86**	
						Total Checks	**119,560.86**	

End of Report

Fund 199 / 7 GENERAL OPERATING

	Estimated Revenue (Budget)	Revenue Realized Current	Revenue Realized To Date	Revenue Balance	Percent Realized
5000 - R E V E N U E C O N T R O L					
5700 - REVENUES-LOCAL					
5710 - LOCAL PROPERTY TAXES	2,297,000.00	.00	.00	2,297,000.00	.00%
5740 - REVENUES FROM LOCAL SOURCES	135,620.00	.00	.00	135,620.00	.00%
5750 - COCURRICULAR OR ACTIVITIES	40,500.00	-2,161.00	-2,161.00	38,339.00	5.34%
Total REVENUES-LOCAL	**2,473,120.00**	**-2,161.00**	**-2,161.00**	**2,470,959.00**	**.09%**
5800 - STATE PROGRAM REVENUES					
5810 - PER CAPITA & FOUNDATION	4,557,892.00	.00	.00	4,557,892.00	.00%
5830 - STATE REV-TEXAS GOV'T AGENCIES	386,320.00	-27,292.96	-27,292.96	359,027.04	7.06%
Total STATE PROGRAM REVENUES	**4,944,212.00**	**-27,292.96**	**-27,292.96**	**4,916,919.04**	**.55%**
7000 - NON - OPERATING REVENUES					
7900 - OTHER RESOURCES-NON OPERATING					
7910 - OTHER RESOURCES	50.00	.00	.00	50.00	.00%
Total OTHER RESOURCES-NON OPERATING	**50.00**	**.00**	**.00**	**50.00**	**.00%**
Total Revenue Local-State-Federal	**7,417,382.00**	**-29,453.96**	**-29,453.96**	**7,387,928.04**	**.40%**

Fund 199 / 7 GENERAL OPERATING

	Budget	Encumbrance YTD	Expenditure YTD	Current Expenditure	Balance	Percent Expended
6000 - E X P E N D I T U R E S						
11 - INSTRUCTION						
6100 - PAYROLL COSTS	-3,405,923.00	.00	275,880.93	275,880.93	-3,130,042.07	8.10%
6200 - PROFESSIONAL/CONTRACTED SERV.	-40,266.00	.00	.00	.00	-40,266.00	-.00%
6300 - SUPPLIES & MATERIALS	-279,769.00	.00	5,017.37	5,017.37	-274,751.63	1.79%
6400 - OTHER OPERATING EXPENSES	-18,850.00	.00	182.99	182.99	-18,667.01	.97%
Total Function11 INSTRUCTION	**-3,744,808.00**	**.00**	**281,081.29**	**281,081.29**	**-3,463,726.71**	**7.51%**
12 - INSTRUCTIONAL RESOURCES/MEDIA						
6100 - PAYROLL COSTS	-38,107.00	.00	4,386.23	4,386.23	-33,720.77	11.51%
6200 - PROFESSIONAL/CONTRACTED SERV.	-2,250.00	.00	.00	.00	-2,250.00	-.00%
6300 - SUPPLIES & MATERIALS	-14,150.00	.00	340.45	340.45	-13,809.55	2.41%
6400 - OTHER OPERATING EXPENSES	-2,950.00	.00	.00	.00	-2,950.00	-.00%
Total Function12 INSTRUCTIONAL	**-57,457.00**	**.00**	**4,726.68**	**4,726.68**	**-52,730.32**	**8.23%**
13 - STAFF DEVELOPMENT						
6100 - PAYROLL COSTS	-1,210.00	.00	97.72	97.72	-1,112.28	8.08%
6200 - PROFESSIONAL/CONTRACTED SERV.	-2,340.00	.00	.00	.00	-2,340.00	-.00%
6400 - OTHER OPERATING EXPENSES	-10,500.00	.00	.00	.00	-10,500.00	-.00%
Total Function13 STAFF DEVELOPMENT	**-14,050.00**	**.00**	**97.72**	**97.72**	**-13,952.28**	**.70%**
21 - INSTRUCTIONAL ADMINISTRATION						
6100 - PAYROLL COSTS	-253,218.00	.00	20,944.33	20,944.33	-232,273.67	8.27%
6200 - PROFESSIONAL/CONTRACTED SERV.	-10,985.00	.00	.00	.00	-10,985.00	-.00%
6300 - SUPPLIES & MATERIALS	-3,550.00	.00	2,140.23	2,140.23	-1,409.77	60.29%
6400 - OTHER OPERATING EXPENSES	-1,800.00	.00	305.62	305.62	-1,494.38	16.98%
Total Function21 INSTRUCTIONAL	**-269,553.00**	**.00**	**23,390.18**	**23,390.18**	**-246,162.82**	**8.68%**
23 - SCHOOL ADMINISTRATION						
6100 - PAYROLL COSTS	-383,492.00	.00	31,908.70	31,908.70	-351,583.30	8.32%
6200 - PROFESSIONAL/CONTRACTED SERV.	-25,344.00	.00	.00	.00	-25,344.00	-.00%
6300 - SUPPLIES & MATERIALS	-6,750.00	.00	1,413.84	1,413.84	-5,336.16	20.95%
6400 - OTHER OPERATING EXPENSES	-7,750.00	.00	.00	.00	-7,750.00	-.00%
Total Function23 SCHOOL ADMINISTRATION	**-423,336.00**	**.00**	**33,322.54**	**33,322.54**	**-390,013.46**	**7.87%**
31 - GUIDANCE & COUNSELING						
6100 - PAYROLL COSTS	-75,481.00	.00	6,382.95	6,382.95	-69,098.05	8.46%
6200 - PROFESSIONAL/CONTRACTED SERV.	-11,860.00	.00	.00	.00	-11,860.00	-.00%
6300 - SUPPLIES & MATERIALS	-4,700.00	.00	457.98	457.98	-4,242.02	9.74%
6400 - OTHER OPERATING EXPENSES	-2,025.00	.00	.00	.00	-2,025.00	-.00%
Total Function31 GUIDANCE & COUNSELING	**-94,066.00**	**.00**	**6,840.93**	**6,840.93**	**-87,225.07**	**7.27%**
33 - HEALTH SERVICES						
6100 - PAYROLL COSTS	-56,470.00	.00	5,952.52	5,952.52	-50,517.48	10.54%
6200 - PROFESSIONAL/CONTRACTED SERV.	-8,547.00	.00	.00	.00	-8,547.00	-.00%
6300 - SUPPLIES & MATERIALS	-4,400.00	.00	82.98	82.98	-4,317.02	1.89%
6400 - OTHER OPERATING EXPENSES	-825.00	.00	.00	.00	-825.00	-.00%
Total Function33 HEALTH SERVICES	**-70,242.00**	**.00**	**6,035.50**	**6,035.50**	**-64,206.50**	**8.59%**
34 - TRANSPORTATION						
6100 - PAYROLL COSTS	-58,796.00	.00	6,013.92	6,013.92	-52,782.08	10.23%
6200 - PROFESSIONAL/CONTRACTED SERV.	-18,200.00	.00	.00	.00	-18,200.00	-.00%
6300 - SUPPLIES & MATERIALS	-33,300.00	.00	41.49	41.49	-33,258.51	.12%
6400 - OTHER OPERATING EXPENSES	-7,145.00	.00	.00	.00	-7,145.00	-.00%
Total Function34 TRANSPORTATION	**-117,441.00**	**.00**	**6,055.41**	**6,055.41**	**-111,385.59**	**5.16%**

Fund 199 / 7 GENERAL OPERATING

	Budget	Encumbrance YTD	Expenditure YTD	Current Expenditure	Balance	Percent Expended
6000 - E X P E N D I T U R E S						
35 - FOOD SERVICES						
6100 - PAYROLL COSTS	-5,430.00	.00	325.03	325.03	-5,104.97	5.99%
Total Function35 FOOD SERVICES	**-5,430.00**	**.00**	**325.03**	**325.03**	**-5,104.97**	**5.99%**
36 - CO-CURRICULAR ACTIVITIES						
6100 - PAYROLL COSTS	-248,440.00	.00	20,745.94	20,745.94	-227,694.06	8.35%
6200 - PROFESSIONAL/CONTRACTED SERV.	-75,152.00	.00	1,365.00	1,365.00	-73,787.00	1.82%
6300 - SUPPLIES & MATERIALS	-99,550.00	.00	4,749.58	4,749.58	-94,800.42	4.77%
6400 - OTHER OPERATING EXPENSES	-188,450.00	.00	5,436.15	5,436.15	-183,013.85	2.88%
6600 - CAPITAL OUTLAY	-25,000.00	.00	.00	.00	-25,000.00	-.00%
Total Function36 CO-CURRICULAR ACTIVITIES	**-636,592.00**	**.00**	**32,296.67**	**32,296.67**	**-604,295.33**	**5.07%**
41 - GENERAL ADMINISTRATION						
6100 - PAYROLL COSTS	-390,962.00	.00	31,960.27	31,960.27	-359,001.73	8.17%
6200 - PROFESSIONAL/CONTRACTED SERV.	-81,842.00	.00	38,084.73	38,084.73	-43,757.27	46.53%
6300 - SUPPLIES & MATERIALS	-15,250.00	.00	706.92	706.92	-14,543.08	4.64%
6400 - OTHER OPERATING EXPENSES	-37,340.00	.00	4,000.00	4,000.00	-33,340.00	10.71%
Total Function41 GENERAL ADMINISTRATION	**-525,394.00**	**.00**	**74,751.92**	**74,751.92**	**-450,642.08**	**14.23%**
51 - MAINTENANCE/OPERATIONS						
6100 - PAYROLL COSTS	-245,414.00	.00	23,342.32	23,342.32	-222,071.68	9.51%
6200 - PROFESSIONAL/CONTRACTED SERV.	-417,570.00	.00	10,791.42	10,791.42	-406,778.58	2.58%
6300 - SUPPLIES & MATERIALS	-85,000.00	.00	179.15	179.15	-84,820.85	.21%
6400 - OTHER OPERATING EXPENSES	-157,060.00	.00	.00	.00	-157,060.00	-.00%
Total Function51 MAINTENANCE/OPERATIONS	**-905,044.00**	**.00**	**34,312.89**	**34,312.89**	**-870,731.11**	**3.79%**
52 - FACILITIES ACQUISITION/CONST.						
6100 - PAYROLL COSTS	-79,587.00	.00	6,660.33	6,660.33	-72,926.67	8.37%
6200 - PROFESSIONAL/CONTRACTED SERV.	-5,310.00	.00	.00	.00	-5,310.00	-.00%
6300 - SUPPLIES & MATERIALS	-8,000.00	.00	.00	.00	-8,000.00	-.00%
6400 - OTHER OPERATING EXPENSES	-1,300.00	.00	.00	.00	-1,300.00	-.00%
Total Function52 FACILITIES	**-94,197.00**	**.00**	**6,660.33**	**6,660.33**	**-87,536.67**	**7.07%**
53 - DATA PROCESSING SERVICES						
6100 - PAYROLL COSTS	-251,175.00	.00	21,027.28	21,027.28	-230,147.72	8.37%
6200 - PROFESSIONAL/CONTRACTED SERV.	-18,403.00	.00	.00	.00	-18,403.00	-.00%
6300 - SUPPLIES & MATERIALS	-30,982.00	.00	82.04	82.04	-30,899.96	.26%
6400 - OTHER OPERATING EXPENSES	-6,075.00	.00	2,114.00	2,114.00	-3,961.00	34.80%
Total Function53 DATA PROCESSING SERVICES	**-306,635.00**	**.00**	**23,223.32**	**23,223.32**	**-283,411.68**	**7.57%**
61 - COMMUNITY SERVICES						
6400 - OTHER OPERATING EXPENSES	-500.00	.00	.00	.00	-500.00	-.00%
Total Function61 COMMUNITY SERVICES	**-500.00**	**.00**	**.00**	**.00**	**-500.00**	**-.00%**
71 - DEBT SERVICE						
6500 - DEBT SERVICE	-84,164.00	.00	.00	.00	-84,164.00	-.00%
Total Function71 DEBT SERVICE	**-84,164.00**	**.00**	**.00**	**.00**	**-84,164.00**	**-.00%**
81 - BUILDING IMPROVEMENTS						
6200 - PROFESSIONAL/CONTRACTED SERV.	-3,000.00	.00	.00	.00	-3,000.00	-.00%
6600 - CAPITAL OUTLAY	-25,000.00	.00	.00	.00	-25,000.00	-.00%
Total Function81 BUILDING IMPROVEMENTS	**-28,000.00**	**.00**	**.00**	**.00**	**-28,000.00**	**-.00%**
93 - TRI-COUNTY PAYMENT						
6400 - OTHER OPERATING EXPENSES	-185,606.00	.00	18,557.00	18,557.00	-167,049.00	10.00%
Total Function93 TRI-COUNTY PAYMENT	**-185,606.00**	**.00**	**18,557.00**	**18,557.00**	**-167,049.00**	**10.00%**

Fund 199 / 7 GENERAL OPERATING

	Budget	Encumbrance YTD	Expenditure YTD	Current Expenditure	Balance	Percent Expended
6000 - E X P E N D I T U R E S						
99 - OTHER GOVERNMENTAL CHARGES						
6200 - PROFESSIONAL/CONTRACTED SERV.	-90,700.00	.00	.00	.00	-90,700.00	-.00%
Total Function99 OTHER GOVERNMENTAL	**-90,700.00**	**.00**	**.00**	**.00**	**-90,700.00**	**-.00%**
8000 - OTHER USES						
00 -						
8900 - OTHER USES	-107,678.00	.00	.00	.00	-107,678.00	-.00%
Total Function00	**-107,678.00**	**.00**	**.00**	**.00**	**-107,678.00**	**-.00%**
Total Expenditures	**-7,760,893.00**	**.00**	**551,677.41**	**551,677.41**	**-7,209,215.59**	**7.11%**

Fund 240 / 7 FOOD SERVICE

	Estimated Revenue (Budget)	Revenue Realized Current	Revenue Realized To Date	Revenue Balance	Percent Realized
5000 - R E V E N U E C O N T R O L					
5700 - REVENUES-LOCAL					
5740 - REVENUES FROM LOCAL SOURCES	1,000.00	.00	.00	1,000.00	.00%
5750 - COCURRICULAR OR ACTIVITIES	45,600.00	.00	.00	45,600.00	.00%
Total REVENUES-LOCAL	**46,600.00**	**.00**	**.00**	**46,600.00**	**.00%**
5800 - STATE PROGRAM REVENUES					
5820 - STATE REV. DISTRIBUTED BY TEA	800.00	.00	.00	800.00	.00%
Total STATE PROGRAM REVENUES	**800.00**	**.00**	**.00**	**800.00**	**.00%**
5900 - FEDERAL PROGRAM REVENUES					
5920 - FEDERAL REV DISTRIBUTED BY TEA	131,106.00	.00	.00	131,106.00	.00%
5930 - VOCATIONAL EDUCATION	150.00	.00	.00	150.00	.00%
Total FEDERAL PROGRAM REVENUES	**131,256.00**	**.00**	**.00**	**131,256.00**	**.00%**
7000 - NON - OPERATING REVENUES					
7900 - OTHER RESOURCES-NON OPERATING					
7910 - OTHER RESOURCES	107,678.00	.00	.00	107,678.00	.00%
Total OTHER RESOURCES-NON OPERATING	**107,678.00**	**.00**	**.00**	**107,678.00**	**.00%**
Total Revenue Local-State-Federal	**286,334.00**	**.00**	**.00**	**286,334.00**	**.00%**

Fund 240 / 7 FOOD SERVICE

	Budget	Encumbrance YTD	Expenditure YTD	Current Expenditure	Balance	Percent Expended
6000 - E X P E N D I T U R E S						
35 - FOOD SERVICES						
6100 - PAYROLL COSTS	.00	.00	3,865.77	3,865.77	3,865.77	.00%
6200 - PROFESSIONAL/CONTRACTED SERV.	-259,228.00	.00	.00	.00	-259,228.00	-.00%
6300 - SUPPLIES & MATERIALS	-26,156.00	.00	.00	.00	-26,156.00	-.00%
6400 - OTHER OPERATING EXPENSES	-950.00	.00	.00	.00	-950.00	-.00%
Total Function35 FOOD SERVICES	**-286,334.00**	**.00**	**3,865.77**	**3,865.77**	**-282,468.23**	**1.35%**
Total Expenditures	**-286,334.00**	**.00**	**3,865.77**	**3,865.77**	**-282,468.23**	**1.35%**

Board Report
Comparison of Revenue to Budget
ALBANY INDEPENDENT SCHOOL DIST
As of September

	Estimated Revenue (Budget)	Revenue Realized Current	Revenue Realized To Date	Revenue Balance	Percent Realized
5000 - R E V E N U E C O N T R O L					
5700 - REVENUES-LOCAL					
5710 - LOCAL PROPERTY TAXES	1,536,440.00	.00	.00	1,536,440.00	.00%
Total REVENUES-LOCAL	**1,536,440.00**	**.00**	**.00**	**1,536,440.00**	**.00%**
7000 - NON - OPERATING REVENUES					
7900 - OTHER RESOURCES-NON OPERATING					
7910 - OTHER RESOURCES	4,393.00	.00	.00	4,393.00	.00%
Total OTHER RESOURCES-NON OPERATING	**4,393.00**	**.00**	**.00**	**4,393.00**	**.00%**
Total Revenue Local-State-Federal	**1,540,833.00**	**.00**	**.00**	**1,540,833.00**	**.00%**

Fund 599 / 7 I&S- 2026 BOND

	Budget	Encumbrance YTD	Expenditure YTD	Current Expenditure	Balance	Percent Expended
6000 - E X P E N D I T U R E S						
71 - DEBT SERVICE						
6500 - DEBT SERVICE	-1,537,440.00	.00	.00	.00	-1,537,440.00	-.00%
Total Function71 DEBT SERVICE	**-1,537,440.00**	**.00**	**.00**	**.00**	**-1,537,440.00**	**-.00%**
Total Expenditures	**-1,537,440.00**	**.00**	**.00**	**.00**	**-1,537,440.00**	**-.00%**

Fund 699 / 7 CAPITAL PROJECT-NEW SCHOOL

	Estimated Revenue (Budget)	Revenue Realized Current	Revenue Realized To Date	Revenue Balance	Percent Realized
7000 - NON - OPERATING REVENUES					
7900 - OTHER RESOURCES-NON OPERATING					
7910 - OTHER RESOURCES	26,449,116.00	.00	.00	26,449,116.00	.00%
Total OTHER RESOURCES-NON OPERATING	**26,449,116.00**	**.00**	**.00**	**26,449,116.00**	**.00%**
Total Revenue Local-State-Federal	**26,449,116.00**	**.00**	**.00**	**26,449,116.00**	**.00%**

Fund 699 / 7 CAPITAL PROJECT-NEW SCHOOL

	Budget	Encumbrance YTD	Expenditure YTD	Current Expenditure	Balance	Percent Expended
6000 - E X P E N D I T U R E S						
71 - DEBT SERVICE						
6500 - DEBT SERVICE	-444,723.00	.00	.00	.00	-444,723.00	-.00%
Total Function71 DEBT SERVICE	**-444,723.00**	**.00**	**.00**	**.00**	**-444,723.00**	**-.00%**
81 - BUILDING IMPROVEMENTS						
6600 - CAPITAL OUTLAY	-26,000,000.00	.00	.00	.00	-26,000,000.00	-.00%
Total Function81 BUILDING IMPROVEMENTS	**-26,000,000.00**	**.00**	**.00**	**.00**	**-26,000,000.00**	**-.00%**
8000 - OTHER USES						
00 -						
8900 - OTHER USES	-4,393.00	.00	.00	.00	-4,393.00	-.00%
Total Function00	**-4,393.00**	**.00**	**.00**	**.00**	**-4,393.00**	**-.00%**
Total Expenditures	**-26,449,116.00**	**.00**	**.00**	**.00**	**-26,449,116.00**	**-.00%**

Check Payments
ALBANY INDEPENDENT SCHOOL DIST
Computer Written Checks
For the Month of September

Check Nbr	Trans Date	Payee	PO Nbr	Invoice Nbr	Fnd-Fnc-Obj.So-Org-Prog	Reason	Amount	EFT
	09-11-2026	ABILENE FOOTBALL	270043	91868560	199-00-2110.01-000-700000	OFFICIALS	150.00	N
	09-11-2026	PASS INVESTMENTS, LL	270056	127345	199-51-6249.01-999-799000	OIL CHANGE-MAIN. TRUCKS	190.00	N
	09-11-2026	CARY SERVICES, INC.	270062	C019248	199-36-6269.00-001-791000	ATHLETICS-ICE MACHINE	250.00	N
	09-11-2026	CITY OF ALBANY	270052		199-00-2110.01-000-700000	AP-FROM 25/26-WATER	7,407.30	N
	09-11-2026	COMPLETE RECORDS M	270032	B1301	199-00-2110.01-000-700000	AP-FROM 24/25-C'SERVICES	8,398.85	N
	09-11-2026	DONALD R. COX	270037	ANSON	199-36-6299.00-001-791000	OFFICIAL	135.00	N
	09-11-2026	E3 DIAGNOSTICS INC.	270051	SRV-181363	199-00-2110.01-000-700000	AP-FROM 25/26-A'METER REPAIR	130.00	N
	09-11-2026	EWELL EDUCATIONAL S	270028	11-26086	199-36-6412.00-001-722000	AG ENTRY FEES	468.00	N
	09-11-2026	ERIN FALLON	270066	X DOT	199-36-6299.00-001-791000	OFFICIAL	220.00	N
	09-11-2026	ANSLEIGH GARCIA	270030	FINGERPRITING	199-11-6499.00-999-799000	FINGERPRINTING	47.99	N
	09-11-2026	HIGGINBOTHAM BROS.	270055	ACCT 540028	199-00-2110.01-000-700000	AP-FROM 25/26-BUILDING	13.98	N
	09-11-2026	ILPC	270049		199-11-6412.00-001-722000	NEWSPAPER REGISTRATION	75.00	N
			270049		199-11-6495.00-001-711000	NEWSPAPER MEMBERSHIP	60.00	N
						Totals for Vendor 06074	**135.00**	
	09-11-2026	INTELLIGENT MARKETIN	270063	50-40038094	199-51-6269.00-999-799001	LEASE-PAINT MACHINE	7,000.00	N
	09-11-2026	AARON LAUGHLIN	270040	ANSON	199-36-6299.00-001-791000	OFFICIAL	135.00	N
	09-11-2026	GREGORY SEAN MCNEI	270039	ANSON	199-36-6299.00-001-791000	OFFICIAL	135.00	N
	09-11-2026	TERRY LEE NIEDECKEN	270067	X DOT	199-36-6299.00-001-791000	OFFICIAL	220.00	N
	09-11-2026	PROSPERITY BANK	270071		864-00-2110.00-000-700000	PYMT VISA-PROSPERITY BANK	2,721.14	N
	09-11-2026	MICHAEL REPPART	270038	ANSON	199-36-6299.00-001-791000	OFFICIAL	135.00	N
	09-11-2026	BRITTANY ROES	270029		199-00-2110.01-000-700000	AP FROM 25-26 - VBALL MEALS	81.35	N
			270029		199-36-6399.29-001-791000	CROSS COUNTRY MEALS	50.58	N
						Totals for Vendor 06956	**131.93**	
	09-11-2026	BOB DERRICK ROSS	270041	ANSON	199-36-6299.00-001-791000	OFFICIAL	135.00	N
	09-11-2026	SCHOOLCOMP	270065	20593	753-41-6143.00-999-799000	WC-EXCESS PREMIUM/AUDIT	7,556.05	N
	09-11-2026	WATCHFIRE ENTERPRIS	270054	12558497	199-00-2110.01-000-700000	AP-FROM 25/26-S'BOARD PART	1,514.21	N
	09-11-2026	STAPLES	270036	6073046923	199-11-6399.00-001-711000	HS-COPY PAPER	850.55	N
			270036	6073046923	199-11-6399.00-101-711000	EL-COPY PAPER	850.54	N
			270036	6073046923	199-12-6399.00-001-799000	HS LIBRARY-COPY PAPER	82.98	N
			270036	6073046923	199-12-6399.00-101-799000	EL LIBRARY-COPY PAPER	41.49	N
			270036	6073046923	199-21-6399.00-101-799000	EL SSS-COPY PAPER	82.98	N
			270036	6073046923	199-21-6399.00-999-799000	DSS-COPY PAPER	41.49	N
			270036	6073046923	199-23-6399.00-001-799000	HS OFFICE-COPY PAPER	331.92	N
			270036	6073046923	199-23-6399.00-101-799000	EL OFFICE-COPY PAPER	331.92	N
			270036	6073046923	199-31-6399.00-001-799000	HS COUNSELOR-COPY PAPER	82.98	N
			270036	6073046923	199-33-6399.00-999-799000	NURSE-COPY PAPER	82.98	N
			270036	6073046923	199-34-6319.00-999-799000	BUS-COPY PAPER	41.49	N
			270036	6073046923	199-36-6499.02-001-791000	ATHLETICS-COPY PAPER	41.49	N

Check Payments
ALBANY INDEPENDENT SCHOOL DIST
Computer Written Checks
For the Month of September

Check Nbr	Trans Date	Payee	PO Nbr	Invoice Nbr	Fnd-Fnc-Obj.So-Org-Prog	Reason	Amount	EFT
			270036	6073046923	199-36-6499.02-001-799000	NON/ATHLETICS-COPY PAPER	41.49	N
			270036	6073046923	199-41-6399.00-701-799000	ADMIN-COPY PAPER	331.92	N
			270036	6073046923	199-51-6319.02-999-799000	BUILDING-COPY PAPER	41.49	N
			270036	6073046923	199-53-6399.03-999-799000	TECHNOLOGY-COPY PAPER	41.49	N
						Totals for Vendor 06113	**3,319.20**	
	09-11-2026	T-MOBILE	270053	2012335507	199-00-2110.01-000-700000	AP-FROM 25/26-EL/VIDEO	100.60	N
	09-11-2026	TD ELECTRIC	270050	8923	199-51-6249.00-999-799000	ELECTRIC LINE-F'BALL FIELD	3,347.07	N
	09-11-2026	TEACHER SYNERGY, LL	270064	344718171	199-11-6399.00-101-711000	EL SUPPLIES-2ND SCIENCE	289.00	N
			270064	344718171	199-11-6399.00-101-711000	EL SUPPLIES-3RD SCIENCE	349.00	N
						Totals for Vendor 05801	**638.00**	
	09-11-2026	THEMES & VARIATIONS	270061	149033	199-11-6399.00-101-711000	EL SUPPLIES-R. LUSK	200.00	N
	09-11-2026	TRI STATE ENTERPRISE	270027	167V039326	199-51-6319.04-999-799000	VEHICLE SUPPLIES	4.83	N
	09-11-2026	UNIFIRST CORPORATIO	270026	2890176957	199-51-6299.00-999-799001	RUG SERVICE	254.35	N
			270026	2890176957	199-51-6319.01-999-799000	JANITORIAL SUPPLIES	103.84	N
						Totals for Vendor 06322	**358.19**	
						Total For Computer Written Checks	**45,197.34**	
						Total Checks	**45,197.34**	

End of Report

Credit Card Payment Listing
ALBANY INDEPENDENT SCHOOL DIST
From Month 09 To 09

Credit Card Code	Trans Date	Vendor Nbr	Vendor Name	Acct Per / PO Nbr	Recon Ind / Invoice Nbr	Fnd-Fnc-Obj.So-Org-Prog / Expenditure Amt	Liq Amt	Credit Card Fnd-Fnc-Obj.So-Org-Prog / Reason
0002	09-04-2026	05709	RAISING CANE'S -	09	Y	199-00-2110.01-000-700000		864-00-2110.00-000-700000
				270019		282.56	.00	AP-FROM 25/26-V'BALL MEALS
0002	09-04-2026	03883	AMAZON	09	Y	199-11-6399.00-001-711000		864-00-2110.00-000-700000
				270020		39.10	.00	HS SUPPLIES-CRADDUCK
0002	09-04-2026	06955	GREENLIGHT FITNESS	09	Y	199-11-6399.T1-001-711000		864-00-2110.00-000-700000
				270022	AISD-2026-	299.00	.00	TIA SUPPLIES
0002	09-04-2026	06955	GREENLIGHT FITNESS	09	Y	199-11-6399.T1-101-711000		864-00-2110.00-000-700000
				270022	AISD-2026-	299.00	.00	TIA SUPPLIES
0002	09-04-2026	06755	ATTSB	09	Y	199-36-6495.00-001-799000		864-00-2110.00-000-700000
				270021		50.00	.00	DUES-R. LUSK
0002	09-04-2026	06755	ATTSB	09	Y	199-36-6495.00-001-799000		864-00-2110.00-000-700000
				270021		50.00	.00	DUES-J. WATKINS
0002	09-04-2026	03883	AMAZON	09	Y	199-51-6319.02-999-799000		864-00-2110.00-000-700000
				270020		28.99	.00	BUILDING SUPPLES
				Grand Totals		**1,048.65**	**.00**	

End of Report

Albany ISD
Monthly Budget Amendment
2026-2027
9/14/2026

	Original Budget	Amended Budget
Revenue:		
Fund 199	7,417,382.00	
Fund 240	286,334.00	
Fund 599	1,540,833.00	
Fund 699	26,449,116.00	
Expenditures:		
Fund 199	7,760,893.00	
Fund 240	286,334.00	
Fund 599	1,537,440.00	
Fund 699	26,448,616.00	26,449,116.00

9/14/2026 **1) Fund 699 - Update expense balance to equal revenue balance**

699-00-3700-00-000-700000	Budgetary Fund Balance	500.00
699-71-6599-00-999-799000	Misc.-Other Fees	500.00

Enrollment 2026-2027

	May-26	Aug-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26
	5/6/2026	8/18/2025	8/13/2026	9/11/2026								
GRADE												
K	36	38	30	30								
1	33	35	37	37								
2	36	39	31	31								
3	37	38	33	33								
4	32	30	38	38								
5	28	28	30	30								
6	27	27	30	30								
7	36	34	27	27								
8	33	36	37	38								
9	34	36	35	34								
10	26	30	38	36								
11	30	36	25	25								
12	36	37	29	29								
TOTAL	**424**	**444**	**420**	**418**								
PR-K	6	7	19	17								
HS	8	9	n/a	n/a								
TOTAL	**438**	**460**	**439**	**435**								

ALBANY INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL AND COMPLIANCE REPORT

FOR THE YEAR ENDED AUGUST 31, 2026

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ALBANY INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL AND COMPLIANCE REPORT
FOR THE YEAR ENDED AUGUST 31, 2026

TABLE OF CONTENTS

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CERTIFICATE OF BOARD

Albany Independent School District	Shackelford	209-901
Name of School District	County	Co.-Dist. Number

We, the undersigned, certify that the attached auditor's reports of the above named school district were reviewed and ___approved - ___disapproved for the year ended August 31, 2026, at a meeting of the board of school trustees of such school district on the _____ day of ______________________, 2026.

______________________________ ______________________________

Signature of Board Secretary Signature of Board President

If the auditor's reports were checked above as disapproved, the reason(s) therefore is/are (attach list if necessary):

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Cameron L. Gulley
CERTIFIED PUBLIC ACCOUNTANT

P. O. Box 163
Eastland, Texas 76448
(325)669-9795
cgulley@txol.net

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Albany Independent School District
P.O. Box 2050
Albany, Texas 76430

Report on the Audit of the Financial Statements

Opinions
I have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information for Albany Independent School District (the "District") as of and for the year ended August 31, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the District as of August 31, 2026, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with account principles generally accepted in the United States of America.

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedure to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information
My audit was made for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The combining statements and the required TEA schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In my opinion, the combining statements and the required TEA schedules listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated October 12, 2026, on my consideration of the District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Cameron L. Gulley
Certified Public Accountant
Eastland, Texas

October 12, 2026

ALBANY INDEPENDENT SCHOOL DISTRICT

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MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the Annual Financial and Compliance Report, we, the managers of Albany Independent School District, discuss and analyze the District's financial performance for the fiscal year ended August 31, 2026. Please read it in conjunction with the independent auditor's report on page 2 and the District's Basic Financial Statements which begin on page 10.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (on pages 10 - 11). These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (starting on page 12) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how goods or services of the District were sold to departments within the District or to external customers and how the sales revenues covered the expenses of the goods or services. The remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the District.

The notes to the financial statements (starting on page 21) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

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

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the District's overall financial condition and operations begins on page 5. Its primary purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the District's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

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

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

In the Statement of Net Position and the Statement of Activities, we divide the District into one activity:

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

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 12 and provide detailed information about the most significant funds - not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received under the No Child Left Behind Act from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes (like campus activities). The District's two different types of funds - governmental and proprietary - use different accounting approaches.

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

Proprietary funds - the District reports the activities for which it charges users (whether outside customers or other units of the District) in proprietary funds using the same accounting methods employed in the Statement of Net Position and the Statement of Activities. The internal service funds (the only category of proprietary funds) report activities that provide supplies and services for the District's other programs and activities - such as the District's self-insurance program.

The District as Trustee

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for money raised by student activities. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 19 and 20. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

FINANCIAL SUMMARY AND DETAILED ANALYSIS

The following analyses of comparative balances and changes therein is inclusive of the current year's and prior year's operations. Our analysis focuses on the net position (Table I) and changes in net position (Table II) of the District's governmental and business-type activities.

Table I
Net Position

	Governmental Activities 2026	Governmental Activities 2025	Variance Increase/ (Decrease)
Current and other assets	$ 5,025,322	$ 5,155,103	$ (129,781)
Capital assets	4,003,840	4,151,010	(147,170)
Deferred resource outflows for TRS	1,432,790	1,300,102	132,688
Total assets and deferred resource outflows	10,461,952	10,606,215	(144,263)
Long-term liabilities	3,836,814	3,975,496	(138,682)
Other liabilities	355,444	305,065	50,379
Deferred resource inflows for TRS	1,768,428	1,814,285	(45,857)
Total liabilities and deferred resource inflows	5,960,686	6,094,846	(134,160)
Net position:			
Net investment in capital assets	3,433,736	3,501,815	(68,079)
Restricted for federal and state programs	0	0	0
Unrestricted	1,067,530	1,009,554	57,976
Total net position	$ 4,501,266	$ 4,511,369	$ (10,103)

Table II Changes in Net Position			
	Governmental Activities 2026	Governmental Activities 2025	Variance Favorable/ (Unfavorable)
Revenues:			
Program Revenues:			
Charges for services	$ 134,251	$ 65,814	$ 68,437
Grants and contributions	1,043,432	1,489,150	(445,718)
General Revenues:			
Property taxes	2,213,473	2,334,032	(120,559)
State aid - formula grants	4,554,048	3,793,803	760,245
Other	200,206	268,793	(68,587)
Total Revenues	8,145,410	7,951,592	193,818
Expenses:			
1x - Instruction, curriculum and media services	4,064,909	3,681,464	(383,445)
2x - Instructional and school leadership	641,515	645,849	4,334
3x - Student support services	436,924	428,315	(8,609)
35 - Child nutrition	258,319	314,709	56,390
36 - Extracurricular activities	600,162	564,541	(35,621)
41 - General administration	520,070	666,844	146,774
5x - Plant maintenance, security & data processing	1,352,291	1,348,428	(3,863)
7x - Debt service	5,214	6,776	1,562
93 - Payments related to shared service arrangements	193,126	157,824	(35,302)
99 - Other intergovernmental charges	82,983	80,185	(2,798)
Total Expenses	8,155,513	7,894,935	(260,578)
Increase (Decrease) in Net Position	(10,103)	56,657	(66,760)
Net Position - beginning of year	4,511,369	4,892,575	(381,206)
Prior period adjustment	0	(437,863)	437,863
Net Position - end of year	$ 4,501,266	$ 4,511,369	$ (10,103)

Government-Wide Analysis

Total net position of the District's governmental activities decreased from $4,511,369 to $4,501,266. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - increased from $1,009,554 to $1,067,530. Current and other assets decreased by $130 thousand due to reductions in state receivable by $194 thousand offset by increases in cash by $64 thousand. Capital assets decreased by $147 thousand due to depreciation expense in excess of asset additions. Long-term liabilities decreased by $139 thousand due to the effects of net pension liabilities (NPL) and other post-employment benefit (OPEB) liabilities, accrued absences payable and liquidation of long-term debt principal. Other liabilities increased by $50 thousand due to changes in ending accounts payable. Deferred resource outflows related to NPL and OPEB liabilities increased by $130 thousand and deferred resource inflows related to NPL and OPEB liabilities decreased by $46 thousand.

Revenues increased by $194 thousand for the year. Excluding the effects of on-behalf accruals related to NPL and OPEB ($25 thousand), the District's total revenues were $219 thousand more than last year. Charges for services increased by $68 thousand due to campus activity revenues, athletic fees and food service sales. Property tax revenues decreased by $121 thousand due to property tax rate and valuation reductions. Other revenues decreased by $69 thousand due to investment income related to lower interest rates for the year. State aid-formula grants increased $760 thousand due to the following: increase due to tax revenue reductions for the year by approximately $120 thousand and increase related to state-funded payroll increases totaling $336 thousand, increase in revenue for property tax refunds totaling $169 thousand, and other program revenues related to school safety, special education and other mandated programs.

Total expenses increased by $261 thousand for the year. Excluding the effects of on-behalf accruals related to NPL, OPEB and accrued absences ($137 thousand), total expenses were $398 thousand more than last year. The single largest increase in expenses for the year was related to the state-mandated payroll increases per the 88th Texas Legislative Session House Bill 2 (HB2) for professional and auxiliary personnel. Payroll costs increased for the year by $312 thousand that affected changes in every functional category. Payroll decreased in general administration for the year due to the loss of one administrative position not replaced from last year. That reduction in payroll was approximately $150 thousand. Depreciation expense also contributed to the increase in expenses for the year as it was approximately $35 thousand more than last year across all functional categories.

Fund-Level Analysis

An analysis of the fund balances and results of operations for each major fund are as follows:

	Fund Balances		Results of Operations
Major Funds	Current Year	Prior Year	Surplus (Deficit)
General Fund	$ 4,422,184	$ 4,558,979	$ (136,795)

The analysis for the government-wide funds is similar to the fund-level financial statement analysis for each of the above major funds with the following exceptions for significant accounting differences. Depreciation expense is not recorded in the fund-level financial statements. Revenue recognition and expenses related to long-term debt principal debt activity are not recorded at the government-wide level financial statements. And, expense and liability accruals related to employee benefits for pensions, other post-employment liabilities and accrued leave are not recorded at the fund-level financial statements. Specific differences between total governmental fund balances and changes in fund balance versus total net position and changes in net position are detailed in the reconciliation exhibits C-2 and C-4.

The general fund had a deficit for the year of $137 thousand and an ending fund balance of $4.4 million. Reasons for the deficit in fund balance relative to the decrease in net position at the government-wide level of accounting are related to the following in addition to the narrative in the government-wide analysis section.

Charges for accruals related to NPL and OPEB expenses (net of revenue changes) were $136 thousand only at the government-wide level and did not affect the fund-level income statement. Capital asset activity for expenditures for assets acquired during the year and debt service principal paid on related outstanding debt resulted in $452 thousand in net reductions to fund balance at the fund-level of accounting and depreciation expense not recognized at the fund-level of accounting but only at the government-wide level of accounting resulted in a net difference in changes in fund balance versus the change in net position by $520 thousand. Other differences at the government-wide level accruals and fund-level accruals were for revenue recognitions for property taxes whose effect at the government-wide level of accounting was $40 thousand but not at the fund-level of accounting. The resulting effects relative to the net change in fund balance was a net deficit of $137 thousand.

SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

Capital Assets

At the end of fiscal year 2026, the District had $13,842,104 invested in a broad range of capital assets including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. Following were asset additions for the year.

Asset additions:	
Building improvements	$ 36,150
Technology equipment (computers, laptops)	66,260
Football field improvements (bleachers, etc)	265,000
Construction in progress (new facilities)	5,413
Total asset additions	$ 372,823

Debt

The District has three outstanding long-term liabilities in the form of a maintenance tax note and two leases payable. The tax note was issued to finance campus improvements at an interest rate of 0.25%. The leases payable were used to finance phone equipment and copiers at an imputed interest rate of 7.00%. Total principal of $79,291 was retired during the year for an ending balance of $527,000 and $43,104 for the tax note and leases, respectively.

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

On May 2, 2026, taxpayers of the District approved a bond election for the purpose of constructing a new pre-k thru 12 instructional campus along with renovations and remodeling of other existing facilities. Bonds totaling $25.85 million were issued at a premium netting the District $26 million on September 1, 2026 that will be used to finance construction of the project. Future repayment requirements will begin in February, 2027 and will continue until final maturity in February, 2061. Construction activities should commence during the 2026-27 fiscal year.

The District's overall fund balance should remain strong for the 2026-27 fiscal year. Taxable valuations have increased approximately 9% from the previous year. The tax rate was reduced from $0.6822 to $0.6361 for maintenance and operations and increased from $0.0000 to $0.4994 for interest and sinking due to the bonds issued discussed above. Revenues were budgeted at approximately $7.42 million and expenditures were budgeted at approximately $7.76 million for the general fund. Therefore, the District expects that its general fund balance will approximate $4.1 million at August 31, 2027.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the District's business office at: Albany Independent School District, P. O. Box 2050, Albany, Texas 76430.

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BASIC FINANCIAL STATEMENTS

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EXHIBIT A-1

ALBANY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2026

Data Control Codes		Primary Government Governmental Activities
	ASSETS	
1110	Cash and Cash Equivalents	$ 4,367,616
1220	Property Taxes - Delinquent	197,084
1230	Allowance for Uncollectible Taxes	(76,406)
1240	Due from Other Governments	486,943
1250	Accrued Interest	14,325
1290	Other Receivables, Net	22
1410	Prepayments	35,738
	Capital Assets:	
1510	Land	98,947
1520	Buildings, Net	2,003,489
1530	Furniture and Equipment, Net	894,839
1550	Right-to-Use Leased Assets, Net	39,073
1580	Construction in Progress	5,413
1590	Infrastructure, Net	962,079
1000	Total Assets	9,029,162
	DEFERRED OUTFLOWS OF RESOURCES	
1705	Deferred Outflow Related to TRS Pension	730,864
1706	Deferred Outflow Related to TRS OPEB	701,926
1700	Total Deferred Outflows of Resources	1,432,790
	LIABILITIES	
2110	Accounts Payable	56,906
2160	Accrued Wages Payable	294,038
2300	Unearned Revenue	4,500
	Noncurrent Liabilities:	
2501	Due Within One Year: Loans, Note, Leases, etc.	147,051
	Due in More than One Year:	
2502	Bonds, Notes, Loans, Leases, etc.	786,873
2540	Net Pension Liability (District's Share)	1,865,829
2545	Net OPEB Liability (District's Share)	1,037,061
2000	Total Liabilities	4,192,258
	DEFERRED INFLOWS OF RESOURCES	
2605	Deferred Inflow Related to TRS Pension	321,296
2606	Deferred Inflow Related to TRS OPEB	1,447,132
2600	Total Deferred Inflows of Resources	1,768,428
	NET POSITION	
3200	Net Investment in Capital Assets and Right-to-Use Lease Assets	3,433,736
3900	Unrestricted	1,067,530
3000	Total Net Position	$ 4,501,266

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

ALBANY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2026

Data Control Codes		1	3	4	6
			Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities
	Primary Government:				
	GOVERNMENTAL ACTIVITIES:				
11	Instruction	$ 3,993,108	$ 1,940	$ 624,012	$ (3,367,156)
12	Instructional Resources and Media Services	50,962	-	611	(50,351)
13	Curriculum and Instructional Staff Development	20,839	-	12,830	(8,009)
21	Instructional Leadership	189,141	-	13,989	(175,152)
23	School Leadership	452,374	-	14,563	(437,811)
31	Guidance, Counseling, and Evaluation Services	239,578	-	53,878	(185,700)
33	Health Services	64,089	-	1,441	(62,648)
34	Student (Pupil) Transportation	133,257	-	1,697	(131,560)
35	Food Services	258,319	41,516	118,045	(98,758)
36	Extracurricular Activities	600,162	87,895	23,099	(489,168)
41	General Administration	518,292	-	11,832	(506,460)
51	Facilities Maintenance and Operations	950,776	2,900	159,174	(788,702)
52	Security and Monitoring Services	94,243	-	2,103	(92,140)
53	Data Processing Services	307,272	-	6,010	(301,262)
61	Community Services	1,778	-	148	(1,630)
72	Debt Service - Interest on Long-Term Debt	5,214	-	-	(5,214)
93	Payments Related to Shared Services Arrangements	193,126	-	-	(193,126)
99	Other Intergovernmental Charges	82,983	-	-	(82,983)
[TP]	TOTAL PRIMARY GOVERNMENT:	$ 8,155,513	$ 134,251	$ 1,043,432	(6,977,830)

Data Control Codes		
	General Revenues:	
	Taxes:	
MT	Property Taxes, Levied for General Purposes	2,213,473
SF	State Aid - Formula Grants	4,554,048
IE	Investment Earnings	177,415
IE	Miscellaneous Local and Intermediate Revenue	22,791
TR	Total General Revenues	6,967,727
CN	Change in Net Position	(10,103)
NB	Net Position - Beginning	4,511,369
NE	Net Position - Ending	$ 4,501,266

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

EXHIBIT C-1

ALBANY INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2026

Data Control Codes		10 General Fund	Other Funds	Total Governmental Funds
	ASSETS			
1110	Cash and Cash Equivalents	$ 4,238,782	$ 79,844	$ 4,318,626
1220	Property Taxes - Delinquent	197,084	-	197,084
1230	Allowance for Uncollectible Taxes	(76,406)	-	(76,406)
1240	Due from Other Governments	473,280	13,663	486,943
1250	Accrued Interest	14,325	-	14,325
1260	Due from Other Funds	18,517	-	18,517
1290	Other Receivables	22	-	22
1410	Prepayments	32,638	3,100	35,738
1000	Total Assets	$ 4,898,242	$ 96,607	$ 4,994,849
	LIABILITIES			
2110	Accounts Payable	$ 56,842	$ 64	$ 56,906
2160	Accrued Wages Payable	294,038	-	294,038
2170	Due to Other Funds	-	18,517	18,517
2300	Unearned Revenue	4,500	-	4,500
2000	Total Liabilities	355,380	18,581	373,961
	DEFERRED INFLOWS OF RESOURCES			
2601	Unavailable Revenue - Property Taxes	120,678	-	120,678
2600	Total Deferred Inflows of Resources	120,678	-	120,678
	FUND BALANCES			
	Nonspendable Fund Balance:			
3430	Prepaid Items	32,638	3,100	35,738
	Committed Fund Balance:			
3510	Construction	1,249,393	-	1,249,393
	Assigned Fund Balance:			
3590	Other Assigned Fund Balance	-	74,926	74,926
3600	Unassigned Fund Balance	3,140,153	-	3,140,153
3000	Total Fund Balances	4,422,184	78,026	4,500,210
4000	Total Liabilities, Deferred Inflows & Fund Balances	$ 4,898,242	$ 96,607	$ 4,994,849

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

ALBANY INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
AUGUST 31, 2026

Total Fund Balances - Governmental Funds	$	4,500,210
1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.		48,990
2 Capital assets and right-to-use leased assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was $13,476,356 and the accumulated depreciation was ($9,325,346). In addition, 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. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position.		3,501,815
3 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the capital outlays and debt principal payments is to increase net position. Similarly, the principal payments on right-to-use leased assets and subscription-based information technology arrangement assets (SBITA) are not expenses, rather they are decreases in the right-to-use lease liabilities and the SBITA liabilities. These payments must be reclassified and shown as reductions to these liabilities increasing net position.		451,914
4 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of $730,864, a deferred resource inflow in the amount of $321,296 and a net pension liability in the amount of $1,865,829. This resulted in a decrease in net position.		(1,456,261)
5 Included in the items related to debt is the recognition of the District's proportionate share of the net OPEB liability required by GASB 75. The net position related to TRS included a deferred resource outflow in the amount of $701,926, a deferred resource inflow in the amount of $1,447,132 and a net OPEB liability in the amount of $1,037,061. This resulted in a decrease in net position.		(1,782,267)
6 The current year depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(519,993)
7 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net position.		(243,142)
29 **Net Position of Governmental Activities**	$	4,501,266

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

ALBANY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2026

Data Control Codes		10 General Fund	Other Funds	Total Governmental Funds
	REVENUES:			
5700	Total Local and Intermediate Sources	$ 2,838,796	$ 98,553	$ 2,937,349
5800	State Program Revenues	4,948,375	56,347	5,004,722
5900	Federal Program Revenues	-	495,986	495,986
5020	Total Revenues	7,787,171	650,886	8,438,057
	EXPENDITURES:			
	Current:			
0011	Instruction	3,733,979	354,948	4,088,927
0012	Instructional Resources and Media Services	49,935	-	49,935
0013	Curriculum and Instructional Staff Development	8,647	12,783	21,430
0021	Instructional Leadership	180,052	11,142	191,194
0023	School Leadership	448,398	11,733	460,131
0031	Guidance, Counseling, and Evaluation Services	188,292	50,359	238,651
0033	Health Services	63,538	1,290	64,828
0034	Student (Pupil) Transportation	96,936	-	96,936
0035	Food Services	19,648	235,599	255,247
0036	Extracurricular Activities	553,311	25,762	579,073
0041	General Administration	511,704	4,545	516,249
0051	Facilities Maintenance and Operations	957,938	102	958,040
0052	Security and Monitoring Services	94,560	-	94,560
0053	Data Processing Services	307,996	-	307,996
0061	Community Services	-	1,778	1,778
	Debt Service:			
0071	Principal on Long-Term Liabilities	79,092	-	79,092
0072	Interest on Long-Term Liabilities	5,213	-	5,213
	Capital Outlay:			
0081	Facilities Acquisition and Construction	270,413	-	270,413
	Intergovernmental:			
0093	Payments to Fiscal Agent/Member Districts of SSA	193,126	-	193,126
0099	Other Intergovernmental Charges	82,983	-	82,983
6030	Total Expenditures	7,845,761	710,041	8,555,802
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(58,590)	(59,155)	(117,745)
	OTHER FINANCING SOURCES (USES):			
7915	Transfers In	-	78,205	78,205
8911	Transfers Out (Use)	(78,205)	-	(78,205)
7080	Total Other Financing Sources (Uses)	(78,205)	78,205	-
1200	Net Change in Fund Balances	(136,795)	19,050	(117,745)
0100	Fund Balance - September 1 (Beginning)	4,558,979	58,976	4,617,955
3000	Fund Balance - August 31 (Ending)	$ 4,422,184	$ 78,026	$ 4,500,210

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

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2026

Total Net Change in Fund Balances - Governmental Funds	$	(117,745)
The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to decrease net position.		(846)
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the current year capital outlays and debt principal payments is to increase the change net position. Similarly, current year principal payments on right-to-use leased assets and subscription-based information technology arrangements (SIBTA) are also reclassified as reductions to the right-to-use lease liability and the SBITA liability which will result in an increase in the change in net position.		451,914
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position.		(519,993)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase the change in net position.		40,330
GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by $196,358. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in the change in net position totaling $173,364. Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense decreased the change in net position by $39,773. The net result is a decrease in the change in net position.		(16,779)
GASB 75 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by $40,660. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net OPEB liability. This caused a decrease in the change in net position totaling $38,044. Finally, the proportionate share of the TRS OPEB expense on the plan as a whole had to be recorded. The net OPEB expense increased the change in net position by $150,400. The net result is an increase in the change in net position.		153,016
Change in Net Position of Governmental Activities	$	(10,103)

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

EXHIBIT D-1

ALBANY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2026

	Governmental Activities - Internal Service Fund
ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 48,990
Total Assets	48,990
NET POSITION	
Unrestricted Net Position	48,990
Total Net Position	$ 48,990

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

EXHIBIT D-2

ALBANY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2026

	Governmental Activities - Internal Service Fund
OPERATING REVENUES:	
Local and Intermediate Sources	$ 16,071
Total Operating Revenues	16,071
OPERATING EXPENSES:	
Payroll Costs	18,653
Total Operating Expenses	18,653
Operating Income (Loss)	(2,582)
NONCAPITAL SUBSIDIES:	
Earnings from Temporary Deposits & Investments	1,736
Total Noncapital Subsidies	1,736
Operating Income (Loss) and Noncapital Subsidies	(846)
Change in Net Position	(846)
Total Net Position - September 1 (Beginning)	49,836
Total Net Position - August 31 (Ending)	$ 48,990

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

EXHIBIT D-3

ALBANY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2026

	Governmental Activities - Internal Service Fund
Cash Flows from Operating Activities:	
Cash Received from Assessments - Other Funds	$ 16,071
Cash Payments for Insurance Claims	(18,653)
Net Cash Used for Operating Activities	(2,582)
Cash Flows from Investing Activities:	
Interest and Dividends on Investments	1,736
Net Decrease in Cash and Cash Equivalents	(846)
Cash and Cash Equivalents at Beginning of Year	49,836
Cash and Cash Equivalents at End of Year	$ 48,990
Reconciliation of Total Cash and Cash Equivalents:	
Cash and Cash Equivalents on Balance Sheet	$ 48,990
Pooled Cash and Cash Equivalents on Balance Sheet	-
Total Cash and Cash Equivalents	$ 48,990
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:	
Operating Income (Loss)	$ (2,582)

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

ALBANY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2026

	Private Purpose Trust Funds	Custodial Fund
ASSETS		
Cash and Cash Equivalents	$ 93,441	$ 86,623
Accrued Interest	331	-
Long Term Investments	5,638,884	-
Total Assets	5,732,656	$ 86,623
NET POSITION		
Restricted for Other Purposes	-	86,623
Unrestricted Net Position	5,732,656	-
Total Net Position	$ 5,732,656	$ 86,623

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

ALBANY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2026

	Private Purpose Trust Funds	Custodial Fund
ADDITIONS:		
Miscellaneous Revenue - Student Activities	$ -	$ 58,437
Earnings from Temporary Deposits	735,153	-
Contributions, Gifts and Donations	2,500	-
Total Additions	737,653	58,437
DEDUCTIONS:		
Payroll Costs	16,377	-
Professional and Contracted Services	2,000	3,765
Supplies and Materials	6,945	40,384
Other Deductions	179,922	-
Total Deductions	205,244	44,149
Change in Fiduciary Net Position	532,409	14,288
Total Net Position - September 1 (Beginning)	5,200,247	72,335
Total Net Position - August 31 (Ending)	$ 5,732,656	$ 86,623

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

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

The District applied Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

A. REPORTING ENTITY

The Board of Trustees (the "Board") is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board ("GASB") in its Statement No. 14, "The Financial Reporting Entity." There are no component units included within the reporting entity.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the District’s nonfiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes, State foundation funds, grants and other intergovernmental revenues. *Business-type activities* include operations that rely to a significant extent on fees and charges for support.

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues result from providing goods and services in connection with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are nonoperating. Operating expenses can be tied specifically to the production of the goods and services, such as materials and labor and direct overhead. Other expenses are nonoperating.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

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

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

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the "susceptible to accrual" concept, that is, when they are both measurable and available. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

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

The Proprietary Fund Types and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into invested in capital assets net of related debt, restricted net assets, and unrestricted net assets.

Custodial Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Fiduciary Net Position. The fund equity is segregated into invested in capital assets net of related debt, restricted net position, and unrestricted net position.

D. FUND ACCOUNTING

The District reports the following major governmental funds:

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

Additionally, the District reports the following fund type(s):

Governmental Funds:

2. **Special Revenue Funds.** The District accounts for resources restricted to, or designated for, specific purposes by the District or a grantor in a special revenue fund. Most Federal and some State financial assistance is accounted for in a Special Revenue Fund, and sometimes unused balances must be returned to the grantor at the close of specified project periods.

Proprietary Funds:

3. **Internal Service Funds.** Revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis are accounted for in an internal service fund. The District’s internal service fund is the Worker’s Comp fund.

Fiduciary Funds:

4. **Private Purpose Trust Funds.** The District accounts for donations for which the donor has stipulated that both the principal and the income may be used for purposes that benefit parties outside the District. The District's Private Purpose Trust Funds are the "Albany ISD Education Foundation", the “Carlile Scholarship Fund” and the “Dulin Scholarship Fund.”

5. **Custodial Funds.** The District accounts for resources held for others in a custodial capacity in custodial funds. The District's Custodial Fund is the "Albany Student Activity Fund."

E. OTHER ACCOUNTING POLICIES

1. For purposes of the statement of cash flows for proprietary funds, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.

2. The District reports inventories of supplies at weighted average cost including consumable maintenance, instructional, office, athletic, and transportation items. Supplies are recorded as expenditures when they are consumed. Inventories of food commodities are recorded at market values supplied by the Texas Department of Human Services. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of Human Services and recorded as inventory and unearned revenue when received. When requisitioned, inventory and unearned revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount.

3. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Right-to-use leases are reported in the government-wide statements with the lease liability calculated as the present value of reasonably certain expected future payments over the term of the lease. Right-to-use SBITA liabilities are reported in the government-wide statements. The SBITA liability is calculated as the present value of the reasonably certain expected payments made over the term of the contract and the interest included in the SBITA payments is recorded as an expense.

   In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

4. It is the District's policy to permit some employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the district. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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

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

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

Asset:	Years
Buildings	30
Building Improvements	30
Vehicles	10
Equipment	5
Technology Equipment	3

   Right-to-use leased assets and SBITA assets are depreciated/amortized using the straight line method over the term of the respective agreements.

6. Since Internal Service Funds support the operations of governmental funds, they are consolidated with the governmental funds in the government-wide financial statements. The expenditures of governmental funds that create the revenues of internal service funds are eliminated to avoid "grossing up" the revenues of the District as a whole.

7. In the fund financial statements, governmental funds report fund balance as nonspendable if the amounts cannot be spent because they are either not in spendable form or are legally or contractually required to remain intact. Restrictions of fund balance are for amounts that are restricted to specific purposes by an external entity (creditors, grantors, governmental regulations) or the restriction is imposed by law through constitutional provision or enabling legislation. Commitments of fund balance represent amounts that can only be used for specific purposes pursuant to constraints imposed by the District's board. Assignments of fund balance are amounts set aside by the District's superintendent or his designee with the intent they be used for specific purposes.

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

9. In general governments are required to report investments at fair value. These methods are disclosed in section III.A. below.

10. In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources,* represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. Items reported as deferred outflows of resources are as follows:

Deferred charges related to TRS retirement	$ 730,864
Deferred charges related to TRS OPEB	$ 701,926

11. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has one type of item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Uncollected property taxes which are assumed collectible are reported in this category on the balance sheet for governmental funds. They are not reported in this category on the government wide statement of net position. Items reported as deferred inflows of resources are as follows:

Deferred charges related to TRS retirement	$ 321,396
Deferred charges related to TRS OPEB	$ 1,447,132

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

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY DATA

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

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

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

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

3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year. (However, none of these were significant.)

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

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

None.

C. DEFICIT FUND EQUITY

None.

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

District Policies and Legal and Contractual Provisions Governing Deposits

Custodial Credit Risk for Deposits. State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the district complies with this law, it has no custodial credit risk for deposits. The District was not exposed to custodial credit risk.

Foreign Currency Risk. The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit by having no deposits denominated in a foreign currency. Therefore, the District was not exposed to foreign currency risk.

As of August 31, 2026, the following are the District's cash and cash equivalents (including it's student activity and private purpose trust fund) with respective maturities and credit rating:

Type of Deposit	Fair Value	Percent	Maturity < 1 Yr	Maturity 1-10 Yrs	Maturity > 10 Yrs	Credit Rating
Money market and FDIC insured accounts	$ 782,180	17%	$ 782,180			N/A
Certificates of deposit	3,765,500	83%	3,765,500			N/A
Total Cash and Cash Equivalents	$ 4,547,680	100%	$ 4,547,680			

Investments

District Policies and Legal and Contractual Provisions Governing Investments

Compliance with the Public Funds Investment Act

The ***Public Funds Investment Act***(Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires a governmental entity to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

Statutes authorize the entity to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas and its agencies; (2) guaranteed or secured certificates of deposit issued by state and national banks domiciled in Texas; (3) obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality not less than an "A"; (4) No load money market funds with a weighted average maturity of 90 days or less; (5) fully collateralized repurchase agreements; (6) commercial paper having a stated maturity of 270 days or less from the date of issuance and is not rated less than A-1 or P-1 by two nationally recognized credit rating agencies OR one nationally recognized credit agency and is fully secured by an irrevocable letter of credit; (7) secured corporate bonds rated not lower than "AA-" or the equivalent; (8) public funds investment pools; and (9) guaranteed investment contracts for bond proceeds investment only, with a defined termination date and secured by U.S. Government direct or agency obligations approved by the Texas public Funds Investment Act in an amount equal to the bond proceeds. The Act also requires the entity to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

Additional policies and contractual provisions governing investments for the District are specified below:

Credit Risk. To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations the District limits investments in commercial paper, corporate bonds and mutual bond funds to the top ratings issued by nationally recognized statistical rating organizations (NRSROs). As of August 31, 2026, all of the District's investments were rated AAA by Standard & Poor's rating agency. Therefore, the District was not exposed to credit risk.

Custodial Credit Risk for Investments. To limit the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in possession of an outside party the District requires counterparties to register the securities in the name of the district and hand them over to the District or its designated agent. This includes securities in securities lending transactions. All of the securities are in the District's name and held by the District or its agent. The District was not exposed to custodial credit risk.

Concentration of Credit Risk. To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District limits investments to less than 5% of its total investments. The District further limits investments in a single issuer when they would cause investment risks to be significantly greater in the governmental and business-type activities, individual major funds, aggregate non-major funds and fiduciary fund types than they are in the primary government. Usually this limitation is 20%. The District was not exposed to concentration of credit risk.

Interest Rate Risk. To limit the risk that changes in interest rates will adversely affect the fair value of investments, the District requires a review of its investment portfolio at least annually to determine whether market conditions pose an inherent risk of future interest rates either rising or falling which could significantly affect investment performance. The District was not exposed to interest rate risk.

Foreign Currency Risk for Investments. The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment by not investing in any foreign currency. Therefore, the District was not exposed to foreign currency risk.

The District categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. the hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. 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 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 of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

At August 31, 2026, the District's Private Purpose Trust Fund had investments as part of an investment pool with a third-party administrator totaling $5,638,884 valued using quoted market prices (Level 1 inputs). The third-party administrator was the Community Foundation of Abilene.

B. PROPERTY TAXES

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period.

C. DELINQUENT TAXES RECEIVABLE

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

D. INTERFUND BALANCES AND TRANSFERS

The composition of interfund balances as of August 31, 2026 is as follows:

	Receivable	Payable	Purpose	Current?
General fund	$ 18,517		Temporary advances	Yes
Nonmajor governmental funds		18,517	Temporary advances	Yes
Total	$ 18,517	$ 18,517		

Interfund transfers for the year ended August 31, 2026 consisted of the following individual amounts:

Fund	Transfers In	Transfers Out	Purpose
Nonmajor governmental funds	$ 78,205		General fund-covered meals
General fund		78,205	General fund-covered meals
Total	$ 78,205	$ 78,205	

E. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables at August 31, 2026 were as follows:

	Property Taxes (net)	Other Government	Other Receivables	Total Receivables
Governmental Activities:				
General fund	$ 120,678	$ 473,280	$ 22	$ 593,980
Nonmajor governmental funds		13,663		13,663
Total Governmental Activities	$ 120,678	$ 486,943	$ 22	$ 607,643

Payables at August 31, 2026 were as follows:

	Accounts	Salaries and Benefits	Total Payables
Governmental Activities:			
General fund	$ 56,842	$ 294,038	$ 350,880
Nonmajor governmental funds	64		64
Total Governmental Activities	$ 56,906	$ 294,038	$ 350,944

F. CAPITAL ASSET ACTIVITY

Capital asset activity for the year ended August 31, 2026, was as follows:

	Balance 8/31/2025	Additions	Disposals	Balance 8/31/2026
Governmental activities:				
Not being depreciated				
Land and improvements	$ 98,947			$ 98,947
Construction in progress	0	5,413		5,413
Subtotal - not being depreciated	98,947	5,413	0	104,360
Being depreciated				
Buildings and improvements	8,306,570	36,150		8,342,720
Furniture and equipment	2,903,869	66,260	7,075	2,963,054
Infrastructure	2,061,663	265,000		2,326,663
Right-to-use leased equipment	105,307			105,307
Subtotal - being depreciated	13,377,409	367,410	7,075	13,737,744
Total assets	13,476,356	372,823	7,075	13,842,104
Less accumulated depreciation for:				
Buildings and improvements	6,096,034	243,197		6,339,231
Furniture and equipment	1,899,052	176,238	7,075	2,068,215
Infrastructure	1,285,087	79,497		1,364,584
Right-to-use leased equipment	45,173	21,061		66,234
Total accumulated depreciation	9,325,346	519,993	7,075	9,838,264
Governmental activities capital assets, net	$ 4,151,010	$ (147,170)	$ 0	$ 4,003,840

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

Governmental activities:	
11 - Instruction	$ 250,023
12 - Instructional resources and media services	3,104
21 - Instructional leadership	11,883
23 - School leadership	28,599
31 - Guidance, counseling and evaluation services	14,833
33 - Health services	4,029
34 - Student (pupil) transportation	41,261
35 - Food services	15,864
36 - Extracurricular activities	35,991
41 - General administration	32,087
51 - Facilities maintenance and operations	57,299
52 - Security and monitoring services	5,877
53 - Data processing services	19,143
Total depreciation expense - governmental activities	$ 519,993

G. BONDS AND LONG-TERM NOTES PAYABLE AND LEASES

Bonded indebtedness of the District is accounted for in the Statement of Net Position and current requirements for principal and interest expenditures are accounted for in the General Fund. Effective interest rates are 0.25%.

A summary of changes in general long-term debt for the year ended August 31, 2026 is as follows:

Description	Interest Rate Payable	Amounts Original Issue	Amounts Outstanding 8/31/2025	Issued	Retired/ Defeased	Amounts Outstanding 8/31/2026
Long-Term Loans Payable:						
Qualified Zone Academy Maintenance Tax Note, Taxable Tax Credit Series 2016	0.25%	$ 1,100,000	$ 585,000		$ 58,000	$ 527,000
Leases Payable:						
Spectrum phone lease	7.00%	$ 28,836	14,226		6,048	8,178
Konica copier lease	7.00%	$ 76,471	49,969		15,043	34,926
Total Leases Payable			64,195	0	21,091	43,104
Total Long-Term Debt			$ 649,195	$ 0	$ 79,091	$ 570,104

The maintenance tax notes are payable from the general fund.

Albany ISD Qualified Zone Academy Maintenance Tax Note Taxable Tax Credit, Series 2016 -

The notes were issued on December 13, 2016 for the purpose of maintenance, repair, rehabilitation and replacement of school facilities of the District. Total notes issued totaled $1,100,000. The stated interest rates on the notes are 0.25% maturing in various amounts with final maturity on February 15, 2035.

Leases - Spectrum -

The District entered into a leasing arrangement for a phone system totaling $28,836 payable in monthly installments of $548 at an interest rate of 7.00% thru November, 2027.

Leases - Konica -

The District entered into a leasing arrangement for six copiers totaling $76,471 payable in monthly installments of $1,505 at an interest rate of 7.00% thru September, 2028.

H. DEBT SERVICE REQUIREMENTS - BONDS, LONG-TERM NOTES AND LEASES PAYABLE

Future debt service requirements are as follows:

	Notes Payable		
Year Ended August 31,	Principal	Interest	Total Requirements
2027	$ 58,000	$ 1,245	$ 59,245
2028	58,000	1,100	59,100
2029	58,000	955	58,955
2030	58,000	810	58,810
2031	59,000	664	59,664
2032-35	236,000	1,180	237,180
Totals	$ 527,000	$ 5,954	$ 532,954

	Leases Payable		
Year Ended August 31,	Principal	Interest	Total Requirements
2027	$ 22,616	$ 2,301	$ 24,917
2028	18,991	788	19,779
2029	1,497	8	1,505
Totals	$ 43,104	$ 3,097	$ 46,201

I. DEFINED BENEFIT PENSION PLAN

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

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

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

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

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

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

The following table shows contribution rates by type of contributor for the measurement year 2025 and the contributions by type of contributions reported to TRS which were received by TRS during the current 2026 fiscal year. The reported contributions for the 2025 measurement year from the member and the employers are included in the calculation of the district's proportionate share of the net pension liability.

Contribution Rates		
	2025	2026
Member	8.25%	8.25%
Non-Employer Contributing Entity (State)	8.25%	8.25%
Employers	8.25%	8.25%

Current fiscal year District contributions	$ 196,358
Current fiscal year Member contributions	$ 413,814
Measurement year NECE contributions	$ 281,107

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

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

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any 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.

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

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

Net Pension Liability. Components of the net pension liability of the plan as of August 31, 2025 are disclosed below: (From TRS Annual Comprehensive Financial Report 2025, p. 90.)

Net Pension Liability	Total
Total Pension Liability	$ 289,276,031,895
Less: Plan Fiduciary Net Position	(226,328,300,601)
Net Pension Liability	$ 62,947,731,294
Net Position as a percentage of Total Pension Liability	78.24%

Actuarial Assumptions. The total pension liability in the August 31, 2025 actuarial valuation was determined using the following assumptions: Actuarial Assumptions can be found in the 2025 TRS ACFR, page 91.

Valuation Date	August 31, 2024 rolled forward to August 31, 2025
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions:	
Single Discount Rate	7.00%
Long-term expected Investment Rate of Return	7.00%
Municipal bond rate as of August 2025	5.23% - 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	2124
Inflation	2.30%
Salary Increases	3.20% to 9.20% including inflation
Ad hoc Post-Employment Benefit Changes	None

Discount Rate. A single discount rate of 7.00 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 9.54 percent of payroll in fiscal year 2026 and thereafter. This includes all employer and state contributions for active and rehired retirees.

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

The long-term rate of return on pension plan investments is 7.00 percent. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2025 (see page 56 of the 2025 TRS ACFR) are summarized below:

Asset Class[1]	Target Allocation[2] %	Long-Term Expected Geometric Real Rate of Return[3]	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
All Country	39%	4.14%	2.18%
USA	0%	3.85%	0.0%
Non-U.S. Developed	5%	4.6%	0.31%
Emerging Markets	1%	4.71%	0.07%
Private Equity	12%	6.8%	1.19%
Stable Value			
Government Bonds - Nominal	10%	2.59%	0.33%
Government Bonds - Real	6%	1.97%	0.13%
Absolute Return[1]	0%	3.91%	0.0%
Stable Value Hedge Funds	5%	1.68%	0.09%
Real Return			
Real Estate	15%	4.6%	0.86%
Energy, Natural Resources and Infrastructure	6%	4.86%	0.36%
Commodities	0%	2.96%	0.0%
Risk Parity			
Risk Parity	5%	4.38%	0.26%
Asset Allocation Leverage			
Cash	2%	0.51%	0.01%
Asset Allocation Leverage	-6%	0.81%	-0.05%
Inflation Expectation			2.3%
Volatility Drag[4]			-0.71%
Expected Return	100%		7.33%

[1] *Absolute Return includes Credit Sensitive Investments.*

[2] *Target allocations are based on the FY2025 policy model.*

[3] *Capital Market Assumptions (CMA) come from Meketa Investment Group's 2025 CMAs.*

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

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

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
District's proportionate share of the net pension liability	$ 3,007,040	$ 1,865,829	$ 916,029

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At August 31, 2026, the District reported a liability of $1,865,829 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:.

District's proportionate share of the collective net pension liability	$ 1,865,829
State's proportionate share that is associated with the District	3,025,411
Total	$ 4,891,240

The net pension liability was measured as of August 31, 2024 and rolled forward to August 31, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2024 thru August 31, 2025.

At August 31, 2025 the District's proportion of the collective net pension liability was 0.0029640931% which was an increase of 0.0002644470% from its proportion measured as of August 31, 2024.

Changes in Assumptions and Benefits Since the Prior Actuarial Valuation. The 2025 Texas Legislature passed HB2, which modified the future compensation structure for active employees covered in the System. As a result, a new salary increase assumption was adopted for determining the Net Pension Liability as of the August 31, 2025 measurement date. All other actuarial assumptions and methods remain the same as used in the determination of the prior year's Net Pension Liability. There have been no changes to the benefit provisions since the prior valuation.

For the year ended August 31, 2026, the District recognized pension expense of $667,370 and revenue of $280,869 for support provided by the Sate in the Government-Wide Statement of Activities.

At August 31, 2026, 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
Difference between expected and actual economic experiences	$ 111,945	$ 6,538
Changes in actuarial assumptions	178,937	
Differences between projected and actual investment earnings		84,793
Changes in proportion and differences between the District's contributions and the proportionate share of contributions	243,624	229,965
Total as of August 31, 2025 measurement date	$ 534,506	$ 321,296
Contributions paid to TRS subsequent to the measurement date	196,358	
Total as of August 31, 2026 fiscal year end	$ 730,864	$ 321,296

The net amounts of the District's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ended August 31,	Amount
2027	$ 214,923
2028	$ 33,206
2029	$ (65,621)
2030	$ (6,190)
2031	$ 36,892
Thereafter	$ 0

J. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

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

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

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

Components of the net OPEB liability of the TRS-Care plan as of August 31, 2025 are as follows:

Net OPEB Liability:	Total
Total OPEB liability	$ 30,497,077,953
Less: plan fiduciary net position	(5,569,790,466)
Net OPEB liability	$ 24,927,287,487
Net position as a percentage of total OPEB liability	18.26%

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

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

The 88th Legislature amended the Texas Insurance Code Chapter 1575 via Senate Bill 1854 allowing TRS to offer coverage for dental and vision care to retirees. In accordance with Chapter 1575.1601, TRS established the TRS-Care Dental and TRS-Care Vision plans. TRS-Care Dental and TRS-Care Vision are optional plans that are available to retirees who are eligible for TRS-Care. This includes their dependents, surviving spouses, and surviving dependent children. Retirees do not have to be enrolled in TRS-Care medical and pharmacy plans to be eligible for TRS-Care Dental and TRS-Care Vision. The first enrollment period for the plans began in October, 2024, and coverage started in January, 2025.

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

TRS-Care Plan Premium Rates				
	Medicare	Non-Medicare	TRS-Care Dental	TRS-Care Vision
Retiree or surviving spouse	$ 75	$ 200	$ 42	$ 7
Retiree and spouse	280	689	83	14
Retiree or surviving spouse & children	408	408	87	16
Retiree and family	613	999	130	24

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

Texas Insurance Code, Section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of salary. Section 1575.204 establishes a public school contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the school. 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 2025. The following table shows contributions to the TRS-Care plan by type of contributor as reported for the district by TRS for the TRS measurement year. The district and member contributions reported are included in the calculation of the district's proportionate share of the Net TRS-Care liability for the measurement period.

Contribution Rates		
	2025	2026
Active employee	0.65%	0.65%
Non-employer contributing entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private funding remitted by employers	1.25%	1.25%

Current fiscal year District contributions	$ 40,660
Current fiscal year member contributions	$ 32,236
Measurement year NECE contributions	$ 50,970

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

Actuarial Assumptions. The actuarial valuation was performed as of August 31, 2024. Update procedures were used to roll forward the total OPEB liability to August 31, 2025. The actuarial valuation was determined using the following actuarial assumptions.

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2021. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2024 TRS pension actuarial valuation that was rolled forward to August 31, 2025:

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

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

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2024 rolled forward to August 31, 2025
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Discount Rate	5.23% as of August 31, 2025
Aging Factors	Based on the Society of Actuaries' 2013 Study "Health Care Costs - From Birth to Death".
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Projected Salary Increases	3.20% to 9.20%, including inflation
Ad hoc post-employment benefit changes	None

The initial medical trend rate was 7.75 percent for non-Medicare retirees and 9.00 percent for Medicare retirees The initial prescription drug trend rate was 9.00 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 14 years.

Discount Rate. A single discount rate of 5.23 percent was used to measure the total OPEB liability. This was an increase of 1.36 percent in the discount rate since the previous year. Because the investments are held in cash and there is no intentional objective to advance fund the benefits, the Single Discount Rate is equal to the prevailing municipal bond rate. The source of the municipal bond rate is the Bond Buyers's "20-Bond GO index" as of August 31, 2025 using the Fixed Income Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Sensitivity of the Net OPEB Liability:

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the net OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (5.23%) in measuring the net OPEB liability.

	1% Decrease in Discount Rate (4.23%)	Current Single Discount Rate (5.23%)	1% Increase in Discount Rate (6.23%)
District's proportionate share of net OPEB liability	$ 1,217,920	$ 1,037,061	$ 888,021

Healthcare Cost Trend Rates Sensitivity Analysis. The following presents the net OPEB liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is one-percentage point lower or one-percentage point higher than the assumed healthcare cost trend rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of net OPEB liability	$ 857,504	$ 1,037,061	$ 1,265,046

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At August 31, 2026, the District reported a liability of $1,037,061 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	$ 1,037,061
State's proportionate share that is associated with the District	1,375,891
Total	$ 2,412,952

The net OPEB liability was measured as of August 31, 2024 and rolled forward to August 31, 2025 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer's proportion of the net OPEB liability was based on the employer's contributions to OPEB relative to the contributions of all employers to the plan for the period September 1, 2024 thru August 31, 2025.

At August 31, 2025 the District's proportion of the collective net OPEB liability was 0.0041603456% which was an increase of 0.0001687024% from its proportion measured as of August 31, 2024.

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

1. The single discount rate changed from 3.87 percent as of August 31, 2024 to 5.23 percent as of August 31, 2025.

2. The salary increase rates were reviewed to match those used in the pension valuation, and the health care trend rates were reset to reflect the plan's anticipated experience.

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

For the year ended August 31, 2026, the District recognized OPEB expense of ($233,285) and revenue of ($158,973) for support provided by the State.

At August 31, 2026, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual actuarial experience	$ 202,890	$ 617,629
Changes in actuarial assumptions	128,241	425,949
Differences between projected and actual investment earnings		6,378
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	330,135	397,176
Total as of August 31, 2025 measurement date	$ 661,266	$ 1,447,132
Contributions paid to TRS subsequent to the measurement date	40,660	
Total as of August 31, 2026 fiscal year end	$ 701,926	$ 1,447,132

The net amounts of the District's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal year ended August 31,	Amount
2027	$ (157,692)
2028	$ (193,964)
2029	$ (143,780)
2030	$ (106,811)
2031	$ (81,574)
Thereafter	$ (102,045)

K. HEALTH CARE COVERAGE - RETIREES AND ACTIVE EMPLOYEES

Retiree Health Care Coverage

Plan Description. The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit post-employment health care plan administered by the Teacher Retirement System of Texas. TRS-Care provides health cae coverage for certain persons (and their dependents) who retire under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Texas Insurance Code Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, by phoning the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet Website, www.trs.state.tx.us under the TRS Publications heading.

Funding Policy. Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The Contribution Rate for the State was 1.25% for 2024 thru 2026. The contribution rate for the district was 0.75% for 2024 thru 2026. The contribution rate for active employees was 0.65% of the district payroll for 2024 thru 2026. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. For staff members funded by federal programs, the federal programs are required to contribution 1.25% for 2024 thru 2026.

Contributions. Contributions made by the State on behalf of the District are recorded in the governmental funds financial statements as both revenue and expenditures. State contributions to TRS made on behalf to the District's employees as well as the District's required contributions and federal grant program contributions for the years ended August 31, 2026, 2025 and 2024 are as follows:

Contribution Rates and Contribution Amounts						
	Member		State		School District	
Year	Rate	Amount	Rate	Amount	Rate	Amount
2026	0.65%	$ 32,236	1.25%	$ 61,993	0.75%	$ 37,196
2025	0.65%	$ 29,902	1.25%	$ 57,503	0.75%	$ 34,129
2024	0.65%	$ 27,708	1.25%	$ 53,284	0.75%	$ 31,971

Medicare Part D. The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the TRS-Care to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. On-behalf payments recognized as equal revenues and expenditures by the District for the years ended August 31, 2026, 2025 and 2024 were $39,617, $32,890 and $23,727, respectively.

Active Employee Health Care Coverage

Plan Description. The District participates in TRS Active Care sponsored by the Teacher Retirement System of Texas and administered through Aetna and Caremark (pharmacy). TRS-Active Care provides health care coverage to employees (and their dependents) of participating public education entities. Optional life and long-term care insurance are also provided to active members and retirees. Authority for the plan can be found in the Texas Insurance Code, Title 8, Subtitle H, Chapter 1579 and in the Texas Administrative Code, Title 34, Part 3, Chapter 41. The plan began operations on September 1, 2002. This is a premium-based plan. Payments are made on a monthly basis for all covered employees.

L. COMPENSATED ABSENCES

Compensated absences related to state-mandated personal leave is accruable at five personal days per annum and vests with no limit or expiration until termination of employment with the District and is payable upon use by employees at their discretion. The District also offers local personal leave that is accruable at five days per annum and vests up to a maximum thirty days and is payable upon use by employees at their discretion that expires upon termination of employment with the District. The liability for accrued compensate absences is included as part of long-term liabilities on the Statement of Net Position.

M. CHANGES IN LONG-TERM LIABILITIES

Long-term activity for the year ended August 31, 2026, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Notes and leases payable	$ 649,195		$ 79,091	$ 570,104	$ 80,616
Compensated absences payable	465,719		101,899	363,820	66,435
Net pension liability	1,649,057	216,772		1,865,829	0
Net OPEB liability	1,211,525		174,464	1,037,061	0
Total	$ 3,975,496	$ 216,772	$ 355,454	$ 3,836,814	$ 147,051

N. UNAVAILABLE/UNEARNED REVENUE

Unavailable and unearned revenue at year-end consisted of the following:

	Unavailable Revenue	Unearned Revenue		
	Levied but uncollected property taxes	Wireless device deposits	Broadcast video fees	Total
General fund	$ 120,678	$ 1,000	$ 3,500	$ 4,500

O. DUE FROM STATE AND FEDERAL AGENCIES

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of August 31, 2026, are summarized below. They are reported on the combined financial statements as Due from Other Governments.

Fund	State Entitlements	Federal Grants	Total
General	$ 468,430		$ 468,430
Special revenue funds	5,967	7,696	13,663
Net Total Receivables	$ 474,397	$ 7,696	$ 482,093

P. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES

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

Description	General Fund	Nonmajor Governmental Funds	Total
Property taxes	$ 2,236,309		$ 2,236,309
Penalties, interest and other tax-related income	38,733		38,733
Food sales		41,516	41,516
Investment income	169,704	5,975	175,679
Extracurricular student activities	51,074	38,837	89,911
Gifts and local grants	318,906	10,680	329,586
Other income	24,070	1,545	25,615
Total	$ 2,838,796	$ 98,553	$ 2,937,349

Q. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS AND CONTINGENCIES

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

R. JOINT VENTURE SHARED SERVICE ARRANGEMENTS

The District participates in a shared services arrangement for Special Education services with the Tri-County Special Education Co-op. The District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, Stamford ISD, nor does the district have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent manager is responsible for all financial activities of the shared services arrangement.

The District also participates in various shared service arrangements with the Education Service Center Region 14. The District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. The Education Service Center Region 14 is the fiscal agent manager and is responsible for all financial activities of the shared service arrangement.

S. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During the fiscal year 2026, the District purchased commercial insurance to cover general liabilities. Additional insurance information by coverage type follows.

Property Casualty Program

The District participated in the Texas Association of School Boards Risk Management Fund (the "Fund") with coverage in auto liability, auto physical damage, general liability, property and legal liability. The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties. There were no significant reductions in coverage in the past fiscal year and there were not settlements exceeding insurance coverage for each of the past three years.

The Fund purchases stop-loss coverage for protection against catastrophic and larger than anticipated claims for its auto, liability and property programs. The terms and limits of the stop-loss program vary by line coverage. The Fund uses the services of an independent actuary to determine the adequacy of reserves and fully funds those reserves. For the year ended August 31, 2026, the Fund anticipates the District has not additional liability beyond the contractual obligations for payment of contributions.

Workers' Compensation

The District has established a partially self-funded workers' compensation plan by participating in the SchoolComp self-insured workers' compensation program administered by Creative Risk Funding, Inc. (the "Association"). The Association is a public entity risk pool currently operating as a common risk management and insurance program for member school districts. The main purpose of the Association is to partially self-insure certain workers compensation risks up to a agreed upon retention limit. The plan for workers' compensation benefits is authorized by Section 504.011 of the Labor Code. Claims are paid by a third party administrator acting on behalf of the District under the terms of a contractual agreement. Administrative fees are included within the provisions of that agreement. The liability of the workers' compensation self-insurance plan includes $0 incurred but not reported claims and a loss-limit of $13,606. Costs are allocated to other funds and the retained earnings are fully reserved for self-funded insurance. Estimates of claims payable and of claims incurred, but not reported at August 31, 2026, are reflected as accounts and claims payable of the Fund. The plan is funded to discharge liabilities of the fund as they become due.

Unemployment Compensation

During the year ended August 31, 2026, 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 August 31, 2026, 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 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, 2026, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

T. GENERAL FUND FEDERAL SOURCE REVENUES

None.

U. SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 12, 2026; the date which the financial statements were available for distribution. On May 2, 2026, taxpayers of the District approved a bond election for the purpose of constructing a new pre-k thru 12 instructional campus along with renovations and remodeling of other existing facilities. Bonds totaling $25.85 million were issued at a premium netting the District $26 million on September 1, 2026 that will be used to finance construction of the project. Future repayment requirements will begin in February, 2027 and will continue until final maturity in February, 2061.

REQUIRED SUPPLEMENTARY INFORMATION

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ALBANY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2026

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final	Variance with Original Budget - over (under) Final Budget	Actual Amounts, GAAP Basis	Variance with Final Budget over (under) Actual Amounts
	REVENUES:					
5700	Total Local and Intermediate Sources	$ 2,139,680	$ 2,438,772	$ 299,092	$ 2,838,796	$ 400,024
5800	State Program Revenues	5,308,925	5,323,711	14,786	4,948,375	(375,336)
5900	Federal Program Revenues	5,000	5,000	-	-	(5,000)
5020	Total Revenues	7,453,605	7,767,483	313,878	7,787,171	19,688
	EXPENDITURES:					
	Current:					
0011	Instruction	3,673,870	3,757,836	(83,966)	3,733,979	23,857
0012	Instructional Resources and Media Services	53,608	55,955	(2,347)	49,935	6,020
0013	Curriculum and Instructional Staff	16,117	16,937	(820)	8,647	8,290
0021	Instructional Leadership	171,678	188,640	(16,962)	180,052	8,588
0023	School Leadership	455,993	464,592	(8,599)	448,398	16,194
0031	Guidance, Counseling, and Evaluation Services	196,250	196,359	(109)	188,292	8,067
0033	Health Services	66,364	71,121	(4,757)	63,538	7,583
0034	Student (Pupil) Transportation	142,434	135,934	6,500	96,936	38,998
0035	Food Services	11,500	22,252	(10,752)	19,648	2,604
0036	Extracurricular Activities	602,361	608,061	(5,700)	553,311	54,750
0041	General Administration	502,879	524,128	(21,249)	511,704	12,424
0051	Facilities Maintenance and Operations	1,047,063	1,037,352	9,711	957,938	79,414
0052	Security and Monitoring Services	103,778	104,958	(1,180)	94,560	10,398
0053	Data Processing Services	305,288	320,936	(15,648)	307,996	12,940
0061	Community Services	750	750	-	-	750
	Debt Service:					
0071	Principal on Long-Term Liabilities	79,092	79,092	-	79,092	-
0072	Interest on Long-Term Liabilities	5,217	5,217	-	5,213	4
	Capital Outlay:					
0081	Facilities Acquisition and Construction	28,000	289,500	(261,500)	270,413	19,087
	Intergovernmental:					
0093	Payments to Fiscal Agent/Member Districts of	193,126	193,126	-	193,126	-
0099	Other Intergovernmental Charges	94,700	94,700	-	82,983	11,717
6030	Total Expenditures	7,750,068	8,167,446	(417,378)	7,845,761	321,685
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(296,463)	(399,963)	(103,500)	(58,590)	341,373
	OTHER FINANCING SOURCES (USES):					
7912	Sale of Real and Personal Property	50	50	-	-	(50)
8911	Transfers Out (Use)	(112,434)	(112,434)	-	(78,205)	34,229
7080	Total Other Financing Sources (Uses)	(112,384)	(112,384)	-	(78,205)	34,179
1200	Net Change in Fund Balances	(408,847)	(512,347)	(103,500)	(136,795)	375,552
0100	Fund Balance - September 1 (Beginning)	4,558,979	4,558,979	-	4,558,979	-
3000	Fund Balance - August 31 (Ending)	$ 4,150,132	$ 4,046,632	$ (103,500)	$ 4,422,184	$ 375,552

ALBANY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2026

	Measurement Year Ended August 31,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's Proportion of the Net Pension Liability (Asset)	0.0029640931%	0.0026996461%	0.0033748556%	0.0030919143%	0.0026073492%	0.0026076415%	0.0027289917%	0.0031207152%	0.0029819830%	0.0031158990%
District's Proportionate Share of Net Pension Liability (Asset)	$ 1,865,829	$ 1,649,057	$ 2,318,200	$ 1,835,590	$ 664,000	$ 1,396,600	$ 1,418,615	$ 1,717,717	$ 953,478	$ 1,177,452
States Proportionate Share of the Net Pension Liability (Asset) associated with the District	3,025,411	2,878,468	3,165,611	2,960,147	1,386,074	3,209,915	2,760,472	3,131,261	1,879,646	2,444,899
Total	$ 4,891,240	$ 4,527,525	$ 5,483,811	$ 4,795,737	$ 2,050,074	$ 4,606,515	$ 4,179,087	$ 4,848,978	$ 2,833,124	$ 3,622,351
District's Covered Payroll	$ 4,655,151	$ 4,314,846	$ 4,381,984	$ 4,145,487	$ 3,865,617	$ 4,035,712	$ 3,546,835	$ 3,722,974	$ 3,579,317	$ 3,724,380
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	40.08%	38.22%	52.90%	44.28%	17.18%	34.61%	40.00%	46.14%	26.64%	31.61%
Plan Fiduciary Net Position as a % of Total Pension Liability	78.24%	77.51%	73.15%	75.62%	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%

ALBANY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2026

	Fiscal Year Ended August 31,									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contribution	$ 196,358	$ 173,364	$ 152,135	$ 173,566	$ 144,835	$ 111,141	$ 106,898	$ 96,444	$ 104,828	$ 97,735
Contribution in Relation to Contractually Required Contribution	(196,358)	(173,364)	(152,135)	(173,566)	(144,835)	(111,141)	(106,898)	(96,444)	(104,828)	(97,735)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 5,015,930	$ 4,655,151	$ 4,314,846	$ 4,381,984	$ 4,145,487	$ 3,865,617	$ 4,035,712	$ 3,546,835	$ 3,722,974	$ 3,579,317
Contributions as a % of Covered Payroll	3.91%	3.72%	3.53%	3.96%	3.49%	2.88%	2.65%	2.72%	2.82%	2.73%

EXHIBIT G-4

ALBANY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2026

	Measurement Year Ended August 31,								
	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's Proportion of the Net OPEB Liability (Asset)	0.0041603456%	0.0039916432%	0.0046740266%	0.0045604698%	0.0041176246%	0.0043805183%	0.0041486597%	0.0045293440%	0.0042469614%
District's Proportionate Share of the Net OPEB Liability (Asset)	$ 1,037,061	$ 1,211,525	$ 1,034,750	$ 1,091,959	$ 1,588,352	$ 1,665,233	$ 1,961,953	$ 2,261,543	$ 1,846,844
State's Proportionate Share of the Net OPEB Liability (Asset) associated with the District	1,375,891	1,518,024	1,248,585	1,332,019	2,128,037	2,237,674	2,606,995	3,131,788	2,778,418
Total	$ 2,412,952	$ 2,729,549	$ 2,283,335	$ 2,423,978	$ 3,716,389	$ 3,902,907	$ 4,568,948	$ 5,393,331	$ 4,625,262
District's Covered Payroll	$ 4,600,262	$ 4,262,711	$ 4,330,097	$ 4,145,487	$ 3,865,617	$ 4,035,712	$ 3,546,835	$ 3,722,974	$ 3,579,317
District's Proportionate Share of the Net OPEB Liability (Asset) as a percentage of its Covered Payroll	22.54%	28.42%	23.90%	26.34%	41.09%	41.26%	55.32%	60.75%	51.60%
Plan Fiduciary Net Position as a % of Total OPEB Liability	18.26%	13.70%	14.94%	11.52%	6.18%	4.99%	2.66%	1.57%	0.91%

Note: Only nine years of data is presented in accordance with GASB #75, paragraph 245. "The information for all fiscal years for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

ALBANY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2026

	Fiscal Year Ended August 31,								
	2026	2025	2024	2023	2022	2021	2020	2019	2018
Contractually Required Contribution	$ 40,660	$ 38,044	$ 36,258	$ 40,554	$ 37,456	$ 32,151	$ 32,795	$ 29,288	$ 31,206
Contribution in Relation to Contractually Required Contribution	(40,660)	(38,044)	(36,258)	(40,554)	(37,456)	(32,151)	(32,795)	(29,288)	(31,206)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 4,959,403	$ 4,600,262	$ 4,262,711	$ 4,330,097	$ 4,145,487	$ 3,865,617	$ 4,035,712	$ 3,546,835	$ 3,722,974
Contributions as a % of Covered Payroll	0.82%	0.83%	0.85%	0.94%	0.90%	0.83%	0.81%	0.83%	0.84%

Note: Only nine years of data is presented in accordance with GASB #75, paragraph 245. "The information for all fiscal years for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

ALBANY INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2026

Budget

The official budget was prepared for adoption for all Governmental Fund Types. The budget was prepared in accordance with accounting practices generally accepted in the United States of America. The following procedures are followed in establishing the budgetary data.:

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

b. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.

c. Prior to the beginning of the fiscal year, the budget is legally enacted through passage of a resolution by the Board.

Once a budget is approved, it can be amended at function and fund level only by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings.

Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board and are not made after fiscal year end as required by law.

Each amendment is controlled by the budget coordinator at the revenue and expenditure function/object level.

Budgeted amounts are as amended by the Board. All budget appropriations lapse at year.

Following are explanations for major budget amendments for the year in the general fund:

Data Control Codes	Category Description	Original Budget (in dollars)	Final Amended Budget (in dollars)	Variance with Original Budget (in dollars)	Variance Explanation
5700	Local and intermediate sources	2,139,680	2,438,772	299,092	Amendment for increased interest income and local donations received.
0011	Instruction	3,673,870	3,757,836	83,966	Amendment for retention stipends and TIA salary increases.
0081	Facilities acquisition and construction	28,000	289,500	261,500	Amendment for new bleachers at football field.

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either cancelled or appropriately provided for in the subsequent year's budget. There were no end-of-year outstanding encumbrances that were provided for in the subsequent year's budget.

Defined Benefit Pension and Other Post-Employment Benefit Plans

Changes of benefit terms.

There were no changes of benefit terms that affected measurement of the total pension or OPEB liabilities during the measurement period.

Changes of assumptions.

See Footnotes I and J on pages 35 and 38 for changes in assumptions that affected measurement of the total pension and OPEB liabilities during the measurement period.

COMBINING SCHEDULES

ALBANY INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2026

Data Control Codes		205 Head Start	211 ESEA I, A Improving Basic Program	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program
	ASSETS				
1110	Cash and Cash Equivalents	$ -	$ -	$ -	$ 4,918
1240	Due from Other Governments	-	-	-	7,696
1410	Prepayments	-	-	-	-
1000	Total Assets	$ -	$ -	$ -	$ 12,614
	LIABILITIES				
2110	Accounts Payable	$ -	$ -	$ -	$ 64
2170	Due to Other Funds	-	-	-	12,550
2000	Total Liabilities	-	-	-	12,614
	FUND BALANCES				
	Nonspendable Fund Balance:				
3430	Prepaid Items	-	-	-	-
	Assigned Fund Balance:				
3590	Other Assigned Fund Balance	-	-	-	-
3000	Total Fund Balances	-	-	-	-
4000	Total Liabilities and Fund Balances	$ -	$ -	$ -	$ 12,614

244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	270 ESEA V, B,2 Rural & Low Income	289 Other Federal Special Revenue Funds	410 State Instructional Materials	429 Other State Special Revenue Funds	461 Campus Activity Funds	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ 74,926	$ 79,844
-	-	-	-	5,967	-	-	13,663
-	-	-	-	-	-	3,100	3,100
$ -	$ -	$ -	$ -	$ 5,967	$ -	$ 78,026	$ 96,607
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 64
-	-	-	-	5,967	-	-	18,517
-	-	-	-	5,967	-	-	18,581
-	-	-	-	-	-	3,100	3,100
-	-	-	-	-	-	74,926	74,926
-	-	-	-	-	-	78,026	78,026
$ -	$ -	$ -	$ -	$ 5,967	$ -	$ 78,026	$ 96,607

ALBANY INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2026

Data Control Codes		205 Head Start	211 ESEA I, A Improving Basic Program	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program
	REVENUES:				
5700	Total Local and Intermediate Sources	$ -	$ -	$ -	$ 43,167
5800	State Program Revenues	-	-	-	965
5900	Federal Program Revenues	92,023	105,104	21,347	113,262
5020	Total Revenues	92,023	105,104	21,347	157,394
	EXPENDITURES:				
	Current:				
0011	Instruction	85,767	93,962	21,347	-
0013	Curriculum and Instructional Staff Development	6,108	-	-	-
0021	Instructional Leadership	-	11,142	-	-
0023	School Leadership	-	-	-	-
0031	Guidance, Counseling, and Evaluation Services	-	-	-	-
0033	Health Services	-	-	-	-
0035	Food Services	-	-	-	235,599
0036	Extracurricular Activities	-	-	-	-
0041	General Administration	-	-	-	-
0051	Facilities Maintenance and Operations	-	-	-	-
0061	Community Services	148	-	-	-
6030	Total Expenditures	92,023	105,104	21,347	235,599
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	(78,205)
	OTHER FINANCING SOURCES (USES):				
7915	Transfers In	-	-	-	78,205
1200	Net Change in Fund Balance	-	-	-	-
0100	Fund Balance - September 1 (Beginning)	-	-	-	-
3000	Fund Balance - August 31 (Ending)	$ -	$ -	$ -	$ -

244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	270 ESEA V, B,2 Rural & Low Income	289 Other Federal Special Revenue Funds	410 State Instructional Materials	429 Other State Special Revenue Funds	461 Campus Activity Funds	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ 55,386	$ 98,553
-	-	-	-	53,582	1,800	-	56,347
94,943	16,699	42,608	10,000	-	-	-	495,986
94,943	16,699	42,608	10,000	53,582	1,800	55,386	650,886
34,048	12,524	42,608	7,500	53,582	1,698	1,912	354,948
-	4,175	-	2,500	-	-	-	12,783
-	-	-	-	-	-	-	11,142
5,991	-	-	-	-	-	5,742	11,733
50,359	-	-	-	-	-	-	50,359
-	-	-	-	-	-	1,290	1,290
-	-	-	-	-	-	-	235,599
-	-	-	-	-	-	25,762	25,762
4,545	-	-	-	-	-	-	4,545
-	-	-	-	-	102	-	102
-	-	-	-	-	-	1,630	1,778
94,943	16,699	42,608	10,000	53,582	1,800	36,336	710,041
-	-	-	-	-	-	19,050	(59,155)
-	-	-	-	-	-	-	78,205
-	-	-	-	-	-	19,050	19,050
-	-	-	-	-	-	58,976	58,976
$ -	$ -	$ -	$ -	$ -	$ -	$ 78,026	$ 78,026

EXHIBIT H-3

ALBANY INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
AUGUST 31, 2026

	827 Dulin Scholarship Fund	828 Carlile Scholarship Fund	829 Albany ISD Education Foundation	Total Private Purpose Trust Funds
ASSETS				
Cash and Cash Equivalents	$ 8,262	$ 59,786	$ 25,393	$ 93,441
Accrued Interest	-	331	-	331
Long Term Investments	893,656	-	4,745,228	5,638,884
Total Assets	901,918	60,117	4,770,621	5,732,656
NET POSITION				
Unrestricted Net Position	901,918	60,117	4,770,621	5,732,656
Total Net Position	$ 901,918	$ 60,117	$ 4,770,621	$ 5,732,656

ALBANY INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED AUGUST 31, 2026

	827 Dulin Scholarship Fund	828 Carlile Scholarship Fund	829 Albany ISD Education Foundation	Total Private Purpose Trust Funds
ADDITIONS:				
Earnings from Temporary Deposits	$ 114,460	$ 2,894	$ 617,799	$ 735,153
Contributions, Gifts and Donations	-	-	2,500	2,500
Total Additions	114,460	2,894	620,299	737,653
DEDUCTIONS:				
Payroll Costs	-	-	16,377	16,377
Professional and Contracted Services	-	-	2,000	2,000
Supplies and Materials	-	-	6,945	6,945
Other Deductions	18,000	250	161,672	179,922
Total Deductions	18,000	250	186,994	205,244
Change in Net Position	96,460	2,644	433,305	532,409
Net Position - September 1 (Beginning)	805,458	57,473	4,337,316	5,200,247
Net Position - August 31 (Ending)	$ 901,918	$ 60,117	$ 4,770,621	$ 5,732,656

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REQUIRED TEA SCHEDULES

ALBANY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2026

Last 10 Years Ended August 31	(1) Tax Rates Maintenance	(2) Tax Rates Debt Service	(3) Assessed/Appraised Value for School Tax Purposes
2017 and prior years	Various	Various	$ Various
2018	1.040000	0.000000	359,323,004
2019	1.040000	0.000000	361,545,215
2020	0.970000	0.000000	349,487,843
2021	0.966400	0.000000	335,220,166
2022	0.963400	0.000000	324,925,310
2023	0.944100	0.000000	343,286,205
2024	0.738000	0.000000	343,437,446
2025	0.706600	0.000000	349,570,590
2026	0.682200	0.000000	328,786,032
1000 Totals for Fiscal Year Ending August 31, 2026			
8000 Total Taxes Refunded Under Section 26.1115, Tax Code			

(10) Beginning Balance 9/1/01	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/02	(99) Taxes Refunded Under Section 26.1115c
$ 63,192	$	$ 1,694	$	$ (23,288)	$ 38,210	
21,376		1,040		(9,319)	11,017	
20,176		698		(10,601)	8,877	
29,419		932		(9,376)	19,111	
23,432		3,617		(10,454)	9,361	
17,030		4,565		(2,627)	9,838	
23,383		4,835		(1,891)	16,657	
26,508		6,781		629	20,356	
70,605		41,064		(8,349)	21,192	
	2,242,978	2,171,082		(29,431)	42,465	
$ 295,121	$ 2,242,978	$ 2,236,308	$ -	$ (104,707)	$ 197,084	
						$ -

ALBANY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
FOR THE YEAR ENDED AUGUST 31, 2026

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final	Variance with Original Budget - over (under) Final Budget	Actual Amounts, GAAP Basis	Variance with Final Budget - Over (under) Actual Amounts
	REVENUES:					
5700	Total Local and Intermediate Sources	$ 45,600	$ 45,600	$ -	$ 43,167	$ (2,433)
5800	State Program Revenues	800	800	-	965	165
5900	Federal Program Revenues	127,500	127,500	-	113,262	(14,238)
5020	Total Revenues	173,900	173,900	-	157,394	(16,506)
	EXPENDITURES:					
	Current:					
0035	Food Services	286,334	286,334	-	235,599	50,735
6030	Total Expenditures	286,334	286,334	-	235,599	50,735
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(112,434)	(112,434)	-	(78,205)	34,229
	OTHER FINANCING SOURCES (USES):					
7915	Transfers In	112,434	112,434	-	78,205	(34,229)
1200	Net Change in Fund Balances	-	-	-	-	-
0100	Fund Balance - September 1 (Beginning)	-	-	-	-	-
3000	Fund Balance - August 31 (Ending)	$ -	$ -	$ -	$ -	$ -

ALBANY INDEPENDENT SCHOOL DISTRICT
USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAMS
FOR THE YEAR ENDED AUGUST 31, 2026

Data Codes		Responses
	Bilingual Education Allotment Programs	
AP5	Did your district expend any bilingual education program state allotment funds during the district's fiscal year?	Yes
AP6	Does the district have written policies and procedures for its bilingual education program?	Yes
AP7	Total state allotment funds received for bilingual education programs during the district's fiscal year.	10196
AP8	Actual direct program expenditures for bilingual education programs during the district's fiscal year. (PIC 25)	3241

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OVERALL COMPLIANCE AND INTERNAL CONTROLS SECTION

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Cameron L. Gulley
CERTIFIED PUBLIC ACCOUNTANT

P. O. Box 163
Eastland, Texas 76448
(325)669-9795
cgulley@txol.net

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

Board of Trustees
Albany Independent School District
P.O. Box 2050
Albany, Texas 76430

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Albany Independent School District (the "District") as of and for the year ended August 31, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated October 12, 2026.

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

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

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

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

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

Cameron L. Gulley
Certified Public Accountant
Eastland, Texas

October 12, 2026

ALBANY INDEPENDENT SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED AUGUST 31, 2026

Finding	Statement of Condition	Material Weakness?	Questioned Costs
	None.		

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ALBANY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED AUGUST 31, 2026

I. Summary of Auditor's Results

A. Financial Statements

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

B. Federal Awards

N/A.

II. Findings Relating to the Financial Statements which are Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

None.

III. Findings and Questioned Costs for Federal Awards

N/A.

ALBANY INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED AUGUST 31, 2026

None required.

ADJUNCT FACULTY AGREEMENT
THE STATE OF TEXAS: COUNTY OF SHACKELFORD

On this date, at a regularly scheduled and posted meeting, came the Board of Trustees of the Albany Independent School District, hereinafter referred to as "School District." A quorum having been established, the Board proceeded to consider the appointment of the herein named individual as an adjunct faculty member of the School District.

The State Board of Education passed an amendment to 19 TAC§129.21 (j)(1). Requirements for Student Attendance Accounting for State Funding Purposes allows public school students to be considered "in attendance" when participating in off-campus activities with an adjunct staff member of the school district. Section 3 of the Student Attendance Handbook states:

(1) The student is participating in an activity that is approved by the local board of school trustees and is under the direction of a member of the professional or paraprofessional staff of the school district, or an adjunct staff member who:

(A) has a minimum of a bachelor's degree; and
(B) is eligible for participation in the Teacher Retirement System of Texas.

Upon consideration and vote of _______ in favor, the individual(s) listed below is/are hereby named as adjunct faculty member(s) of the School District subject to the following considerations and provisions of such appointment to wit:

1. This appointment shall commence on the _______ day of ____________________, 20_______ and remain in effect until the _______ day of ____________________, 20_______, being the end of the current academic year.
2. This appointment will include the Texas A&M AgriLife Extension Service employees listed below.

Name: Kelsey Bell
Title: CEA ANR
Degree: B.S. Interdisciplinary Agriculture, Master of Agriculture
Date: May 2010, May 2024
Institution: TTU, WTAMU

3. Adjunct faculty member(s) will receive no compensation, salary or remuneration from School District.
4. Adjunct faculty member is and shall remain an employee, in good standing, of the Texas A&M AgriLife Extension Service.
5. Adjunct faculty member shall be under the direct supervision of the District Extension Administrator of District 7.
6. Adjunct faculty member(s) shall receive all group insurance benefits, workman's compensation insurance benefits, unemployment insurance, and any and all other plans for the benefit of Texas A&M AgriLife Extension Service employees. The School District shall have no responsibility for any of such benefits or plans.

Adjunct faculty member shall direct the activities and participation of students of the School District in sponsored and approved activities as designated from time to time by adjunct faculty member(s) for which notice shall be given to School District administrative personnel. Adjunct faculty members' activities and participation with students of the School District are directed, supervised, and controlled by and through supervisory personnel of Texas A&M AgriLife Extension Service pursuant to the supervisory authority of the District Extension Administrator. Adjunct faculty member(s) is not the employee of the School District, and School District does not nor shall not supervise, direct or control the activities and/or participation of such County Extension Agent(s) who have/has been herein designated as an adjunct faculty member.

This appointment is made by the School District by and through the Board of Trustees of said district for the benefit of allowing voluntary student participation in programs conducted by the Texas A&M AgriLife Extension Service in recognition of the educational benefits arising from such participation and activities and/or directed by the Texas A&M AgriLife Extension Service. This appointment is made in accordance with the provisions of Section 129.21 (j)(1) of the Texas Administrative Code authorizing the school to deem such participating students in attendance for foundation school program purposes.

This appointment of the herein named County Extension Agent(s) (Extension employee) is/are not intended nor shall be construed as a waiver of any claim or defense of sovereign or governmental immunity from liability now possessed by the School District or any of its employees, agents, officers, and/or board members in the performance of governmental functions.

Accepted and signed this _______ day of ____________________, 20_______.

____
Board of Trustee (sign and print name)

____
Superintendent (sign and print name)

RESOLUTION
Regarding
EXTRACURRICULAR STATUS OF 4-H ORGANIZATION

Be it hereby resolved that upon this date, the duly elected Board of Trustees of the *Albany ISD* meeting in public with a quorum present and certified, did adopt this resolution that recognizes the *Shackelford* County Texas 4-H Organization as approved for recognition and eligible for extracurricular status consideration under 19 Texas Administrative Code, Chapter 76.1, pertaining to extracurricular activities.

Participation by 4-H members under provisions of this resolution are subject to all rules and regulations set forth under the 19 Texas Administrative Code as interpreted by this Board and designated officials of this school district whose rules shall be final.

Texas A&M AgriLife Extension Service will request academic eligibility for competitive and non-competitive purposes when an absence is required.

Accepted and signed this _______ day of ____________________, 20_______.

____
Board of Trustee (sign and print name)

____
Superintendent (sign and print name)

DISTRICT 7

August 26, 2026

Texas A&M AgriLife Extension Service – Shackelford County
225 Main
Albany, TX 76430

Albany ISD

Dear Mr. Stuard,

On behalf of the 4-H members of Shackelford County, we hereby respectfully request approval of the following for the ***2026-2027*** school year.

- That the 4-H organization, by the attached resolution, be sanctioned as an extracurricular activity
- That we, as county Extension agents, are granted adjunct faculty staff member status

The enclosed Resolution regarding Extracurricular Status of the 4-H Organization and Adjunct Faculty Agreement should be presented for consideration at the next scheduled meeting of the Board of Trustees. We further request that questions regarding this request be directed to us in a timely manner so that we may prepare and present an appropriate response so as not to delay action on this request. Please return a signed copy of the resolution and adjunct faculty agreement for our files.

Thank you and members of the Board of Trustees for your consideration of this request.

Sincerely

Kelsey Bell
County Extension Agent – ANR

Enclosures: Resolution for Extracurricular Status of 4-H Organization
Adjunct Faculty Agreement