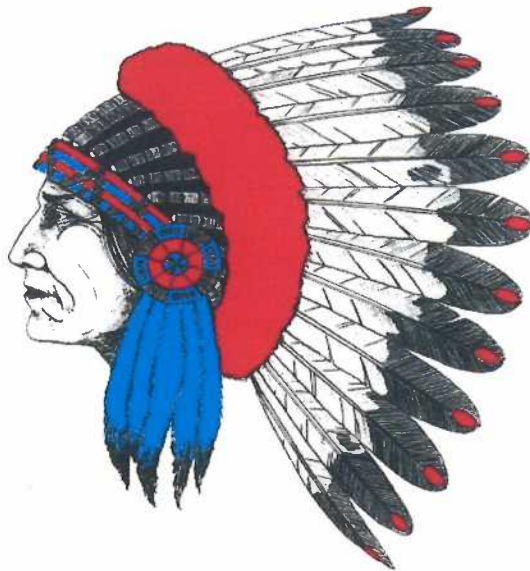


**JIM NED**  
**CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
**TAYLOR COUNTY, TEXAS**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED AUGUST 31, 2025**



**JIM NED CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED AUGUST 31, 2025**

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**JIM NED CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED AUGUST 31, 2025**

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**CERTIFICATE OF BOARD**

<b>Jim Ned Consolidated Independent School District</b> _____ Name of School District	<b>Taylor</b> _____ County	<b>221911</b> _____ County – District Number
---	----------------------------------	--

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one)  approved \_\_\_\_\_ disapproved for the year ended **August 31, 2025**, at a meeting of the Board of Trustees of such school district on the **8th** day of **January, 2026**.

\_\_\_\_\_  
Signature of Board President

\_\_\_\_\_  
Signature of Board Secretary

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

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# James E. Rodgers and Company, P.C.

## Certified Public Accountants

20 Southwest Third Street • PO Box 669 • Hamlin, Texas 79520 • Tel: 325-576-2356 • Fax: 325-576-3525

E-mail: [rodgerscpa@att.net](mailto:rodgerscpa@att.net)

Member of Texas Society of CPA's and American Institute of CPA's

Richard E. Rodgers CPA • Gerald L. Rodgers CPA

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January 8, 2026

### Unmodified Report on Financial Statements Issued in Accordance with *Government Auditing Standards* and a Single Audit Accompanied by Required Supplementary Information, Supplementary Information, and Other Information

#### INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees and Superintendent  
Jim Ned Consolidated Independent School District  
Tuscola, Texas 79562

#### Report on the Audit of the Financial Statements

##### *Opinions*

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the **Jim Ned Consolidated Independent School District**, as of **August 31, 2025**, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

##### *Basis for Opinions*

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

##### *Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the **Jim Ned Consolidated Independent School 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.

# James E. Rodgers and Company, P.C.

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## *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

## *Required Supplementary Information*

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

# James E. Rodgers and Company, P.C.

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## *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the **Jim Ned Consolidated Independent School District's** basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the required TEA schedules and the Schools First Questionnaire but does not include the basic financial statements and our auditor's report thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated **January 8, 2026**, on our consideration of the **Jim Ned Consolidated Independent School District's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the **Jim Ned Consolidated Independent School District's** 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 **Jim Ned Consolidated Independent School District's** internal control over financial reporting and compliance.

Respectfully submitted,



James E. Rodgers and Company, P.C.

# JIM NED CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

830 Garza Street  
PO Box 9  
Tuscola, Texas 79562



Phone: 325-554-7577 \* Fax: 325-554-7740

## MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the Annual Financial and Compliance Report, we, the administration of **Jim Ned Consolidated Independent School District**, discuss and analyze the District's financial performance for the fiscal year ended **August 31, 2025**. Please read it in conjunction with the independent auditor's report and the District's Basic Financial Statements.

### FINANCIAL HIGHLIGHTS

#### Highlights of Current Fiscal Year Finances

District's Total Net Position at the End of the Year	\$19,867,976
Total District Revenues for the Current Fiscal Year	\$24,700,917
Total District Expenses for the Current Fiscal Year	\$24,488,354
Fund Balance in the General Fund at the End of Year	\$8,408,371

#### Changes in the District's Finances from the Previous Fiscal Year

	Increase (Decrease)	
	\$	%
<b><u>Change in Net Position:</u></b>		
Change in the District's Total Net Position	\$ 183,986	0.93%
<b><u>Revenue Changes:</u></b>		
Change in the District's Total Revenues	\$ 395,088	1.63%
Change in the District's Property Tax Revenues	\$ 1,505,694	19.87%
Change in the District's State Aid Formula Grants	\$ (473,280)	-5.28%
Change in Operating Grants and Contributions	\$ (719,134)	-22.03%
<b><u>Expense Changes:</u></b>		
Change in the District's Total Expenses	\$ (422,581)	-1.70%
<b><u>Other Information:</u></b>		
Change in the District's General Fund Balance	\$ (260,386)	-3.00%
Excess (Deficit) of Actual Revenue over Budgeted Revenue	\$ (1,560,472)	-8.77%

## **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements 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 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 provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The combining statements for non-major 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 with the Statement of Net Position (Exhibit A-1). 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 tuition received from students from outside the district and grants provided by the U.S. Department of Education to assist children with disabilities 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, deferred outflows, liabilities, and deferred inflows) provides 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 non-financial 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 combine the District into one kind of activity (all governmental activities).

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

## **Reporting the District's Most Significant Funds**

### ***Fund Financial Statements***

The fund financial statements begin with the Governmental Funds Balance Sheet (Exhibit C-1) 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 “Elementary and Secondary Education Act (ESEA) Title I, Part A – Improving Basic Programs” 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 kinds of funds (governmental and proprietary) use different accounting approaches.

Governmental funds—Most of the District's basic services are reported in governmental funds. These funds use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and 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 a reconciliation schedule 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. In fact, the District's enterprise funds (one category of proprietary funds which the District does not have at present) are the business-type activities reported in the government-wide statements but containing more detail and additional information, such as cash flows. The internal service funds (the other category of proprietary funds in Exhibits D-1, D-2, and D-3) report activities that provide supplies and services for the District's other programs and activities—such as the District's self-insurance programs.

## **The District as Trustee**

### ***Reporting the District's Fiduciary Responsibilities***

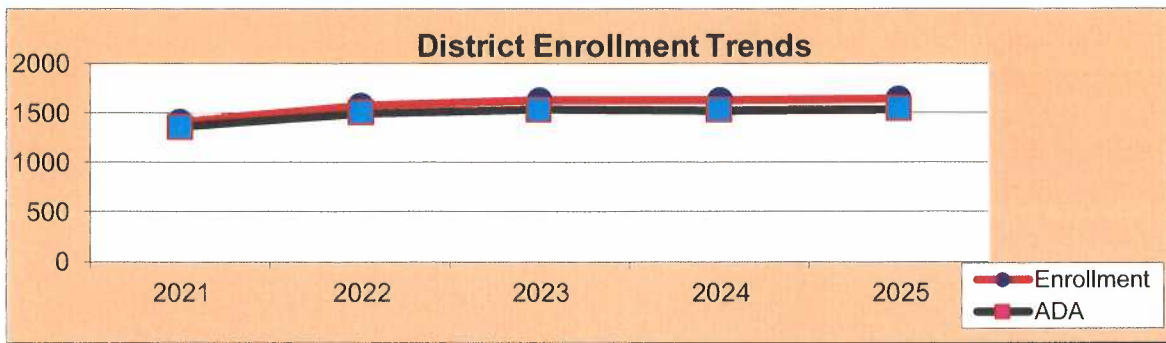
The District is the trustee, or fiduciary, for money raised by student activities and alumni scholarship programs. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position (Exhibit E-1 and E-2). We exclude these resources from the District's other financial 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.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

State funding in Texas is based upon the District’s average daily attendance, thus the District’s revenue is highly dependent on enrollment trends. The District receives additional weighted funding for students enrolled in career and technology coursework, gifted and talented, special, bilingual, and compensatory education programs. The demographics of the District and the types of coursework students pursue are continuing to evolve in the District. The following chart details the enrollment trends of the District.

**ENROLLMENT TRENDS**

Year	Enrollment	ADA
2021	1414	1357.4
2022	1578	1496.9
2023	1624	1530.7
2024	1630	1522.1
2025	1639	1539.1



The following table indicates the Net Position of the District at the end of the previous and current year.

	Governmental Activities		Business-Type Activities		Totals	
	2024	2025	2024	2025	2024	2025
Current and other assets	\$ 34,347,403	\$ 22,236,081	\$ -	\$ -	\$ 34,347,403	\$ 22,236,081
Capital assets	56,321,324	68,115,866	-	-	56,321,324	68,115,866
Deferred Outflows of Resources	4,668,799	3,890,756	-	-	4,668,799	3,890,756
<b>Total assets &amp; deferred outflows</b>	<b>\$ 95,337,526</b>	<b>\$ 94,242,703</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 95,337,526</b>	<b>\$ 94,242,703</b>
Long-term liabilities	\$ 59,621,465	\$ 58,033,482	\$ -	\$ -	\$ 59,621,465	\$ 58,033,482
Other liabilities	2,425,184	3,598,100	-	-	2,425,184	3,598,100
Net pension liability	6,281,627	5,279,560	-	-	6,281,627	5,279,560
Net OPEB liability	2,854,942	3,797,134	-	-	2,854,942	3,797,134
Deferred Inflows & Unavailable Revenue	4,470,318	3,666,451	-	-	4,470,318	3,666,451
<b>Total liabilities &amp; deferred inflows</b>	<b>\$ 75,653,536</b>	<b>\$ 74,374,727</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 75,653,536</b>	<b>\$ 74,374,727</b>
Net Position:						
Net Investment in Capital Assets	\$ 19,397,520	\$ 18,729,597	\$ -	\$ -	\$ 19,397,520	\$ 18,729,597
Restricted	1,485,028	1,539,508	-	-	1,485,028	1,539,508
Unrestricted	(1,198,558)	(401,129)	-	-	(1,198,558)	(401,129)
<b>Total net position</b>	<b>\$ 19,683,990</b>	<b>\$ 19,867,976</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,683,990</b>	<b>\$ 19,867,976</b>

The following table indicates the changes in Net Position of the District during the previous and current years.

An analysis of the change in the Net Position for governmental activities is as follows:

<b>Table II</b>						
<b>JIM NED CONSOLIDATED INDEPENDENT SCHOOL DISTRICT</b>						
<b>Changes in Net Position</b>						
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>
<b>Program Revenues:</b>						
Charges for Services	\$ 2,560,364	\$ 2,657,286	\$ -	\$ -	\$ 2,560,364	\$ 2,657,286
Operating grants & contributions	3,263,793	2,544,659	-	-	3,263,793	2,544,659
<b>General Revenues:</b>						
Maintenance & operations taxes	5,659,289	6,043,169	-	-	5,659,289	6,043,169
Debt service taxes	1,919,954	3,041,768	-	-	1,919,954	3,041,768
State aid - formula grants	8,967,772	8,494,492	-	-	8,967,772	8,494,492
Investment earnings	1,242,805	1,013,154	-	-	1,242,805	1,013,154
Miscellaneous Income	691,852	906,389	-	-	691,852	906,389
<b>Total Revenues</b>	<b>\$ 24,305,829</b>	<b>\$ 24,700,917</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 24,305,829</b>	<b>\$ 24,700,917</b>
<b>Expenses</b>						
Instruction, curriculum & media services	\$ 12,917,784	\$ 12,462,622	\$ -	\$ -	\$ 12,917,784	\$ 12,462,622
Instructional & school leadership	1,202,996	1,148,773	-	-	1,202,996	1,148,773
Student support services	2,797,924	2,460,831	-	-	2,797,924	2,460,831
Food Services	642,459	752,498	-	-	642,459	752,498
Co-curricular activities	1,474,252	1,843,748	-	-	1,474,252	1,843,748
General administration & data processing	907,360	841,093	-	-	907,360	841,093
Plant maintenance & security	2,549,438	2,425,602	-	-	2,549,438	2,425,602
Interest & fees on long term debt	1,759,945	1,807,005	-	-	1,759,945	1,807,005
Other business-type activities & intergovernmental	658,777	746,182	-	-	658,777	746,182
<b>Total Expenses</b>	<b>\$ 24,910,935</b>	<b>\$ 24,488,354</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 24,910,935</b>	<b>\$ 24,488,354</b>
<b>Increase in net position before transfers and special items</b>	<b>\$ (605,106)</b>	<b>\$ 212,563</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (605,106)</b>	<b>\$ 212,563</b>
Transfers	-	-	-	-	-	-
Extraordinary & special items - Loss on Disposition of Capital Assets	(6,954)	-	-	-	(6,954)	-
Prior period adjustment - GASB Changes	(112,038)	(28,577)	-	-	(112,038)	(28,577)
Net position at 9/1	20,408,088	19,683,990	-	-	20,408,088	19,683,990
<b>Total Net Position</b>	<b>\$ 19,683,990</b>	<b>\$ 19,867,976</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,683,990</b>	<b>\$ 19,867,976</b>

<b>Excess of Revenues Over Expenditures for Governmental Funds</b>	<b>\$ (13,241,005)</b>
<b>Change in Net Position of Internal Service Funds</b>	<b>(59,679)</b>
<b>Current Year Purchases of Capital Assets</b>	<b>13,583,839</b>
<b>Current Year Bonds &amp; Premium Issued</b>	<b>-</b>
<b>Current Year Debt Principal Payments</b>	<b>1,503,817</b>
<b>Depreciation</b>	<b>(1,789,297)</b>
<b>Other Modified to Full Accrual Revenue Adjustments</b>	<b>129,189</b>
<b>Net Adjustment to Pension Expense Per GASB 68</b>	<b>(345,845)</b>
<b>Net adjustment for OPEB plan required by GASB 75</b>	<b>431,544</b>
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 212,563</b>

**THE DISTRICT'S FUNDS**

A financial summary of the District’s funds for the current year is as follows:

Governmental Fund Financial Statements					
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Total
Revenues	\$ 16,232,944	\$ 5,154,555	\$ 3,400,612	\$ 486,988	\$ 25,275,099
Expenditures	(16,325,942)	(5,239,782)	(3,384,022)	(13,566,358)	(38,516,104)
Other Financing Sources	-	167,388	-	-	167,388
Other Financing Uses	(167,388)	-	-	-	(167,388)
Net Change in Fund Balance	\$ (260,386)	\$ 82,161	\$ 16,590	\$ (13,079,370)	\$(13,241,005)
Beginning Fund Balance	8,668,757	614,464	755,258	21,607,110	31,645,589
<b>Ending Fund Balance</b>					
<b>All Governmental Funds</b>	<b>\$ 8,408,371</b>	<b>\$ 696,625</b>	<b>\$ 771,848</b>	<b>\$ 8,527,740</b>	<b>\$ 18,404,584</b>

The District modified its budget several times during the year resulting in a net increase in budgeted revenues between the original and final budget in the District’s General Fund. Significant amendments were made during the current year in the facilities acquisition and construction function as per Exhibit G-1.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of the current year, the District had invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics and maintenance. This year's major additions and the net change in total capital assets are as follows:

Intermediate Locker Rooms	\$ 2,642,055
Security Upgrades	17,481
MS GYM HVAC	114,898
MS Band Hall Flooring	7,013
Bus Barn Upgrade	2,306,746
Ag Barn	1,860,041
CTE Building	2,638,061
East High School and HS interior Renovation	3,997,544
<b>TOTAL</b>	<b>\$ 13,583,839</b>
Total Additions	\$ 13,583,839
Total Deletions	(452,043)
<b>Net Change</b>	<b>\$ 13,131,796</b>

The District's next fiscal year general fund capital budget indicates no significant capital outlay except for final completion of construction in progress.

**DEBT**

The District's long term debt at the end of the current year is as follows:

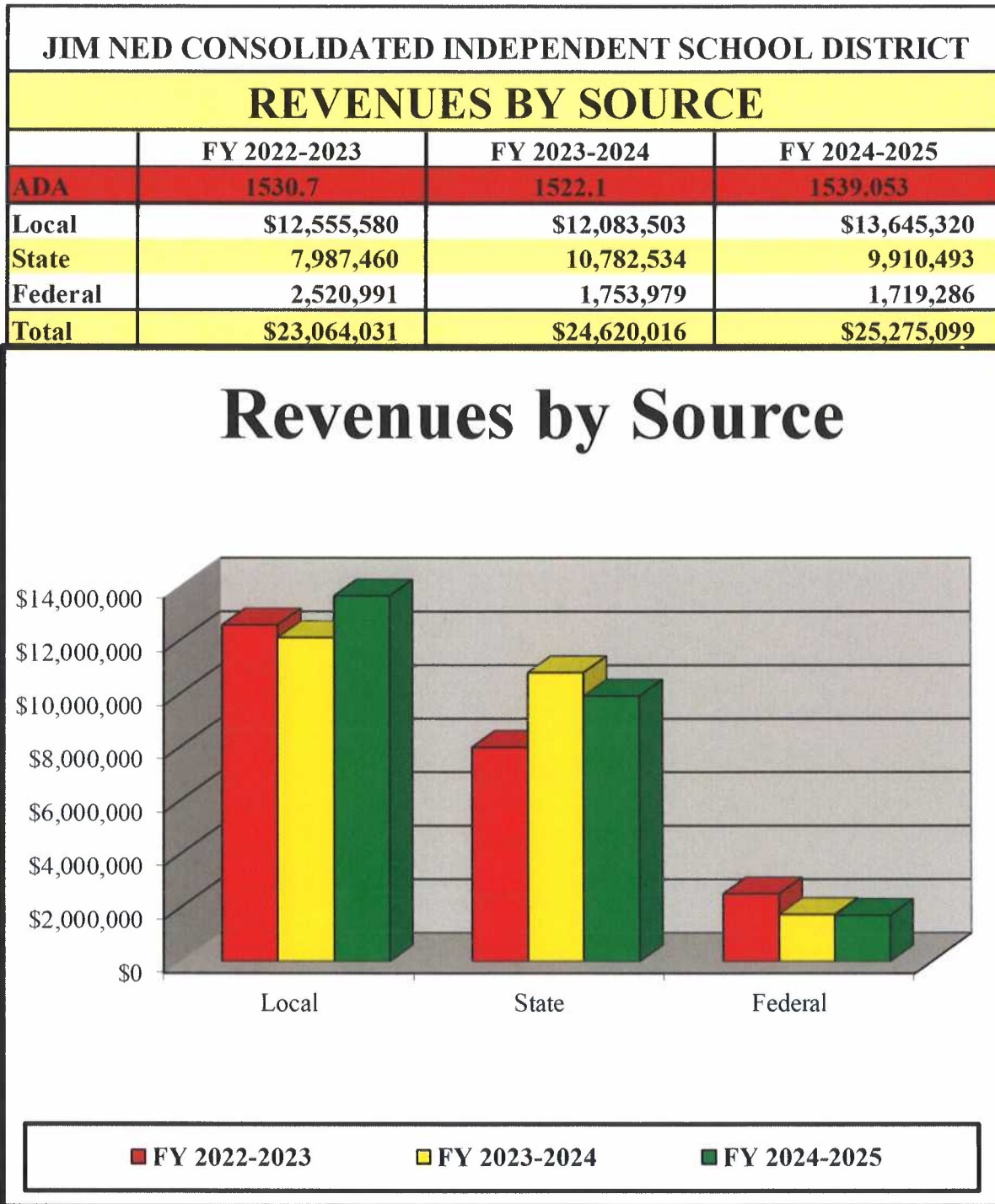
	Interest Rate on Issue	Amounts Original Issue	Interest Current Year	Outstanding 8/31/2025	Next Year's Total Principal and Interest Requirement
2015 Tax School Building Bonds	3.00-3.50%	\$ 9,370,000	\$ 214,100	\$ 6,625,000	\$ 558,675
2016 Tax School Building Bonds	2.00-4.00%	4,420,000	102,400	3,105,000	259,200
2021 Tax School Building Bonds	1.375-4.00%	23,570,000	473,722	20,785,000	1,217,006
2022 Tax School Building Bonds	4.00-6.00%	1,885,000	85,400	1,700,000	184,250
2024 Tax School Building Bonds	4.00-7.00%	23,345,000	1,040,900	23,225,000	1,166,975
Long-Term Right to Use Leases	1.94%-6.50%	262,159	8,484	114,886	43,868
<b>Totals</b>		<b>\$ 62,852,159</b>	<b>\$ 1,925,006</b>	<b>\$ 55,554,886</b>	<b>\$ 3,429,974</b>

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

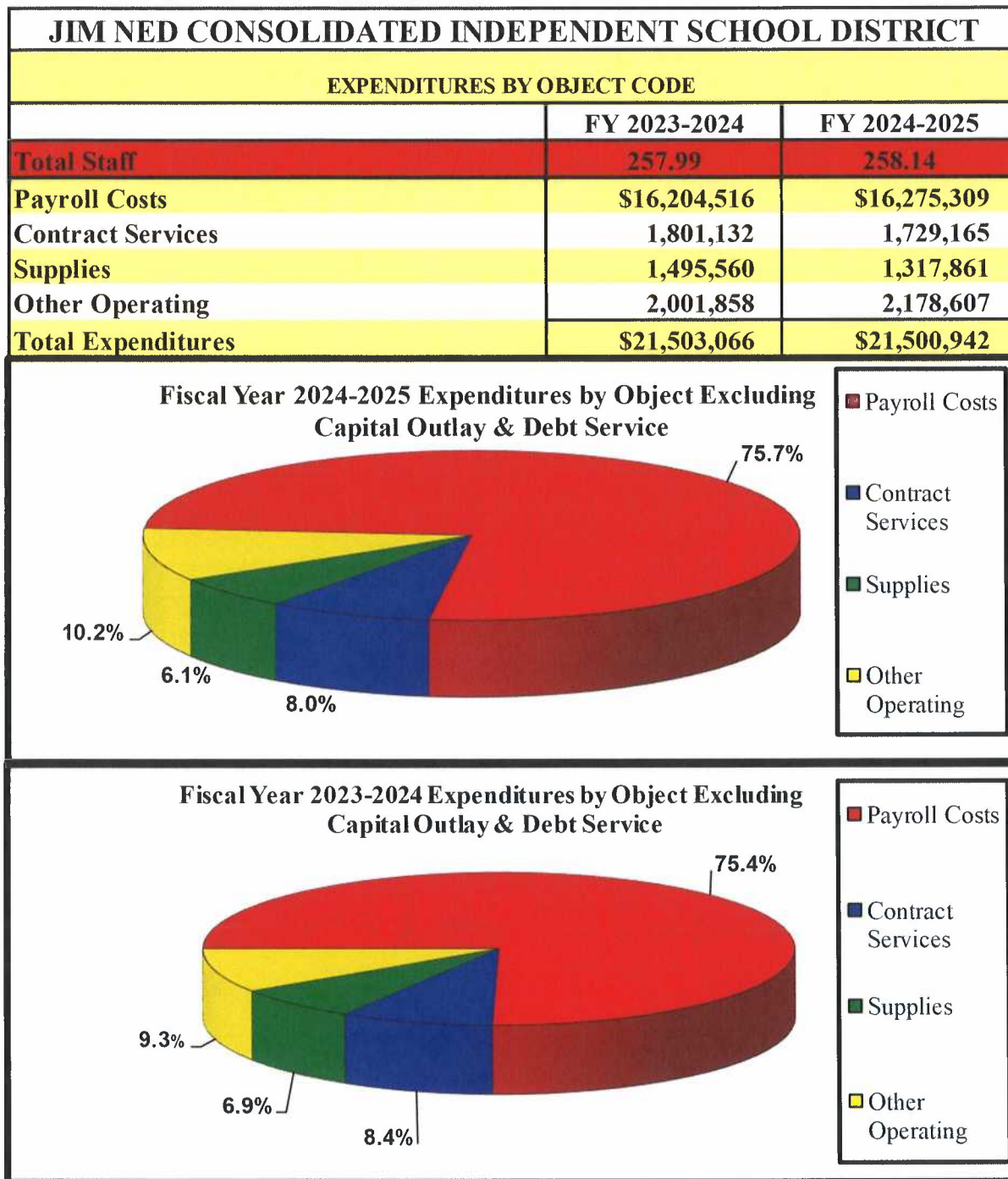
The District's elected and appointed officials considered many factors when setting the next fiscal year budget and tax rates. Changes in property tax valuations and expected student enrollment were implicit in the expected revenue and expenditures when adopting the budget for next year. A summary of the subsequent fiscal year budget for funds legally required to be budgeted is as follows:

Fiscal Year 2025 - 2026 Adopted Budget				
	General Fund	Child Nutrition Fund	Debt Service Fund	TOTALS
Revenues	\$ 18,044,645	\$ 535,907	\$ 3,374,394	\$ 21,954,946
Expenditures	(17,837,712)	(742,840)	(3,400,757)	(21,981,309)
Other Financing Sources	-	206,933	-	206,933
Other Financing Uses	(206,933)	-	-	(206,933)
Net Change in Fund Balance	\$ -	\$ -	\$ (26,363)	\$ (26,363)
Beginning of Year Fund Balance	8,408,371	7,532	771,848	9,187,751
Projected End of Year Fund Balance	\$ 8,408,371	\$ 7,532	\$ 745,485	\$ 9,161,388

The following graph indicates the District's revenues by source for the last three years.



The following graph indicates the District's operating expenditures by object for the last two years.



**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office, at **Jim Ned Consolidated Independent School District, PO Box 9, Tuscola Texas 79562, (325) 554-7500.**

**BASIC FINANCIAL STATEMENTS**

JIM NED CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
AUGUST 31, 2025

EXHIBIT A-1

Data Control Codes	Primary Government Governmental Activities
<b>ASSETS</b>	
1110 Cash and Cash Equivalents	\$ 3,006,172
1120 Current Investments	18,079,237
1220 Property Taxes - Delinquent	289,426
1230 Allowance for Uncollectible Taxes	(72,357)
1240 Due from Other Governments	933,603
Capital Assets:	
1510 Land	698,711
1520 Buildings, Net	66,417,289
1530 Furniture and Equipment, Net	981,259
1550 Right-to-Use Leased Assets, Net	18,607
1000 Total Assets	90,351,947
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
1705 Deferred Outflow Related to TRS Pension	1,646,870
1706 Deferred Outflow Related to TRS OPEB	2,243,886
1700 Total Deferred Outflows of Resources	3,890,756
<b>LIABILITIES</b>	
2110 Accounts Payable	838,604
2160 Accrued Wages Payable	1,028,051
2180 Due to Other Governments	1,388,273
2190 Due to Student Groups	750
2200 Accrued Expenses	90,014
2300 Unearned Revenue	252,408
Noncurrent Liabilities:	
2501 Due Within One Year: Loans, Note, Leases, etc.	1,667,097
Due in More than One Year:	
2502 Bonds, Notes, Loans, Leases, etc.	56,366,385
2540 Net Pension Liability (District's Share)	5,279,560
2545 Net OPEB Liability (District's Share)	3,797,134
2000 Total Liabilities	70,708,276
<b>DEFERRED INFLOWS OF RESOURCES</b>	
2605 Deferred Inflow Related to TRS Pension	327,528
2606 Deferred Inflow Related to TRS OPEB	3,338,923
2600 Total Deferred Inflows of Resources	3,666,451
<b>NET POSITION</b>	
3200 Net Investment in Capital Assets and Right-to-Use Lease Assets	18,729,597
Restricted:	
3820 Restricted for Federal and State Programs	207,437
3850 Restricted for Debt Service	826,554
3870 Restricted for Campus Activities	489,188
3890 Restricted for Other Purposes	16,329
3900 Unrestricted	(401,129)
3000 Total Net Position	\$ 19,867,976

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

JIM NED CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2025

EXHIBIT B-1

Data Control Codes	1	Program Revenues		6
		Expenses	3 Charges for Services	4 Operating Grants and Contributions
<b>Primary Government:</b>				
GOVERNMENTAL ACTIVITIES:				
11	\$ 12,225,504	\$ 1,195,335	\$ 1,600,557	\$ (9,429,612)
12	217,551	-	7,046	(210,505)
13	19,567	-	515	(19,052)
21	379,652	448,793	25,148	94,289
23	769,121	-	23,013	(746,108)
31	1,406,222	673,190	396,194	(336,838)
33	311,000	-	9,879	(301,121)
34	743,609	-	13,430	(730,179)
35	752,498	263,342	309,979	(179,177)
36	1,843,748	76,526	28,454	(1,738,768)
41	814,307	-	13,362	(800,945)
51	2,339,461	100	28,687	(2,310,674)
52	86,141	-	88,395	2,254
53	26,786	-	-	(26,786)
72	1,804,505	-	-	(1,804,505)
73	2,500	-	-	(2,500)
93	621,250	-	-	(621,250)
95	13,355	-	-	(13,355)
99	111,577	-	-	(111,577)
[TP] TOTAL PRIMARY GOVERNMENT:	<u>\$ 24,488,354</u>	<u>\$ 2,657,286</u>	<u>\$ 2,544,659</u>	<u>(19,286,409)</u>
Data Control Codes	General Revenues:			
	Taxes:			
MT	Property Taxes, Levied for General Purposes			6,043,169
DT	Property Taxes, Levied for Debt Service			3,041,768
SF	State Aid - Formula Grants			8,494,492
IE	Investment Earnings			1,013,154
MI	Miscellaneous Local and Intermediate Revenue			906,389
TR	Total General Revenues			19,498,972
CN	Change in Net Position			212,563
NB	Net Position - Beginning as Previously Reported			19,683,990
PA	Adjustments and Restatements			(28,577)
	Net Position - Beginning as Restated and Adjusted			19,655,413
NE	Net Position - Ending			<u>\$ 19,867,976</u>

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

JIM NED CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2025

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
<b>ASSETS</b>			
1110 Cash and Cash Equivalents	\$ 1,610,689	\$ 80,180	\$ 15,158
1120 Investments - Current	7,747,006	705,257	9,604,874
1220 Property Taxes - Delinquent	216,484	72,942	-
1230 Allowance for Uncollectible Taxes	(54,121)	(18,236)	-
1240 Due from Other Governments	797,739	778	-
1260 Due from Other Funds	127,878	-	-
1000 Total Assets	<u>\$ 10,445,675</u>	<u>\$ 840,921</u>	<u>\$ 9,620,032</u>
<b>LIABILITIES</b>			
2110 Accounts Payable	\$ 33,009	\$ -	\$ 792,027
2160 Accrued Wages Payable	739,835	-	-
2170 Due to Other Funds	-	-	16,198
2180 Due to Other Governments	1,085,094	14,367	284,067
2190 Due to Student Groups	750	-	-
2200 Accrued Expenditures	16,253	-	-
2300 Unearned Revenue	-	-	-
2000 Total Liabilities	<u>1,874,941</u>	<u>14,367</u>	<u>1,092,292</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2601 Unavailable Revenue - Property Taxes	162,363	54,706	-
2600 Total Deferred Inflows of Resources	<u>162,363</u>	<u>54,706</u>	<u>-</u>
<b>FUND BALANCES</b>			
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	8,527,740
3480 Retirement of Long-Term Debt	-	771,848	-
3490 Other Restricted Fund Balance	-	-	-
Committed Fund Balance:			
3510 Construction	3,500,000	-	-
3600 Unassigned Fund Balance	4,908,371	-	-
3000 Total Fund Balances	<u>8,408,371</u>	<u>771,848</u>	<u>8,527,740</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 10,445,675</u>	<u>\$ 840,921</u>	<u>\$ 9,620,032</u>

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

Other Funds	Total Governmental Funds
\$ 1,217,020	\$ 2,923,047
22,100	18,079,237
-	289,426
-	(72,357)
135,086	933,603
-	127,878
<u>\$ 1,374,206</u>	<u>\$ 22,280,834</u>
\$ 6,850	\$ 831,886
288,216	1,028,051
111,680	127,878
4,745	1,388,273
-	750
13,682	29,935
252,408	252,408
<u>677,581</u>	<u>3,659,181</u>
-	217,069
<u>-</u>	<u>217,069</u>
7,532	7,532
-	8,527,740
-	771,848
689,093	689,093
-	3,500,000
-	4,908,371
<u>696,625</u>	<u>18,404,584</u>
<u>\$ 1,374,206</u>	<u>\$ 22,280,834</u>

JIM NED CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
AUGUST 31, 2025

EXHIBIT C-2

<b>Total Fund Balances - Governmental Funds</b>	\$	18,404,584
1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance, 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 (decrease) net position.		16,329
2 Capital 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 \$72,268,615 and the accumulated depreciation was \$15,947,291. 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 (decrease) net position.		(3,300,141)
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 current capital outlays and debt principal payments is to increase (decrease) net position.		15,087,656
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 \$1,646,870, a deferred resource inflow in the amount of \$327,528, and a net pension liability in the amount of \$5,279,560. This resulted in a decrease in net position.		(3,960,218)
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 \$2,243,886, a deferred resource inflow in the amount of \$3,338,923, and a net OPEB liability in the amount of \$3,797,134. This resulted in a decrease in net position.		(4,892,171)
6 The current depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(1,789,297)
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 unearned revenue as revenue, eliminating interfund transactions, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) net position.		301,234
<b>29 Net Position of Governmental Activities</b>	<b>\$</b>	<b>19,867,976</b>

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

JIM NED CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 6,888,955	\$ 3,088,066	\$ 486,988
5800 State Program Revenues	9,302,208	312,546	-
5900 Federal Program Revenues	41,781	-	-
5020 Total Revenues	<u>16,232,944</u>	<u>3,400,612</u>	<u>486,988</u>
EXPENDITURES:			
Current:			
0011 Instruction	8,963,318	-	-
0012 Instructional Resources and Media Services	225,630	-	-
0013 Curriculum and Instructional Staff Development	20,280	-	-
0021 Instructional Leadership	94,307	-	-
0023 School Leadership	798,856	-	-
0031 Guidance, Counseling, and Evaluation Services	404,264	-	-
0033 Health Services	323,577	-	-
0034 Student (Pupil) Transportation	658,388	-	-
0035 Food Services	-	-	-
0036 Extracurricular Activities	1,300,204	-	-
0041 General Administration	742,588	-	-
0051 Facilities Maintenance and Operations	1,965,048	-	-
0052 Security and Monitoring Services	16,766	-	-
0053 Data Processing Services	26,786	-	-
Debt Service:			
0071 Principal on Long-Term Liabilities	31,429	1,465,000	-
0072 Interest on Long-Term Liabilities	8,319	1,916,522	-
0073 Bond Issuance Cost and Fees	-	2,500	-
Capital Outlay:			
0081 Facilities Acquisition and Construction	-	-	13,566,358
Intergovernmental:			
0093 Payments to Fiscal Agent/Member Districts of SSA	621,250	-	-
0095 Payments to Juvenile Justice Alternative Ed. Prg.	13,355	-	-
0099 Other Intergovernmental Charges	111,577	-	-
6030 Total Expenditures	<u>16,325,942</u>	<u>3,384,022</u>	<u>13,566,358</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(92,998)</u>	<u>16,590</u>	<u>(13,079,370)</u>
OTHER FINANCING SOURCES (USES):			
7915 Transfers In	-	-	-
8911 Transfers Out (Use)	(167,388)	-	-
7080 Total Other Financing Sources (Uses)	<u>(167,388)</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balances	<u>(260,386)</u>	<u>16,590</u>	<u>(13,079,370)</u>
0100 Fund Balance - September 1 (Beginning)	8,668,757	-	21,607,110
1300 Adjustments and Restatements	-	755,258	-
Fund Balance - Sept. 1, as Restated and Adjusted	<u>8,668,757</u>	<u>755,258</u>	<u>21,607,110</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 8,408,371</u>	<u>\$ 771,848</u>	<u>\$ 8,527,740</u>

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

	Prior Year Major Special Revenue Fund	Other Funds	Total Governmental Funds
\$	-	\$ 3,181,311	\$ 13,645,320
	-	295,739	9,910,493
	-	1,677,505	1,719,286
	-	5,154,555	25,275,099
	-	2,494,910	11,458,228
	-	-	225,630
	-	-	20,280
	-	295,803	390,110
	-	-	798,856
	-	1,044,690	1,448,954
	-	-	323,577
	-	-	658,388
	-	730,922	730,922
	-	528,708	1,828,912
	-	17,805	760,393
	-	31,668	1,996,716
	-	87,723	104,489
	-	-	26,786
	-	7,388	1,503,817
	-	165	1,925,006
	-	-	2,500
	-	-	13,566,358
	-	-	621,250
	-	-	13,355
	-	-	111,577
	-	5,239,782	38,516,104
	-	(85,227)	(13,241,005)
	-	167,388	167,388
	-	-	(167,388)
	-	167,388	-
	-	82,161	(13,241,005)
	7,625	1,362,097	31,645,589
	(7,625)	(747,633)	-
	-	614,464	31,645,589
\$	-	\$ 696,625	\$ 18,404,584

JIM NED CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2025

EXHIBIT C-4

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$ (13,241,005)
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 increase (decrease) net position.	(59,679)
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 (decrease) net position.	15,087,656
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 net position.	(1,789,297)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unearned revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) net position.	129,189
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 \$488,072. 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 \$488,024. 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 \$345,893. The net result is a decrease in the change in net position.	(345,845)
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 \$115,337. 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 \$113,343. 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 \$429,550. The net result is an increase in the change in net position.	431,544
<b>Change in Net Position of Governmental Activities</b>	\$ 212,563

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

JIM NED CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
AUGUST 31, 2025

EXHIBIT D-1

	Governmental Activities -	
	Internal Service Fund	
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$	83,125
Total Assets		83,125
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable		6,717
Accrued Expenses		60,079
Total Liabilities		66,796
<b>NET POSITION</b>		
Restricted for Other Purposes		16,329
Total Net Position	\$	16,329

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

JIM NED CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2025

	Governmental Activities -
	Internal Service Fund
<hr/>	
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 30,028
Total Operating Revenues	<u>30,028</u>
OPERATING EXPENSES:	
Payroll Costs	72,770
Professional and Contracted Services	<u>16,937</u>
Total Operating Expenses	<u>89,707</u>
Operating Income (Loss)	(59,679)
Total Net Position - September 1 (Beginning)	<u>76,008</u>
Total Net Position - August 31 (Ending)	<u><u>\$ 16,329</u></u>

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

JIM NED CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2025

EXHIBIT D-3

		Governmental Activities
		-
		Internal Service Fund
<hr/>		
<u>Cash Flows from Operating Activities:</u>		
Cash Received from Assessments - Other Funds	\$	30,028
Cash Payments for Insurance Claims		(53,597)
Net Cash Used for Operating Activities		<u>(23,569)</u>
Net Decrease in Cash and Cash Equivalents		(23,569)
Cash and Cash Equivalents at Beginning of Year		106,694
Cash and Cash Equivalents at End of Year	\$	<u><u>83,125</u></u>
 <u>Reconciliation of Operating Income (Loss) to Net Cash</u>		
<u>Used for Operating Activities:</u>		
Operating Income (Loss):	\$	(59,679)
Effect of Increases and Decreases in Current Assets and Liabilities:		
Increase (decrease) in Accounts Payable		5,671
Increase (decrease) in Accrued Expense		30,439
Net Cash Used for Operating Activities	\$	<u><u>(23,569)</u></u>
 <u>Reconciliation of Total Cash and Cash Equivalents:</u>		
Cash and Cash Equivalents on Balance Sheet	\$	83,125

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

JIM NED CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
AUGUST 31, 2025

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	Custodial Fund
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 5,808
Total Assets	<u>5,808</u>
NET POSITION	
Restricted for Campus Activities	<u>5,808</u>
Total Net Position	<u><u>\$ 5,808</u></u>

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

JIM NED CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2025

EXHIBIT E-2

	Custodial Fund
<b>ADDITIONS:</b>	
Cocurricular Services or Activities	\$ 9,943
Total Additions	9,943
<b>DEDUCTIONS:</b>	
Other Deductions	13,795
Total Deductions	13,795
Change in Fiduciary Net Position	(3,852)
Total Net Position - September 1 (Beginning)	9,660
Total Net Position - August 31 (Ending)	\$ 5,808

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

# JIM NED CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2025

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Jim Ned Consolidated 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 accepted in the United States of America as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District also 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.

#### A. REPORTING ENTITY

The Board of Trustees (the "Board") is elected by the public and has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board ("GASB") in its Statement No. 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 **Jim Ned Consolidated Independent School District** non-fiduciary activities with most of the Inter-fund 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 include 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 revenue is not program revenue, it is general revenue used to support all of the District's functions. Taxes are always general revenues.

Inter-fund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position. All inter-fund transactions between governmental funds and between governmental funds and internal service funds are eliminated on the government-wide statements. Inter-fund activities between governmental funds and enterprise funds remain on the government-wide statements and appear on the government-wide Statement of Net Position as internal balances and on the Statement of Activities as inter-fund transfers. Inter-fund activities between governmental funds and fiduciary funds remain as due to/due from 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 and enterprise funds major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 non-operating. 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 non-operating.

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

Government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the proprietary fund and fiduciary fund financial statements. 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 un-matured 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. The District considers all revenues available if they are collectible within 60 days after year-end.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the "susceptible to accrual" concept, that is, when they are both measurable and available. The District considers them "available" if they will be collected within 60 days of the end of the fiscal year. 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 deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes 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 position, and unrestricted net position.

#### **D. FUND ACCOUNTING**

The District reports the following major governmental funds:

- General Fund** – The general fund is the District's primary operating fund. This fund accounts for all financial resources except those required to be accounted for in another fund.
- Special Revenue Fund** – The District did not maintain major special revenue governmental funds during the current year but did maintain a major special revenue fund in the prior year.
- Capital Projects Fund** - The District did maintain major capital project governmental funds during the current year and the previous year.
- Debt Service Fund** - The District did maintain major debt service governmental funds during the current year; however, did not maintain a major debt service fund in the previous year.
- Other Governmental Fund** - The District did not maintain other major governmental funds during the current year.

The District reports the following major enterprise fund(s):

**The District does not maintain major enterprise funds at present.**

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

##### **Governmental Funds:**

- 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.
- Debt Service Funds** – The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund when applicable.
- Capital Projects Funds** – Proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund when applicable.

##### **Proprietary Funds:**

- Enterprise Funds** – The District's activities for which outside users are charged a fee roughly equal to the cost of providing the goods or services of those activities are accounted for in an enterprise fund when applicable.
- Internal Service Funds** – Revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis (such as workers' compensation) are accounted for in an internal service fund when applicable.

## **Fiduciary Funds:**

**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. When applicable, the District maintains a private purpose trust fund to provide scholarships for students that have graduated from the District.

**Custodial Funds** – The District accounts for resources held for others in a custodial capacity in custodial funds including funds used to account for student activities.

All balances due to the special revenue funds resulted from the time lag between the dates that (1) inter-fund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

During the current year, the District did not make a one-time transfer of funds from the general fund to the debt service fund to subsidize, in part, the District's obligation of interest and sinking fund requirements.

## **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 maturity of three months or less when purchased.
2. The District reports inventories of supplies using the first-in, first-out inventory cost method, if material. The supplies include consumable maintenance, instructional, office, athletic, and transportation items. Under the purchase method, supplies are recorded as expenditures when they are purchased. Inventories of food commodities are recorded at market values supplied by the Department of Agriculture. Although commodities are received at no cost, their fair market value is supplied by the Department of Agriculture and recorded as revenue and expenditures when received. Material inventories (if any) including food commodities are recorded as an asset and a corresponding amount of expenditures are reduced at year-end.
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. Bond issuance costs are reported as expenditures and expenses in the year the bonds are issued.

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 and infrastructure assets 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 asset 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:

<b>ASSETS</b>	<b>YEARS</b>
<b>Buildings</b>	<b>40</b>
<b>Buildings and Improvements</b>	<b>40</b>
<b>Infrastructure</b>	<b>40</b>
<b>Vehicles</b>	<b>10</b>
<b>Office Equipment</b>	<b>10</b>
<b>Computer Equipment</b>	<b>10</b>
<b>Long-term Right-to-Use Lease Assets</b>	<b>Lease Term</b>
<b>Long-term SBITA (Subscription Based Information Technology Arrangements)</b>	<b>Arrangement Term</b>

6. Since Internal Service Funds in the District 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 and expenses of the District as a whole.
7. Restricted assets, if applicable, of the District are limited to cash and certificates of deposit which have been gifted to the District with the stipulation that only the earnings are available for current and future scholarship recipients.
8. The Districts that participate in self-funded workers' compensation programs execute inter-local agreements that define the responsibilities of the parties. The program, if applicable, provides statutory workers' compensation benefits to its members and their injured employees.

9. **Net Position and Fund Balances:**

**Government-wide and Proprietary Fund Net Position:**

Government-wide and proprietary fund net positions are divided into three components:

- Net investment in capital assets—consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted net position—consist of assets that are restricted by the District's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted—all other net positions are reported in this category.

**Governmental Fund Balances:**

In the governmental fund financial statements, fund balances are classified as follows:

- Non-spendable—Amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.
- Restricted—Amounts that can be spent only for specific purposes because of the District's state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed—Amounts that can be used only for specific purposes determined by a formal action by Board of Trustees' ordinance.
- Assigned—Amounts that are designated by the Superintendent for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by the Board of Trustees.
- Unassigned—All amounts not included in other spendable classifications.

10. Use of Restricted Resources:

When an expenditure/expense is incurred that can be paid using either restricted or unrestricted resources (net position), the District's policy is to first apply the expenditure/expense toward restricted resources and then toward unrestricted resources. In governmental funds, the District's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications—committed and then assigned fund balances before using unassigned fund balances.

11. The District has applied Governmental Accounting Standards Board (“GASB”) Statement No. 72, Fair Market 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.

12. Investment income reported in one fund has not been assigned directly to another fund by the District.

13. The Data Control Codes refer to the account code structure prescribed by the Texas Education Agency (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 ensure accuracy in building a statewide database for policy development and funding plans.

14. Deferred Outflows of Resources:

The District reports decreases in net assets that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position. The deferred outflow of resources reported in this year's financial statements results from GASB 68 and 75 accruals for Pension and OPEB liabilities. No deferred outflows of resources affect the governmental funds financial statements in the current year.

15. Deferred Inflows of Resources:

The District's governmental funds report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net assets that applies to a future period(s). The District will not recognize the related revenues until a future event occurs. The District has only one type of item which occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the District's fiscal year) under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, deferred property taxes and grants are reported in the governmental funds balance sheet. The District did have deferred inflows of resources to report in its government-wide or proprietary fund financial statements for the current year resulting from GASB 68 and 75 accruals for Pension and OPEB liabilities.

16. 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.

17. TRS-Care Plan:

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS-Care Plan has been determined using the flow of economic resource measurement focus and full accrual basis of accounting. This includes for purposes of measuring the new OPEB liability, deferred outflows of resources and deferred inflows or 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.

18. Change in Accounting Principles: As the result of implementing GASB Statement No. 101 for Compensated Absences, the District has restated the beginning net position in the government-wide Statement of Net Position and Statement of Activities, decreasing net position as of September 1, 2024, by (\$28,577). The decrease results from including accumulated leave for employees that will **more likely than not** be used in the future as a long-term liability on the government-wide Statement of Net Position. The change is reported as a change in accounting principle according to the provisions of GASB Statement No 100.

## II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

### A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net position for governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period and are not reported as liabilities in the funds. The details of capital assets and long-term debt at the beginning of the year were as follows:

<b>Capital Assets at the Beginning of the Year</b>	<b>Historical Cost</b>	<b>Accumulated Depreciation</b>	<b>Net Value at Beginning of Year</b>	<b>Change in Net Position</b>
Land	\$ 698,711	\$ -	\$ 698,711	
Buildings and Improvements	63,353,041	(12,986,320)	50,366,721	
Furniture and Equipment	3,903,454	(2,858,307)	1,045,147	
Long-Term Right to Use Lease Assets	150,121	(102,664)	47,457	
Construction in Progress	4,163,288	-	4,163,288	
<b>Change in Net Position</b>				\$ 56,321,324
<b>Long-term Liabilities at the Beginning of the Year</b>			<b>Payable at Beginning of Year</b>	
Bonds Payable			\$ 56,905,000	
Add Unamortized Bond Premium			2,477,874	
Notes and Financed Purchase Obligations Payable			-	
Long-Term Right to Use Lease Liabilities			153,704	
Accrued Interest - Bonds			84,887	
<b>Change in Net Position</b>				59,621,465
<b>Net Adjustment to Net Position</b>				<b>\$ (3,300,141)</b>

**B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**

Exhibit C-4 provides reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures, and changes in fund balances and the changes in net position of governmental activities as reported on the government-wide statement of activities. One element of that reconciliation explains that current year capital outlays and debt principal payments are expenditures in the fund financial statements but should be shown as increases in capital assets and decreases in long-term debt in the government-wide statements. This adjustment affects both the net position balance and the change in net position shown in Exhibit C-2 and Exhibit C-4. The details of this adjustment are as follows:

	<b>Amount</b>	<b>Adjustments to Net Position</b>	<b>Adjustments To Changes in Net Position</b>
<b>Current Year Capital Outlay</b>			
Land	\$ -		
Buildings & Improvements	13,451,460		
Furniture & Equipment	132,378		
Long-term Right to Use Lease Assets	-		
Construction in Progress	-		
<b>Total Capital Outlay</b>	<u>\$ 13,583,838</u>	\$ 13,583,838	\$ 13,583,838
<b>Debt Principal Payments</b>			
Bond Principal	\$ 1,465,000		
Note Principal Payments	-		
Long-Term Right to Use Lease Liabilities	38,818		
<b>Total Principal Payments</b>	<u>\$ 1,503,818</u>	1,503,818	1,503,818
<b>Total Adjustment to Net Position</b>		<u>\$ 15,087,656</u>	<u>\$ 15,087,656</u>

Another element of the reconciliation on Exhibits C-2 and C-4 are described as various other reclassifications and eliminations necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. This adjustment is the result of several items. The details of this adjustment are as follows:

	Amount	Adjustments to Net Position	Adjustments to Change in Net Position
<b>Adjustments to Revenue, Deferred Revenue, Beg. Net Position</b>			
Beginning of Year Unavailable Tax Revenue	\$ 172,045	\$ 172,045	
Property tax adjustments to convert from the modified accrual basis to the full accrual basis of accounting	16,446	16,446	\$ 16,446
Other Revenue/Expense Adjustments	(7,758)	(7,758)	(7,758)
<b>Reclassify Proceeds of Bonds, Loans &amp; Capital Leases</b>			
New Bond Issue	-	-	-
Discount (Premium) on Issuance of Bonds	-	-	-
New Loans / Long-term Leases Issued	-	-	-
<b>Reclassify Liabilities Incurred but not Liquidated This Year</b>			
Unused Vacation Pay and/or Unused Sick Leave	-	-	-
<b>Reclassify Certain Expenditures to Full Accrual From Modified Accrual</b>			
Adjust for Current Year Amortization of Bond Premium	118,751	118,751	118,751
Adjust Interest Expense on Long-term Debt	1,750	1,750	1,750
Basis on Disposition of Capital Assets	-	-	-
<b>Totals</b>		<b>\$ 301,234</b>	<b>\$ 129,189</b>

### **III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

#### **A. BUDGETARY DATA**

The Board of Trustees adopts an "appropriated budget" for the General Fund, Debt Service Fund (if applicable) 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 and the other two reports are in the J Exhibits as reported in the required TEA Exhibits.**

The following procedures are followed in establishing the budgetary data reflected in the basic 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. These amendments included additional appropriation for capital assets and facility repairs.

4. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as adopted and amended by the Board of Trustees. All budget appropriations lapse at year-end. A reconciliation of fund balances for both appropriated budget and non-appropriated budget special revenue funds is as follows:

	<b>August 31, 2025 Fund Balance</b>
Appropriated Budget Funds - Food Service Special Revenue Fund	\$ 7,532
Non-appropriated Budget Funds	689,093
<b>All Special Revenue Funds</b>	<b>\$ 696,625</b>

**B. BUDGETARY STEWARDSHIP, COMPLIANCE and ACCOUNTABILITY**

The District has disclosed budgetary stewardship, compliance, and accountability in Section C of the Notes to Required Supplementary Information.

**C. DEFICIT FUND EQUITY**

The District **did not incur a deficit fund balance** in any fund during the current school year.

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**A. CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Cash and Cash Equivalents**

The carrying amount of the District's cash and temporary investments at the end of the fiscal year follows:

<b>CASH AND CASH EQUIVALENTS BY ACCOUNT TYPE</b>	<b>8/31/2025</b>
Cash Deposits in Bank	\$ 3,011,980
Certificates of Deposit Maturity to 3 months	
Cash on Hand	-
Restricted Cash Deposits in Bank	
<b>Total Cash and Cash Equivalents by Account Type</b>	<b>\$ 3,011,980</b>

<b>CASH AND CASH EQUIVALENTS BY FUND</b>	<b>8/31/2025</b>
Cash and Cash Equivalents:	
General Fund	\$ 1,610,689
Major Governmental Funds	95,338
Non-Major Governmental Funds	1,217,020
Enterprise Funds	-
Internal Service Funds	83,125
Custodial Funds	5,808
Trust Funds	-
Other Funds	-
<b>Total Cash and Cash Equivalents by Fund</b>	<b>\$ 3,011,980</b>

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. The District's cash deposits subject to custodial credit risk at the date of the highest cash balance and at year end were:

<b>CUSTODIAL CREDIT RISK</b>	<b>HIGHEST CASH BALANCE</b>	<b>8/31/2025</b>
Name of Depository Bank: Texas National Bank, Tuscola, TX		
Total amount of FDIC Insurance (FDIC)	\$ 500,000	\$ 456,152
Amount of Bond or Securities Pledged	10,924,488	9,787,053
Total FDIC, Bond or Securities Pledged	\$ 11,424,488	\$ 10,243,205
Cash Deposits and Cash Investments in Bank	\$ 9,399,766	\$ 3,335,428
<b>Excess or (Shortage) FDIC and Bond or Pledged Securities Pledged</b>	<b>\$ 2,024,722</b>	<b>\$ 6,907,777</b>
<b>The District's cash deposits were entirely covered by FDIC Insurance or by bond or pledged collateral by the Depository Bank</b>	<b>YES</b>	<b>YES</b>

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 limiting all deposits denominated in a foreign currency.

**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 2 or 3 ratings issued by nationally recognized statistical rating organizations (NRSROs). As of the current fiscal year, the district's investments were rated by Standard & Poor's, Fitch Ratings, etc.

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.

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 to 20% 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.

Interest Rate Risk: To limit the risk that changes in interest rates will adversely affect the fair value of investments, the District requires at least half of the investment portfolio to have maturities of less than one year on a weighted average maturity basis.

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 avoiding all investments denominated in a foreign currency.

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.

The *Lone Star* and *TexStar* investment pools are external investment pools measured at net asset value. Lone Star and TexStar's strategy are to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The District has no unfunded commitments related to the investment pools. Lone Star and TexStar have a redemption notice period of one day and may redeem daily. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pool's liquidity. LoneStar and TexStar are subject to regulatory oversight by the State Treasurer, although the pools are not registered with the Securities and Exchange Commission.

As of the end of the current fiscal year, the District had the following investments:

Investments	August 31, 2025	Value	Quoted	Significant	Significant	Percent of	Weighted	Credit Risk
			Prices in Active Markets for Identical Assets (Level 1)					
Investments measured at amortized cost -								
Investment pools:								
Texpool	\$	-	\$	-	\$	-	0.00%	AAAm*
Investments measured at net asset value (NAV)-								
Investment pools:								
LoneStar		18,079,237		-		-	100.00%	35 AAAm*
TexStar		-		-		-	0.00%	
Investments measured by fair value level -								
U.S. Government Agency Securities:								
Federal Home Loan Bank		-		-		-	0.00%	AA+ to Aaa
Fannie Mae		-		-		-	0.00%	AAAm*
U.S. Treasury Bonds		-		-		-	0.00%	AAAm*
Money Market Mutual Funds		-		-		-	0.00%	Not rated
Certificates of Deposit		-		-		-	0.00%	BBB+ to AA-
Commercial Paper		-		-		-	0.00%	- BBB+ to AA-
Restricted Investments-		-		-		-	0.00%	- BBB+ to AA-
Scholarship Funds-Certificates of Deposit		-		-		-	0.00%	- BBB+ to AA-
Education Foundation-Certificates of Deposit		-		-		-	0.00%	- BBB+ to AA-
<b>Total Investments</b>	\$	18,079,237	\$	-	\$	-	100.00%	

## **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 and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year.

## **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 and Debt Service Funds are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

#### D. INTERFUND BALANCES AND TRANSFERS

Inter-fund balances at year end consisted of the following amounts:

FUND	Due From Other Funds	Due To Other Funds
<b>General Fund</b>		
Major Governmental Funds	\$ 16,198	\$ -
Non-major Governmental Funds	111,680	-
Internal Service Funds	-	-
All Others	-	-
Total General Fund	<u>\$ 127,878</u>	<u>\$ -</u>
<b>Major Governmental Funds</b>		
General Fund	\$ -	\$ 16,198
Non-major Governmental Funds	-	-
Internal Service Funds	-	-
All Others	-	-
Total Major Governmental Funds	<u>\$ -</u>	<u>\$ 16,198</u>
<b>Non-major Governmental Funds</b>		
General Fund	\$ -	\$ 111,680
Other Major Governmental Funds	-	-
Other Non-Major Governmental Funds	-	-
Internal Service Funds	-	-
Total Non-major Governmental Funds	<u>\$ -</u>	<u>\$ 111,680</u>
<b>Internal Service Funds</b>		
General Fund	\$ -	\$ -
Major Governmental Fund	-	-
Non-major Governmental Funds	-	-
All Others	-	-
Total Internal Service Funds	<u>\$ -</u>	<u>\$ -</u>
<b>All Other Funds</b>		
General Fund	\$ -	\$ -
Major Governmental Funds	-	-
Non-major Governmental Funds	-	-
All Others	-	-
Total All Other Funds	<u>\$ -</u>	<u>\$ -</u>
<b>Total Interfund Receivables / Payables</b>	<u><b>\$ 127,878</b></u>	<u><b>\$ 127,878</b></u>

The balance of \$16,198 due to the general fund from the major governmental funds and \$111,680 from the non-major governmental funds resulted from short-term cash loans; \$0 of the balance is not scheduled to be collected in the subsequent year.

Inter-fund transfers for the current year end consisted of the following individual amounts:

FUND	Transfers In	Transfers Out
<b>General Fund</b>		
Major Governmental Funds	\$ -	\$ -
Non-major Governmental Funds	-	167,388
Internal Service Funds	-	-
All Others	-	-
Total General Fund	\$ -	\$ 167,388
<b>Major Governmental Funds</b>		
General Fund	\$ -	\$ -
Non-major Governmental Funds	-	-
Internal Service Funds	-	-
All Others	-	-
Total Major Governmental Funds	\$ -	\$ -
<b>Non-major Governmental Funds</b>		
General Fund	\$ 167,388	\$ -
Other Major Governmental Funds	-	-
Internal Service Funds	-	-
All Others	-	-
Total Non-major Governmental Funds	\$ 167,388	\$ -
<b>Internal Service Funds</b>		
General Fund	\$ -	\$ -
Major Governmental Fund	-	-
Non-major Governmental Funds	-	-
All Others	-	-
Total Internal Service Funds	\$ -	\$ -
<b>All Other Funds</b>		
General Fund	\$ -	\$ -
Major Governmental Funds	-	-
Non-major Governmental Funds	-	-
Internal Service Funds	-	-
Total All Other Funds	\$ -	\$ -
<b>Total Interfund Transfers</b>	<b>\$ 167,388</b>	<b>\$ 167,388</b>

**Inter-fund transfers for the current year end consisted of the following individual amounts:**

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to cover operating deficits in funds such as the Food Service Funds. The District did make an operating transfer from the General Fund to the Food Service Fund during the current year of \$167,388 to cover the food service operating deficit.

During the current year ended, the District did not make a one-time transfer of funds from the general fund to the debt service fund to subsidize, in part, the District's obligation of interest and sinking fund requirements.

**E. DISAGGREGATION OF RECEIVABLES AND PAYABLES**

**Receivables at year end were as follows:**

	Property Taxes	Due From Other Governments	Due From Other Funds	Other	Total Receivables
<b>Governmental Activities:</b>					
General Fund	\$ 216,484	\$ 797,739	\$ 127,878	\$ -	\$ 1,142,101
Major Governmental Fund	-	778	-	-	778
Non-major Governmental Funds	72,942	135,086	-	-	208,028
Internal Service Funds	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>\$ 289,426</b>	<b>\$ 933,603</b>	<b>\$ 127,878</b>	<b>\$ -</b>	<b>1,350,907</b>

**Payables at year end were as follows:**

	Accounts Payable	Accrued Wages Payable	Accrued Expenditures / Expenses	Due To Other Funds	Due To Other Govt.	Other	Total Payables
<b>Governmental Activities:</b>							
General Fund	\$ 33,009	\$ 739,835	\$ 16,253	\$ -	\$ 1,085,094	\$ 750	\$ 1,874,941
Major Governmental Funds	792,027	-	-	16,198	298,434	-	1,106,659
Non-major Governmental Funds	6,850	288,216	13,682	111,680	4,745	-	425,173
Internal Service Funds	6,717	-	60,079	-	-	-	66,796
<b>Total Governmental Type Activities</b>	<b>\$ 838,603</b>	<b>\$ 1,028,051</b>	<b>\$ 90,014</b>	<b>\$ 127,878</b>	<b>\$ 1,388,273</b>	<b>\$ 750</b>	<b>\$ 3,473,569</b>

## F. CAPITAL ASSET ACTIVITY

Capital asset activity for the District for the current year end was as follows:

<b>Primary Government</b>				
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending Balance</b>
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 698,711	\$ -	\$ -	\$ 698,711
Construction In Progress	4,163,288	(4,163,288)	-	-
Depreciable Assets:				
Buildings and Improvements	63,353,041	17,614,748	378,000	80,589,789
Furniture and Equipment	3,903,454	132,379	74,043	3,961,790
Long-term Right to Use Lease Assets	150,121	-	-	150,121
Infrastructure	-	-	-	-
<b>Totals at Historic Cost</b>	<b>\$ 72,268,615</b>	<b>\$ 13,583,839</b>	<b>\$ 452,043</b>	<b>\$ 85,400,411</b>
<b>Less Accumulated Depreciation for:</b>				
Buildings and Improvements	\$ 12,986,320	\$ 1,564,180	\$ 378,000	\$ 14,172,500
Furniture and Equipment	2,858,307	196,267	74,043	2,980,531
Long-term Right to Use Lease Assets	102,664	28,850	-	131,514
Infrastructure	-	-	-	-
<b>Total Accumulated Depreciation</b>	<b>\$ 15,947,291</b>	<b>\$ 1,789,297</b>	<b>\$ 452,043</b>	<b>\$ 17,284,545</b>
<b>Governmental Activities Capital Assets-Net</b>	<b>\$ 56,321,324</b>	<b>\$ 11,794,542</b>	<b>\$ -</b>	<b>\$ 68,115,866</b>

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**Depreciation expense was charged to governmental functions as follows:**

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Instruction	\$ 1,210,511
Instructional Resources and Media Services	450
Curriculum Development and Instructional Staff Development	-
Instructional Leadership	-
School Leadership	-
Guidance, Counseling and Evaluation Services	-
Social Work Services	-
Health Services	-
Student (Pupil) Transportation	101,385
Food Services	36,404
Cocurricular/Extracurricular Activities	50,869
General Administration	12,206
Plant Maintenance and Operations	377,472
Security and Monitoring Service	-
Data Processing Services	-
Community Services	-
Contracted Instructional Services Between Schools	-
In addition, depreciation on capital assets held by the District's Internal Service Fund(s) is charged to the various functions based on their usage of the assets	-
<b>Total Depreciation Expense</b>	<b>\$ 1,789,297</b>

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The District has no capital assets that are not being depreciated as of the current fiscal year end except for land and construction in progress.

**LONG-TERM LEASE ASSETS****Intangible Right-to-Use Assets**

In the fiscal year 2022, the District implemented the guidance in **GASBS No. 87, Leases**, and recognized the value of copiers and postage machines.

As of **August 31, 2025**, the District had several lease agreements in place for copiers and postage machines. In the current year, the District did not enter into new lease agreements. There are no terms of new lease agreements which require amortization and payments over a period of years.

Terms of lease agreements are described in Note H.

**G. SHORT-TERM DEBT PAYABLE**

The District accounts for short-term debts for maintenance purposes through the General Fund. Short-term debts include notes made in accordance with the provisions of the Texas Education Code Section 45.108. The proceeds from loans are shown in the governmental fund financial statements as Other Resources and principal payments are shown as Other Uses. The District had no short-term debt obligations at any time during the current fiscal year.

## H. BONDS AND LONG-TERM NOTES PAYABLE

The following is a summary of the District's long-term debt for the year ended August 31, 2025:					
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
<b>Long-Term Debt Payable:</b>					
General Obligation Bonds	\$ 56,905,000	\$ -	\$ 1,465,000	\$ 55,440,000	\$ 1,510,000
Maintenance Tax Notes	-	-	-	-	-
Financed Purchase Obligations	-	-	-	-	-
Long-Term Right to Use Leases	153,704	-	38,818	114,886	37,624
Long-Term SBITA Liabilities	-	-	-	-	-
<b>Total Long-Term Debt Payable</b>	<b>\$ 57,058,704</b>	<b>\$ -</b>	<b>\$ 1,503,818</b>	<b>\$ 55,554,886</b>	<b>\$ 1,547,624</b>
<b>Other Liabilities:</b>					
Accretion Interest	\$ -	\$ -	\$ -	\$ -	\$ -
Premium on Bond Issuance	2,477,874	-	118,751	2,359,123	-
Compensated Absences Liability	28,577	40,519	32,760	36,336	36,336
Accrued Interest Payable	84,887	83,137	84,887	83,137	83,137
<b>Total Other Liabilities</b>	<b>\$ 2,591,338</b>	<b>\$ 123,656</b>	<b>\$ 236,398</b>	<b>\$ 2,478,596</b>	<b>\$ 119,473</b>
<b>Total Governmental Activities All Long-Term Debt Payable</b>	<b>\$ 59,650,042</b>	<b>\$ 123,656</b>	<b>\$ 1,740,216</b>	<b>\$ 58,033,482</b>	<b>\$ 1,667,097</b>

Governmental Activities Long-Term Debt By Issue:							
Description	Interest Rate	Original Issue	Interest Current Year	Beginning Balance 9/1/2024	Additions	Reductions	Ending Balance 8/31/2025
<b>General Obligation Bonds:</b>							
TAX SCHOOL BUILDING BONDS 2015 SERIES	3.00%-3.50%	\$ 9,370,000	\$ 214,100	\$ 6,965,000	\$ -	\$ 340,000	\$ 6,625,000
TAX SCHOOL BUILDING BONDS 2016 SERIES	2.00%-4.00%	\$ 4,420,000	102,400	3,265,000	-	160,000	3,105,000
TAX SCHOOL BUILDING BONDS 2021 SERIES	1.375%-4.00%	\$ 23,570,000	473,722	21,530,000	-	745,000	20,785,000
U/L TAX SCHOOL BUILDING BONDS 2022 SERIES	4.00%-6.00%	\$ 1,885,000	85,400	1,800,000	-	100,000	1,700,000
U/L TAX SCHOOL BUILDING BONDS 2024 SERIES	4.00%-7.00%	\$ 23,345,000	1,040,900	23,345,000	-	120,000	23,225,000
N/A	0.00 - 0.00%	\$ -	-	-	-	-	-
N/A	0.00 - 0.00%	\$ -	-	-	-	-	-
<b>Total General Obligation Bonds</b>			<b>\$ 1,916,522</b>	<b>\$ 56,905,000</b>	<b>\$ -</b>	<b>\$ 1,465,000</b>	<b>\$ 55,440,000</b>
<b>Maintenance Tax Notes:</b>							
N/A	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
N/A	0.00%	\$ -	-	-	-	-	-
<b>Total Maintenance Tax Notes</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Financed Purchase Obligations:</b>							
N/A	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
N/A	0.00%	\$ -	-	-	-	-	-
<b>Total Financed Purchase Obligations</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Long-Term Right to Use Leases:</b>							
COPY MACHINE LEASES GREAT AMERICA FIN	1.94%	\$ 115,000	\$ 8,163	\$ 139,550	\$ -	\$ 30,841	\$ 108,709
TCEC COPY MACHINE LEASES	1.94%	\$ 30,822	143	10,127	-	6,037	4,090
POSTAGE MACHINES PITNEY BOWES	2.26%	\$ 4,299	22	1,351	-	1,351	-
COPY MACHINE LEASES GREAT AMERICA FIN	6.50%	\$ 3,490	156	2,676	-	589	2,087
<b>Total Long-Term Right to Use Leases</b>			<b>\$ 8,484</b>	<b>\$ 153,704</b>	<b>\$ -</b>	<b>\$ 38,818</b>	<b>\$ 114,886</b>
<b>Long-Term SBITA Liabilities</b>							
N/A	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
N/A	0.00%	\$ -	-	-	-	-	-
<b>Total Long-Term SBITA Liabilities</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Governmental Activities Long-Term Debt Payable</b>			<b>\$ 1,925,006</b>	<b>\$ 57,058,704</b>	<b>\$ -</b>	<b>\$ 1,503,818</b>	<b>\$ 55,554,886</b>

The following table summarizes the District's governmental activities annual debt service requirements for long-term debt as of August 31, 2025:

	General Obligation Bonds		Maintenance Tax Notes		Financed Purchase Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 1,510,000	\$ 1,876,106	\$ -	\$ -	\$ -	\$ -
2027	1,565,000	1,823,306	-	-	-	-
2028	1,705,000	1,754,581	-	-	-	-
2029	1,850,000	1,677,144	-	-	-	-
2030	1,925,000	1,593,344	-	-	-	-
2031-2035	10,645,000	6,868,537	-	-	-	-
2036-2040	12,290,000	5,102,369	-	-	-	-
2041-2045	14,390,000	2,993,669	-	-	-	-
2046-2050	9,560,000	697,903	-	-	-	-
2051-2055	-	-	-	-	-	-
<b>Totals</b>	<b>\$ 55,440,000</b>	<b>\$ 24,386,959</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

	Long-Trm Right to Use Leases		Long-Trm SBITA Liab.		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 37,624	\$ 6,244	\$ -	\$ -	\$ 1,547,624	\$ 1,882,350
2027	35,780	3,969	-	-	1,600,780	1,827,275
2028	38,186	1,572	-	-	1,743,186	1,756,153
2029	3,296	18	-	-	1,853,296	1,677,162
2030	-	-	-	-	1,925,000	1,593,344
2031-2035	-	-	-	-	10,645,000	6,868,537
2036-2040	-	-	-	-	12,290,000	5,102,369
2041-2045	-	-	-	-	14,390,000	2,993,669
2046-2050	-	-	-	-	9,560,000	697,903
2051-2055	-	-	-	-	-	-
<b>Totals</b>	<b>\$ 114,886</b>	<b>\$ 11,803</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 55,554,886</b>	<b>\$ 24,398,762</b>

In prior years, the District has not defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, no trust account assets and liabilities for the defeased bonds exist and none are included in the District's financial statements. As of the current year end, \$0 of bonds considered defeased are still outstanding.

There are a number of limitations and restrictions contained in the general obligation bond indenture. District administration has indicated that the District is in compliance with all significant limitations and restrictions at year end.

**LONG-TERM LEASE OBLIGATIONS**  
**Intangible Right-to-Use Lease Liabilities**

In the fiscal year 2022, the District implemented the guidance of GASB Statement No. 87, *Leases*, for accounting and reporting leases that had previously been reported as operating leases.

***Copier Leases***

The District leases a variety of copier/printers from Great America Finance for a term of 60 months. The leases on the 2021 copiers will expire in the fiscal year 2026. The District therefore has not entered into a new leases. The current leases require a minimum monthly lease payment of \$2,437, plus additional charges for excess usage and excluding applicable taxes. For purposes of discounting future payments on the 2021 leases, the District used the interest rate (1.94%) on its financing agreements to determine an appropriate discount rate. The 2021 leases were discounted using imputed rates of 1.94% to 1.94% to determine the discounted lease liability that matched the buyout payment. The leased equipment and accumulated amortization of the right-to-use assets are outlined in Note F.

***Postage Machine Leases***

The District leases postage machines from Pitney Bowes for a term of 48 months. The District entered into a new leases during 2022 which requires a minimum monthly lease payments of \$90, plus additional charges for excess usage and excluding applicable taxes. For purposes of discounting future payments on the 2022 lease, the District used the interest rate (0%) on its financing agreements to determine an appropriate discount rate. The leased equipment and accumulated amortization of the right-to-use assets are outlined in Note F.

**SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)**

During the fiscal year ended **August 31, 2023**, the District implemented GASB 96 which required the capitalization of Subscription Based Information Technology Arrangements (SBITA) with a subscription term longer than one year. The District is currently not obligated for agreements with time frames longer than one year.

**I. COMMITMENTS UNDER OPERATING LEASES**

Commitments under operating (non-capitalized) lease agreements for facilities and equipment required rental payments during the current year of \$5,111.

**J. COMPENSATED ABSENCES**

Upon time off, retirement or death of certain employees, the District pays any earned and accrued compensated absences. The District liability for compensated absences during the year ended August 31, 2025, is estimated as displayed in the following table:

	<b>Compensated Absences Liability</b>
Balance September 1, 2024	\$ 28,577
Additions - New Entrants and Days Earned	40,519
Deductions - Payments to Participants	32,760
<b>Balance August 31, 2025</b>	<b>\$ 36,336</b>

**K. HEALTH CARE COVERAGE**

The District provided health insurance coverage for employees under the provisions of the Teacher Retirement System of Texas (TRS) active care health insurance plan during the current year. The District paid premiums per month per employee to the plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. The plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

**L. UNEARNED REVENUE AND DEFERRED INFLOWS OF RESOURCES – UNAVAILABLE REVENUE - GOVERNMENTAL FUND FINANCIAL STATEMENTS**

Unearned Revenue and Deferred Inflows of Resources – Unavailable Revenue at year-end consisted of the following:

	General Fund	Special Revenue Funds	Debt Service Fund	Total
<b>Unearned Revenue:</b>				
Unearned Grant Revenue	\$ -	\$ 252,408	\$ -	\$ 252,408
Other Unearned Revenue	-	-	-	-
<b>Total Unearned Revenue</b>	<b>\$ -</b>	<b>\$ 252,408</b>	<b>\$ -</b>	<b>\$ 252,408</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Revenue-Property Taxes	\$ 162,363	\$ 54,706	\$ -	\$ 217,069
Other Unavailable Revenue	-	-	-	-
<b>Total Deferred Inflows</b>	<b>\$ 162,363</b>	<b>\$ 54,706</b>	<b>\$ -</b>	<b>\$ 217,069</b>

**M. DUE FROM OTHER GOVERNMENTS**

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments at year end are summarized below. All federal grants shown below are passed through the TEA and are reported on the combined financial statements as “Due from State Agencies” except for some federal programs which are received directly from the federal government for grants such as the REAP Program.

FUND	Due From State - Foundation Entitlements	Due From State - State & Federal Grants	Due From Other Governments	Totals
General	\$ 797,739	\$ -	\$ -	\$ 797,739
Major Governmental	-	778	-	778
Special Revenue	-	135,086	-	135,086
<b>Totals</b>	<b>\$ 797,739</b>	<b>\$ 135,864</b>	<b>\$ -</b>	<b>\$ 933,603</b>

**N. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES**

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total</b>
Property Taxes	\$ 5,957,640	\$ -	\$ 3,026,360	\$ -	\$ 8,984,000
Penalties, Interest and Other Tax-Related Income Less Tax Rebates	84,491	-	-	-	84,491
Investment Income	428,212	36,249	61,706	486,987	1,013,154
Food Sales	-	264,914	-	-	264,914
SSA Local Revenue Member Districts	60,000	2,243,966	-	-	2,303,966
Co-curricular Student Activities	76,526	-	-	-	76,526
Insurance Recovery & Other	282,086	636,182	-	1	918,269
<b>Totals</b>	<b>\$ 6,888,955</b>	<b>\$ 3,181,311</b>	<b>\$ 3,088,066</b>	<b>\$ 486,988</b>	<b>\$ 13,645,320</b>

**O. LITIGATION**

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is aware of pending exposure to claims related to these areas; however, legal counsel and the District do not expect any financial exposure to assets of the District.

**P. CONSTRUCTION & OTHER SIGNIFICANT COMMITMENTS & CONTINGENCIES**

The District issued bonds during the previous fiscal year for \$23,345,000 for new construction and existing facility renovation. Construction was started for the most part in the fiscal year 2025 with final completion expected during fiscal year 2026. No other obligations were incurred and no additional commitments and/or contingencies in connection with construction or other areas of significance were incurred.

**Q. JOINT VENTURE-SHARED SERVICE ARRANGEMENTS**

The District is a member of the Taylor Callahan Education Shared Services Arrangement ("SSA"). The SSA provides services for special education to member districts. Jim Ned Consolidated Independent School District is the fiscal agent for the SSA. In addition to the District, other member districts participate in the special education cooperative. The fiscal agent provides SSA services. The member districts provide the funds to the fiscal agent. The Shared Services Arrangements - Special Education has been accounted for using Model 3 in the SSA section of the TEA Resource Guide. The District has accounted for the payments to the fiscal agent of the SSA in the General Fund as intergovernmental expenditures. The District's expenditures to the SSA for the current year were as follows:

<b>Shared Services Arrangement</b>	<b>Type of Services</b>	<b>Fiscal Agent</b>	<b>Funding Source</b>	<b>Fiscal Agent Special Revenue Fund</b>	<b>District Special Revenue Fund</b>	<b>Program Expenditures Current Year</b>
Taylor Callahan SSA	Special Education	Jim Ned CISD	Special Education	437	N.A.	\$ 621,250
<b>TOTAL FUNCTION 93 EXPENDITURES</b>						<b>\$ 621,250</b>

The District also participates in shared service arrangements with other school districts for various educational activities. In addition to the District, other member districts participate in the educational cooperatives and the fiscal agent provides SSA services. Jim Ned Consolidated Independent School District is the fiscal agent for the SSA. The funding for each activity is received by the fiscal agent from the grantor agency. The fiscal agent then provides the funds to the member districts. According to guidance provided in TEA's Resource Guide, the Fiscal Agent has accounted for the fiscal agent's activities of the SSA in a Special Revenue Fund. The Shared Services Arrangements has been accounted for using Model 1 in the SSA section of the TEA Resource Guide. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, 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.

## R. SUBSEQUENT EVENTS

In preparing the basic financial statements, District administration has evaluated events and transactions for potential recognition or disclosure through **January 08, 2026**, the date this Annual Financial Report was issued. No material subsequent events have occurred from the current year end of **August 31, 2025**, to the date this Financial Report was issued.

## S. RELATED ORGANIZATIONS

The District at present does not maintain an Educational Foundation (the "Foundation"). These entities are usually established as a not-for-profit entity to provide assistance and support for teachers and students to develop special programs and projects and other school district support activities. This entity would be a "related organization" of the District as defined by *Governmental Accounting Standards Board Statement No. 14 as amended by Statements 39 and 61*.

## T. RELATED PARTY TRANSACTIONS

The District incurs related party transactions with businesses owned or employers for various members of the board of trustees. The District did not incur any material reportable related party transactions or balances as of and during the current year end.

## U. FUND BALANCE / NET POSITION ADJUSTMENTS PER GASB 100 REQUIREMENTS

The District did not make a fund balance adjustment, but did make a net position adjustment to record the change in accounting principal for compensated absences of (\$28,577) during the current year.

### ACCOUNTING CHANGES AND ERROR CORRECTIONS

	Beginning Balance	Change Within Accounting Entity	Change in Accounting Principal	Error Correction	Restated Balance
<b>Net Position Government-Wide Statements</b>					
Governmental Activities	\$ 19,683,990	\$ -	\$ (28,577)	\$ -	\$ 19,655,413
Business-Type Activities	-	-	-	-	-
<b>Total Primary Government</b>	<b>\$ 19,683,990</b>	<b>\$ -</b>	<b>\$ (28,577)</b>	<b>\$ -</b>	<b>\$ 19,655,413</b>
<b>Fund Balances: Governmental Funds</b>					
Major Funds	\$ 31,031,125	\$ -	\$ -	\$ -	\$ 31,031,125
Nonmajor Funds	614,464	\$ -	\$ -	\$ -	614,464
<b>Total Governmental Funds</b>	<b>\$ 31,645,589</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 31,645,589</b>
<b>Fund Net Position: Enterprise Funds</b>					
Major Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Nonmajor Funds	-	-	-	-	-
<b>Total Enterprise Funds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## V. RISK FINANCING AND OTHER COVERAGE

### Workers' Compensation Program

Beginning September 1, 2009, the District established a self-insurance plan for workers' compensation benefits as authorized by Section 504.011 of the Labor Code. The District participates in this plan (School Comp. self-funded workers' compensation program) along with other participating entities. The District contributes annual amounts determined by School Comp. As claims arise, they are submitted to and paid by School Comp. on behalf of the District under terms of a contractual agreement. According to state statute, the District is protected against unanticipated catastrophic claims and aggregate loss by coverage carried through a commercial insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code. Coverage was in effect for specific occurrences exceeding \$300,000 and aggregate retention at \$5,000,000.

The costs associated with this self-insurance plan are reported as Inter-fund transactions to the extent of amounts actuarially determined. Accordingly, they are treated as operating revenues of the Internal Service Fund and operating expenditures of the General Fund. The liabilities of the plan include incurred but not reported claims. These liabilities reported in the funds at year end, are based on the requirements of Governmental Accounting Standards Board No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities include an amount for claims that have been incurred but not reported.

Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors. Workers' compensation liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time were computed by an actuary and are reported at their present value using an expected future investment yield assumption.

Estimates of claims payable and of claims incurred, but not reported as of August 31 are reflected as accounts and claims payable of the Fund. The plan is funded to discharge liabilities of the Fund as they become due. Changes in the balances of claims liabilities during the past two years are as follows:

	<b>Year Ended</b>		<b>Year Ended</b>
	<b>August 31,</b>		<b>August 31,</b>
	<b>2024</b>		<b>2025</b>
Unpaid claims, beginning of year	\$ 27,636	\$	37,840
Incurred claims (including IBNR'S)	12,217		45,050
Claim Payments	(2,013)		(22,811)
<b>Unpaid claims, end of year</b>	<b>\$ 37,840</b>	<b>\$</b>	<b>60,079</b>

## W. DEFINED BENEFIT PENSION PLAN

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

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

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

**Pension Plan Fiduciary Net Position.** 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 provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered under a previous rule. There are no automatic post-employment benefit changes, including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above. Accordingly, the 2023 Texas Legislature passed Senate Bill (SB) 10 and House Joint resolution (HJR) 2 to provide eligible retirees with a one-time-stipend and an ad hoc cost-of-living- adjustment (COLA).

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

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

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

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

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. 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.

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

The following table shows contribution rates by type of contributor for the measurement year 2024 and the contributions by type of contributions reported by TRS which were received by TRS during the TRS measurement year 2024. The reported contributions from the member and the employers are included in the calculation of the district's proportionate share of the net pension liability.

	<u>Contribution Rates</u>	
	<u>2024</u>	<u>2025</u>
Member	8.25%	8.25%
Non-Employer Contributing Entity (State)	8.25%	8.25%
Employers	8.25%	8.25%
Current fiscal year employer contributions		\$ 488,072
Current fiscal year member contributions		\$ 1,109,631
2024 measurement year NECE on-behalf contributions		\$ 795,684
<u>Payments made by the State On-Behalf of the District for Medicare, Part D:</u>		
Fiscal year 2023 Medicare, Part D On-Behalf		\$ 67,353
Fiscal year 2024 Medicare, Part D On-Behalf		\$ 73,544
Fiscal year 2025 Medicare, Part D On-Behalf		\$ 88,684

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entities. 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 the new member's first 90 days of employment.
- When any or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.

In addition to the employer contributions listed above, there is a surcharge and employer is subject to:

- All public schools, charter schools, and regional educational service centers must contribute 1.9 percent of the members' salary beginning in fiscal year 2024, gradually increasing to 2 percent in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

### ***Net Pension Liability***

Components of the net pension liability of the plan as of August 31, 2024, are disclosed below: (From TRS Annual Comprehensive Financial Report 2024, p. 88.)

Components of Liability	Amount
Total Pension Liability	\$ 271,627,434,294
Less: Plan Fiduciary Net Position	(210,543,258,495)
<b>Net Pension Liability</b>	<b>\$ 61,084,175,799</b>
<b>Net Position as Percentage of Total Pension Liability</b>	<b>77.51 %</b>

### ***Actuarial Assumptions.***

The total pension liability in the August 31, 2024, actuarial valuation was determined using the following actuarial assumptions:

Component	Result
Valuation Date	August 31, 2023 rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term Expected Rate	7.00%
Municipal Bond Rate as of August 2024	3.87% - The source for the rate is the Bond Buyers 20 Index which represents the estimated yield of a portfolio of 20 general obligation bonds maturing in 20 years based on a survey of municipal bond traders.
Last year ending August 31 in Projection Period (100 years)	2123
Inflation	2.30%
Salary Increases	2.95% to 8.95% including inflation
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2023. For a full description of these assumptions please see the TRS actuarial valuation report dated **November 21, 2023**.

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

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

The long-term rate of return on pension plan investments is 7.00 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, 2024**, are summarized below:

Table 3.A.1: Asset Allocations			
Asset Class	Target Allocation %**	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
<b>Global Equity</b>			
USA	18.0 %	4.4 %	1.0 %
Non-US Developed	13.0	4.2	0.8
Emerging Markets	9.0	5.2	0.7
Private Equity	14.0	6.7	1.2
<b>Stable Value</b>			
Government Bonds	16.0	1.9	0.4
Stable Value Hedge Funds	5.0	3.0	0.2
Absolute Return*	0.0	4.0	0.0
<b>Real Return</b>			
Real Estate	15.0	6.6	1.2
Energy, Natural Resources & Infrastructure	6.0	5.6	0.4
Commodities	0.0	2.5	0.0
<b>Risk Parity</b>	8.0	4.0	0.4
<b>Asset Allocation Leverage</b>			
Cash	2.0	1.0	0.0
Asset Allocation Leverage	(6.0)	1.3	(0.1)
Inflation Expectation			2.4
Volatility Drag****			(0.7)
<b>Expected Return</b>	<b>100.0 %</b>		<b>7.9 %</b>
*Absolute Return includes Credit Sensitive Investments.			
**Target allocations are based on the FY2024 policy model.			
***Capital Market Assumptions (CMA) come from 2024 SAA Study CMA Survey (as of 12/31/2023)			
****The volatility drag results from the conversion between arithmetic and geometric mean returns.			

**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:	\$ 8,432,795	\$ 5,279,560	\$ 2,666,880

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** As of **August 31, 2025**, Jim Ned Consolidated Independent School District reported a liability of \$5,279,560 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to Jim Ned Consolidated Independent School District. The amount recognized by Jim Ned Consolidated Independent School 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 Jim Ned Consolidated Independent School District were as follows:

District's proportionate share of the collective net pension liability	\$ 5,279,560
State's proportionate share that is associated with the District	<u>8,624,786</u>
Total	<u>\$ 13,904,346</u>

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

As of **August 31, 2024**, the employer's proportion of the collective net pension liability was 0.0086430892%, which was an increase(decrease) of (0.0005015766)% from its proportion measured as of **August 31, 2023**.

**Changes In Actuarial Assumptions Since the Prior Actuarial Valuation** – The actuarial assumptions and methods are the same as used in the determination of the prior year's net pension liability.

**Changes in Benefits** - The 2023 Texas Legislature passed Senate Bill 10 (SB10), which provided a stipend payment to certain retirees and variable ad hoc cost-of-living adjustments (COLA) to certain retirees in early fiscal year 2024. Due to its timing, the legislation and payments were not reflected in **the August 31, 2023**, actuarial valuation. Under the roll forward method, an adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, **August 31, 2024**. SB 10 and House Joint Resolution 2 (HJR 2) of the 88th Regular Legislative Session appropriated payments of \$1,645 billion for on-time stipends and \$3,355 billion for COLAs. This appropriation is treated as a supplemental contribution and included in other additions. Since the Legislature appropriated funds for this one-time stipend and COLA, there was no impact on the Net Pension Liability of TRS.

For the year ended **August 31, 2025**, Jim Ned Consolidated Independent School District recognized pension expense of \$1,864,723 and revenue of \$1,030,806 for support provided by the State in the Government Wide Statement of Activities.

Year Ended August 31, 2025 pension expense \$ 1,864,723

Revenue for support provided by the State \$ 1,030,806

As of **August 31, 2025**, Jim Ned Consolidated Independent School 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: (The amounts shown below will be the cumulative layers from the current and prior years combined.)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	\$ 291,002	\$ 41,220
Changes in actuarial assumptions	272,595	36,546
Differences between projected and actual investment earnings	32,093	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	563,108	249,762
Total as of August 31, 2024 measurement date	\$ 1,158,798	\$ 327,528
Contributions paid to TRS subsequent to the measurement date	488,072	
Total as of fiscal year-end	<b>\$ 1,646,870</b>	<b>\$ 327,528</b>

The net amounts of the employer's balances of deferred outflows and inflows (not including the deferred contribution paid subsequent to the measurement date) of resources related to pensions will be recognized by the district in pension expense as follows:

Fiscal year ended August 31,	Pension Expense Amount
2026	\$ 123,782
2027	682,744
2028	151,585
2029	(114,710)
2030	(12,132)
Thereafter	1

## X. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

**Summary of Significant Accounting Policies.** 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.

**Plan Description.** The Jim Ned Consolidated Independent School 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 that are 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.

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

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

**Contributions.** Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and participating employers 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 2024. 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.

	<b>Contribution Rates</b>	
	<b>2024</b>	<b>2025</b>
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 employer contributions		\$ 115,337
Current fiscal year member contributions		\$ 87,426
2024 measurement year NECE on-behalf contributions		\$ 142,388

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

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

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

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.

Component	Result
Valuation Date	August 31, 2023 rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry-Age Normal
Inflation	2.30%
Single Discount Rate	3.87% as of August 31, 2024
Aging Factors	Based on the Society of Actuaries' 2013 Study "Health Care Costs - From Birth to Death".
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Salary Increases	2.95% to 8.95%, including inflation
Ad Hoc Post-Employment Benefit Changes	None

From 2024 TRS ACFR, Note 9, page 79.

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

**Discount Rate.** A single discount rate of 3.87 percent was used to measure the total OPEB liability. This was a decrease of 0.26 percent in the discount rate from the previous year. Because the investments are held in cash and there is no intentional objective to advance funding 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, 2024, 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 (3.87%) in measuring the net OPEB liability.

	1% Decrease in Discount Rate (2.87%)	Discount Rate (3.87%)	1% Increase in Discount Rate (4.87%)
Proportionate share of the net OPEB liability	\$ 4,511,172	\$ 3,797,134	\$ 3,220,180

**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
Proportionate share of net OPEB liability	\$ 3,092,202	\$ 3,797,134	\$ 4,715,730

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs.** As of **August 31, 2025**, Jim Ned Consolidated Independent School District reported a liability of \$3,797,134 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 Jim Ned Consolidated Independent School District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 3,797,134
State's proportionate share that is associated with the District	4,757,757
Total	<u>\$ 8,554,891</u>

The net OPEB liability was measured as of **August 31, 2023**, and rolled forward to **August 31, 2024**, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The 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, 2023**, through **August 31, 2024**.

As of **August 31, 2024**, the employer's proportion of the collective net OPEB liability was 0.0125105175%. This is an increase (decrease) of (0.0000038542)% from its proportion measured as of **August 31, 2023**.

**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:

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

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

For the year ended **August 31, 2025**, Jim Ned Consolidated Independent School District recognized OPEB expense of \$(934,628) and revenue of \$(618,421) for support provided by the State.

As of **August 31, 2025**, Jim Ned Consolidated Independent School District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	\$ 727,783	\$ 1,894,976
Changes in actuarial assumptions	485,988	1,238,961
Differences between projected and actual investment earnings	-	10,633
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	914,778	194,353
Contributions paid to TRS subsequent to the measurement date	115,337	
<b>Total as of fiscal year-end</b>	<b>\$ 2,243,886</b>	<b>\$ 3,338,923</b>

The net amounts of the employer's balances of deferred outflows and inflows (not including the deferred contribution paid subsequent to the measurement date) of resources related to OPEBs will be recognized by the district in OPEB expense as follows:

Fiscal year ended August 31,	OPEB Expense Amount
2026	\$ (414,747)
2027	(242,771)
2028	(298,498)
2029	(214,933)
2030	(109,394)
Thereafter	69,969

**REQUIRED SUPPLEMENTARY INFORMATION**

JIM NED CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 6,697,194	\$ 9,042,466	\$ 6,888,955	\$ (2,153,511)
5800 State Program Revenues	8,650,948	8,650,949	9,302,208	651,259
5900 Federal Program Revenues	100,000	100,001	41,781	(58,220)
5020 Total Revenues	15,448,142	17,793,416	16,232,944	(1,560,472)
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	9,141,285	10,102,263	8,963,318	1,138,945
0012 Instructional Resources and Media Services	236,249	261,084	225,630	35,454
0013 Curriculum and Instructional Staff Development	2,625	22,360	20,280	2,080
0021 Instructional Leadership	110,080	121,652	94,307	27,345
0023 School Leadership	801,764	886,050	798,856	87,194
0031 Guidance, Counseling, and Evaluation Services	410,127	453,242	404,264	48,978
0033 Health Services	332,866	367,859	323,577	44,282
0034 Student (Pupil) Transportation	686,462	758,626	658,388	100,238
0036 Extracurricular Activities	1,359,129	1,515,438	1,300,204	215,234
0041 General Administration	819,307	905,436	742,588	162,848
0051 Facilities Maintenance and Operations	1,972,463	2,408,377	1,965,048	443,329
0052 Security and Monitoring Services	16,731	25,071	16,766	8,305
0053 Data Processing Services	24,151	29,532	26,786	2,746
Debt Service:				
0071 Principal on Long-Term Liabilities	38,000	51,878	31,429	20,449
0072 Interest on Long-Term Liabilities	9,500	12,816	8,319	4,497
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	216,971	-	216,971
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	621,250	686,559	621,250	65,309
0095 Payments to Juvenile Justice Alternative Ed. Prg.	10,000	13,523	13,355	168
0099 Other Intergovernmental Charges	110,000	190,634	111,577	79,057
6030 Total Expenditures	16,701,989	19,029,371	16,325,942	2,703,429
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,253,847)	(1,235,955)	(92,998)	1,142,957
<b>OTHER FINANCING SOURCES (USES):</b>				
8911 Transfers Out (Use)	(216,950)	(227,798)	(167,388)	60,410
1200 Net Change in Fund Balances	(1,470,797)	(1,463,753)	(260,386)	1,203,367
0100 Fund Balance - September 1 (Beginning)	8,668,757	8,668,757	8,668,757	-
3000 Fund Balance - August 31 (Ending)	\$ 7,197,960	\$ 7,205,004	\$ 8,408,371	\$ 1,203,367

JIM NED CONSOLIDATED 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, 2025

	FY 2025 <u>Plan Year 2024</u>	FY 2024 <u>Plan Year 2023</u>	FY 2023 <u>Plan Year 2022</u>
District's Proportion of the Net Pension Liability (Asset)	0.008643089%	0.009144846%	0.007900754%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 5,279,560	\$ 6,281,627	\$ 4,690,475
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	8,624,786	9,262,135	7,751,366
Total	<u>\$ 13,904,346</u>	<u>\$ 15,543,762</u>	<u>\$ 12,441,841</u>
District's Covered Payroll	\$ 13,271,148	\$ 12,566,516	\$ 10,710,037
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	39.78%	49.99%	43.80%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.51%	73.15%	75.62%

Note: GASB Codification, Vol. 2, P20.183 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2024 for year 2025, August 31, 2023 for year 2024, August 31, 2022 for year 2023, August 31, 2021 for year 2022, August 31, 2020 for year 2021, August 31, 2019 for year 2020, August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, and August 31, 2015 for year 2016.

<u>FY 2022</u> <u>Plan Year 2021</u>	<u>FY 2021</u> <u>Plan Year 2020</u>	<u>FY 2020</u> <u>Plan Year 2019</u>	<u>FY 2019</u> <u>Plan Year 2018</u>	<u>FY 2018</u> <u>Plan Year 2017</u>	<u>FY 2017</u> <u>Plan Year 2016</u>	<u>FY 2016</u> <u>Plan Year 2015</u>
0.007256066%	0.006892053%	0.007253693%	0.007343502%	0.007517934%	0.007263%	0.0076757%
\$ 1,847,863	\$ 3,691,243	\$ 3,770,696	\$ 4,042,042	\$ 2,403,830	\$ 2,744,581	\$ 2,713,258
3,591,520	7,288,460	6,014,457	6,603,700	4,002,312	4,668,967	4,487,827
<u>\$ 5,439,383</u>	<u>\$ 10,979,703</u>	<u>\$ 9,785,153</u>	<u>\$ 10,645,742</u>	<u>\$ 6,406,142</u>	<u>\$ 7,413,548</u>	<u>\$ 7,201,085</u>
\$ 10,228,459	\$ 9,615,055	\$ 8,309,987	\$ 8,174,325	\$ 8,115,844	\$ 7,603,413	\$ 7,402,835
18.07%	38.39%	45.38%	49.45%	29.62%	36.10%	36.65%
88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%

JIM NED CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED AUGUST 31, 2025

	2025	2024	2023
Contractually Required Contribution	\$ 488,072	\$ 488,024	\$ 482,391
Contribution in Relation to the Contractually Required Contribution	(488,072)	(488,024)	(482,391)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 13,450,061	\$ 13,271,148	\$ 12,566,516
Contributions as a Percentage of Covered Payroll	3.63%	3.68%	3.84%

Note: GASB Codification, Vol. 2, P20.183 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

	2022	2021	2020	2019	2018	2017	2016
\$	366,266	\$ 309,574	\$ 277,336	\$ 253,888	\$ 247,500	\$ 252,511	\$ 230,764
	(366,266)	(309,574)	(277,336)	(253,888)	(247,500)	(252,511)	(230,764)
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	10,710,037	\$ 10,228,459	\$ 9,615,055	\$ 8,309,987	\$ 8,174,325	\$ 8,115,844	\$ 7,603,413
	3.42%	3.03%	2.88%	3.06%	3.03%	3.11%	3.04%

JIM NED CONSOLIDATED 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, 2025

	FY 2025 Plan Year 2024	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.012510518%	0.012895937%	0.011968478%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 3,797,134	\$ 2,854,942	\$ 2,865,733
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	4,757,757	3,444,926	3,495,744
Total	<u>\$ 8,554,891</u>	<u>\$ 6,299,868</u>	<u>\$ 6,361,477</u>
District's Covered Payroll	\$ 13,271,148	\$ 12,566,516	\$ 10,710,037
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	28.61%	22.72%	26.76%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	13.70%	14.94%	11.52%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. For example, the amounts for FY 2025 are for the measurement date of August 31, 2024, etc.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

<u>FY 2022</u> <u>Plan Year 2021</u>	<u>FY 2021</u> <u>Plan Year 2020</u>	<u>FY 2020</u> <u>Plan Year 2019</u>	<u>FY 2019</u> <u>Plan Year 2018</u>	<u>FY 2018</u> <u>Plan Year 2017</u>
0.011517393%	0.011188182%	0.01043914%	0.010539575%	0.010503728%
\$ 4,442,773	\$ 4,253,133	\$ 4,936,796	\$ 5,262,506	\$ 4,567,677
5,952,326	5,715,192	6,559,899	6,568,558	5,922,061
<u>\$ 10,395,099</u>	<u>\$ 9,968,325</u>	<u>\$ 11,496,695</u>	<u>\$ 11,831,064</u>	<u>\$ 10,489,738</u>
\$ 10,228,459	\$ 9,615,055	\$ 8,309,987	\$ 8,174,325	\$ 8,115,844
43.44%	44.23%	59.41%	64.38%	56.28%
6.18%	4.99%	2.66%	1.57%	0.91%

JIM NED CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED AUGUST 31, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Contractually Required Contribution	\$ 115,337	\$ 113,343	\$ 114,113
Contribution in Relation to the Contractually Required Contribution	(115,337)	(113,343)	(114,113)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 13,450,061	\$ 13,271,148	\$ 12,566,516
Contributions as a Percentage of Covered Payroll	0.86%	0.85%	0.91%

Note: GASB Codification, Vol. 2, P50.238 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

Information in this schedule should be provided only for the years where data is available. Eventually 10 years of data should be presented.

	2022	2021	2020	2019	2018
\$	98,464	\$ 89,012	\$ 84,085	\$ 74,089	\$ 72,732
	(98,464)	(89,012)	(84,085)	(74,089)	(72,732)
\$	-	\$ -	\$ -	\$ -	\$ -
\$	10,710,037	\$ 10,228,459	\$ 9,615,055	\$ 8,309,987	\$ 8,174,325
	0.92%	0.87%	0.87%	0.89%	0.89%

**JIM NED CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED AUGUST 31, 2025**

**A. Notes to Schedules for the TRS Pension**

**Changes of Benefit terms**

The Texas 2023 Legislature passed Senate Bill 10 (SB 10), which provided a stipend payment to certain retirees and variable ad hoc cost-of-living adjustments (COLA) to certain retirees in early fiscal year 2024. Due to its timing, the legislation and payments were not reflected in the August 31, 2023, actuarial valuation. Under the roll forward method, an adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, August 31, 2024. SB 10 and House joint Resolution 2 (HJR 2) of the 88th Regular Legislative Session appropriated payments of \$1,645 billion for one-time stipends and \$3,355 billion for COLAs. This appropriation is treated as a supplemental contribution and included in other additions. Since the Legislature appropriated funds for this one-time stipend and COLA, there was no impact on the Net Pension Liability of TRS.

**Changes of Assumptions**

There were no changes in the actuarial assumptions.

**B. Notes to Schedules for the TRS OPEB Plan**

**Changes in Benefits**

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

**Changes in Assumptions**

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

- The single discount rate changed from 4.13 percent as of August 31, 2023, to 3.87 percent as of August 31, 2024. accompanied by revised demographic and economic assumptions based on the TRS experience study.

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

**C. Stewardship, Compliance and Accountability**

**Budget**

The Board of Trustees (local school board) is legally required to adopt an annual budget (on a 12-month basis) for the general fund, the food service fund, and the debt service fund. The budgets must be prepared by August 20 and adopted by the local school board before expenditures are made and, if applicable, before the tax rate for the year is set.

- The required supplementary information for the general fund budget is located in Exhibit G-1 “Budgetary Comparison Schedule – General Fund.
- The required Texas Education Agency (TEA) schedules for the food service fund is located in Exhibit J-2 “Budgetary Comparison Schedule – Child Nutrition Fund.
- The required Texas Education Agency (TEA) schedules for the debt service fund is located in Exhibit J-3 “Budgetary Comparison Schedule – Debt Service Fund”.

**JIM NED CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED AUGUST 31, 2025**

Once a budget is approved, it can be amended at the fund and function level only by a majority of the members of the Board of Trustees.

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under State of Texas law, appropriations lapse at year end August 31, and encumbrances outstanding at that time are to be either cancelled or appropriately provided for in the subsequent year's budget.

It is a violation of Texas State Law for expenditures to exceed the budget in any function of the general fund, the food service fund, or the debt service fund.

**Expenditures Exceeding Appropriation**

- The current year expenditures did not exceed appropriations in any functions in the general fund as detailed in Exhibit G-1 "Budgetary Comparison Schedule -General Fund".
- The current year expenditures did not exceed appropriations in any functions in the food service fund as detailed in Exhibit J-2 "Budgetary Comparison Schedule -Child Nutrition Fund".
- The current year expenditures also did not exceed appropriations in any functions in the debt service fund as detailed in Exhibit J-3 "Budgetary Comparison Schedule -Debt Service Fund".

**SUPPLEMENTARY INFORMATION –  
COMBINING SCHEDULES**

JIM NED CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2025

Data Control Codes	211 ESEA I, A Improving Basic Program	240 National Breakfast and Lunch Program	255 ESEA II,A Training and Recruiting	282 ESSER III ARP Act	
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ 20,987	\$ 37,023	\$ -	\$ -
1120	Investments - Current	-	149	-	-
1240	Due from Other Governments	37,050	16,695	-	-
1000	<b>Total Assets</b>	<b>\$ 58,037</b>	<b>\$ 53,867</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES</b>					
2110	Accounts Payable	\$ -	\$ 93	\$ -	\$ -
2160	Accrued Wages Payable	12,157	23,271	-	-
2170	Due to Other Funds	39,728	22,474	-	-
2180	Due to Other Governments	4,745	-	-	-
2200	Accrued Expenditures	1,407	497	-	-
2300	Unearned Revenue	-	-	-	-
2000	<b>Total Liabilities</b>	<b>58,037</b>	<b>46,335</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>					
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	7,532	-	-
3490	Other Restricted Fund Balance	-	-	-	-
3000	<b>Total Fund Balances</b>	<b>-</b>	<b>7,532</b>	<b>-</b>	<b>-</b>
4000	<b>Total Liabilities and Fund Balances</b>	<b>\$ 58,037</b>	<b>\$ 53,867</b>	<b>\$ -</b>	<b>\$ -</b>

289 Other Federal Special Revenue Funds	313 SSA IDEA, Part B Formula	314 SSA IDEA, Part B Preschool	365 SSA - IDEA B Preschool ARP Act	410 State Instructional Materials	429 Other State Special Revenue Funds	437 SSA Special Education	454 SSA -TCEC 504 Services
\$ -	\$ 31,260	\$ -	\$ -	\$ -	\$ -	\$ 328,565	\$ 309,997
-	19,380	2,571	-	-	-	-	-
7,500	24,667	3,165	-	18,852	27,157	-	-
<u>\$ 7,500</u>	<u>\$ 75,307</u>	<u>\$ 5,736</u>	<u>\$ -</u>	<u>\$ 18,852</u>	<u>\$ 27,157</u>	<u>\$ 328,565</u>	<u>\$ 309,997</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,251	\$ -	\$ 506
534	67,889	2,752	-	-	-	125,892	55,721
6,904	-	2,663	-	18,852	20,906	153	-
-	-	-	-	-	-	-	-
62	7,418	321	-	-	-	2,615	1,362
-	-	-	-	-	-	-	252,408
<u>7,500</u>	<u>75,307</u>	<u>5,736</u>	<u>-</u>	<u>18,852</u>	<u>27,157</u>	<u>128,660</u>	<u>309,997</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	199,905	-
-	-	-	-	-	-	199,905	-
<u>\$ 7,500</u>	<u>\$ 75,307</u>	<u>\$ 5,736</u>	<u>\$ -</u>	<u>\$ 18,852</u>	<u>\$ 27,157</u>	<u>\$ 328,565</u>	<u>\$ 309,997</u>

JIM NED CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2025

Data Control Codes	459 Other SSA Special Revenue Funds	461 Campus Activity Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
1110	\$ -	\$ 489,188	\$ 1,217,020
1120	-	-	22,100
1240	-	-	135,086
1000	<u>\$ -</u>	<u>\$ 489,188</u>	<u>\$ 1,374,206</u>
<b>LIABILITIES</b>			
2110	\$ -	\$ -	\$ 6,850
2160	-	-	288,216
2170	-	-	111,680
2180	-	-	4,745
2200	-	-	13,682
2300	-	-	252,408
2000	<u>-</u>	<u>-</u>	<u>677,581</u>
<b>FUND BALANCES</b>			
Restricted Fund Balance:			
3450	-	-	7,532
3490	-	489,188	689,093
3000	<u>-</u>	<u>489,188</u>	<u>696,625</u>
4000	<u>\$ -</u>	<u>\$ 489,188</u>	<u>\$ 1,374,206</u>

JIM NED CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes	211 ESEA I, A Improving Basic Program	240 National Breakfast and Lunch Program	255 ESEA II,A Training and Recruiting
<b>REVENUES:</b>			
5700 Total Local and Intermediate Sources	\$ -	\$ 264,914	\$ -
5800 State Program Revenues	-	26,803	-
5900 Federal Program Revenues	135,331	271,724	20,282
5020 Total Revenues	<u>135,331</u>	<u>563,441</u>	<u>20,282</u>
<b>EXPENDITURES:</b>			
Current:			
0011 Instruction	135,331	-	20,282
0021 Instructional Leadership	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	-	-
0035 Food Services	-	730,922	-
0036 Extracurricular Activities	-	-	-
0041 General Administration	-	-	-
0051 Facilities Maintenance and Operations	-	-	-
0052 Security and Monitoring Services	-	-	-
Debt Service:			
0071 Principal on Long-Term Liabilities	-	-	-
0072 Interest on Long-Term Liabilities	-	-	-
6030 Total Expenditures	<u>135,331</u>	<u>730,922</u>	<u>20,282</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
7915 Transfers In	-	167,388	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>167,388</u>	<u>-</u>
1200 Net Change in Fund Balance	-	(93)	-
0100 Fund Balance - September 1 (Beginning), as Previously Reported	-	-	-
1300 Adjustments and Restatements	-	7,625	-
Fund Balance - September 1, as Restated and Adjusted	<u>-</u>	<u>7,625</u>	<u>-</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ 7,532</u>	<u>\$ -</u>

282 ESSER III ARP Act	289 Other Federal Special Revenue Funds	313 SSA IDEA, Part B Formula	314 SSA IDEA, Part B Preschool	365 SSA - IDEA B Preschool ARP Act	410 State Instructional Materials	429 Other State Special Revenue Funds	437 SSA Special Education
\$ -	\$ 7,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,531,641
-	-	-	-	-	56,165	87,723	88,480
-	-	1,195,881	29,020	-	-	-	25,267
-	7,500	1,195,881	29,020	-	56,165	87,723	1,645,388
-	7,500	812,897	29,020	-	56,165	-	1,214,567
-	-	17,504	-	-	-	-	155,934
-	-	365,480	-	-	-	-	264,171
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	2,042
-	-	-	-	-	-	-	4,502
-	-	-	-	-	-	87,723	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	7,500	1,195,881	29,020	-	56,165	87,723	1,641,216
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	4,172
-	-	-	-	-	-	-	195,733
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 199,905

JIM NED CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes	454 SSA -TCEC 504 Services	459 Other SSA Special Revenue Funds	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 770,466	\$ -	\$ 606,790	\$ 3,181,311
5800 State Program Revenues	36,568	-	-	295,739
5900 Federal Program Revenues	-	-	-	1,677,505
5020 Total Revenues	<u>807,034</u>	<u>-</u>	<u>606,790</u>	<u>5,154,555</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	219,148	-	-	2,494,910
0021 Instructional Leadership	122,365	-	-	295,803
0031 Guidance, Counseling, and Evaluation Services	415,039	-	-	1,044,690
0035 Food Services	-	-	-	730,922
0036 Extracurricular Activities	-	-	528,708	528,708
0041 General Administration	15,763	-	-	17,805
0051 Facilities Maintenance and Operations	27,166	-	-	31,668
0052 Security and Monitoring Services	-	-	-	87,723
Debt Service:				
0071 Principal on Long-Term Liabilities	7,388	-	-	7,388
0072 Interest on Long-Term Liabilities	165	-	-	165
6030 Total Expenditures	<u>807,034</u>	<u>-</u>	<u>528,708</u>	<u>5,239,782</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
7915 Transfers In	-	-	-	167,388
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>167,388</u>
1200 Net Change in Fund Balance	-	-	78,082	82,161
0100 Fund Balance - September 1 (Beginning), as Previously Reported	-	-	411,106	606,839
1300 Adjustments and Restatements	-	-	-	7,625
Fund Balance - September 1, as Restated and Adjusted	<u>-</u>	<u>-</u>	<u>411,106</u>	<u>614,464</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 489,188</u>	<u>\$ 696,625</u>

59G Prior Year NonMajor Debt Service Fund	Total Nonmajor Governmental Funds
\$ -	\$ 3,181,311
-	295,739
-	1,677,505
-	5,154,555
-	2,494,910
-	295,803
-	1,044,690
-	730,922
-	528,708
-	17,805
-	31,668
-	87,723
-	7,388
-	165
-	5,239,782
-	167,388
-	167,388
-	82,161
755,258	1,362,097
(755,258)	(747,633)
-	614,464
\$ -	\$ 696,625

**OTHER INFORMATION  
REQUIRED TEA SCHEDULES**

JIM NED CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
 FOR THE YEAR ENDED AUGUST 31, 2025

Last 10 Years August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2016 and prior years	Various	Various	\$ Various
2017	1.040000	0.220000	376,772,516
2018	1.040000	0.220000	403,503,897
2019	1.040000	0.162400	433,187,634
2020	0.970000	0.149500	499,845,866
2021	0.946800	0.135800	634,462,080
2022	0.903600	0.321000	669,256,317
2023	0.854600	0.252700	836,907,460
2024	0.669200	0.230700	837,555,176
2025 (School year under audit)	0.666900	0.340100	899,463,567
1000 TOTALS			
8000 Total Taxes Refunded Under Section 26.1115, Tax Code			

(10) Beginning Balance 9/1/2024	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2025	(99) Taxes Refunded Under Section 26.1115c
\$ 48,101	\$	\$ 12,547	\$ 897	\$ (170)	\$ 34,487	
10,875		969	205	1	9,702	
11,464		885	187	(80)	10,312	
10,555		964	151	1	9,441	
12,800		3,362	518	(25)	8,895	
13,291		1,445	207	(580)	11,059	
22,537		2,405	910	(56)	19,166	
33,750		5,423	1,604	(3,602)	23,121	
104,124		20,599	7,101	(48,308)	28,116	
	9,058,750	5,909,041	3,014,582	-	135,127	
<u>\$ 267,497</u>	<u>\$ 9,058,750</u>	<u>\$ 5,957,640</u>	<u>\$ 3,026,362</u>	<u>\$ (52,819)</u>	<u>\$ 289,426</u>	

\$ -

JIM NED CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM  
FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 222,786	\$ 260,150	\$ 264,914	\$ 4,764
5800 State Program Revenues	28,341	28,341	26,803	(1,538)
5900 Federal Program Revenues	280,000	280,000	271,724	(8,276)
5020 Total Revenues	531,127	568,491	563,441	(5,050)
<b>EXPENDITURES:</b>				
Current:				
0035 Food Services	747,286	784,650	730,922	53,728
6030 Total Expenditures	747,286	784,650	730,922	53,728
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(216,159)	(216,159)	(167,481)	48,678
<b>OTHER FINANCING SOURCES (USES):</b>				
7915 Transfers In	216,159	216,159	167,388	(48,771)
1200 Net Change in Fund Balances	-	-	(93)	(93)
0100 Fund Balance - September 1 (Beginning)	7,625	7,625	7,625	-
3000 Fund Balance - August 31 (Ending)	\$ 7,625	\$ 7,625	\$ 7,532	\$ (93)

JIM NED CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - DEBT SERVICE FUND  
 FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 3,064,789	\$ 3,197,115	\$ 3,088,066	\$ (109,049)
5800 State Program Revenues	310,283	356,108	312,546	(43,562)
5020 Total Revenues	3,375,072	3,553,223	3,400,612	(152,611)
<b>EXPENDITURES:</b>				
Debt Service:				
0071 Principal on Long-Term Liabilities	1,450,000	1,465,000	1,465,000	-
0072 Interest on Long-Term Liabilities	1,922,072	1,916,522	1,916,522	-
0073 Bond Issuance Cost and Fees	3,000	171,701	2,500	169,201
6030 Total Expenditures	3,375,072	3,553,223	3,384,022	169,201
1200 Net Change in Fund Balances	-	-	16,590	16,590
0100 Fund Balance - September 1 (Beginning)	755,258	755,258	755,258	-
3000 Fund Balance - August 31 (Ending)	\$ 755,258	\$ 755,258	\$ 771,848	\$ 16,590

JIM NED CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
 USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAMS  
 FOR THE YEAR ENDED AUGUST 31, 2025

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**Section A: Compensatory Education Programs**

AP1	Did your district expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the district have written policies and procedures for its state compensatory education program?	Yes
AP3	Total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$434,973
AP4	Actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24,26,28,29,30)	\$484,453

**Section B: Bilingual Education Programs**

AP5	Did your district expend any bilingual education program state allotment funds during the district's fiscal year?	Yes
AP6	Does the district have written policies and procedures for its bilingual education program?	Yes
AP7	Total state allotment funds received for bilingual education programs during the district's fiscal year.	\$6,259
AP8	Actual direct program expenditures for bilingual education programs during the district's fiscal year. (PIC 25)	\$9,149

**REPORTS ON COMPLIANCE, INTERNAL CONTROLS AND  
FEDERAL AWARDS**

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# James E. Rodgers and Company, P.C.

## Certified Public Accountants

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January 8, 2026

### **Independent Auditor's Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on An Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

#### **To the Board of Trustees**

**Jim Ned Consolidated Independent School District**

**Tuscola, Texas 79562**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jim Ned Consolidated Independent School District, as of and for the year ended **August 31, 2025**, and the related notes to the financial statements, which collectively comprise Jim Ned Consolidated Independent School District's basic financial statements, and have issued our report thereon dated **January 8, 2026**.

#### **Report On Internal Control Over Financial Reporting**

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

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

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

# James E. Rodgers and Company, P.C.

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## Report On Compliance and Other Matters

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

## Purpose of this Report

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

Respectfully submitted,

*James E. Rodgers and Company*

James E. Rodgers and Company, P.C.

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# James E. Rodgers and Company, P.C.

## Certified Public Accountants

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January 8, 2026

### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees

Jim Ned Consolidated Independent School District

Tuscola, TX 79562

#### Report on Compliance for Each Major Federal Program

##### *Opinion on Each Major Federal Program*

We have audited **Jim Ned Consolidated Independent School District's** compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of **Jim Ned Consolidated Independent School District's** major federal programs for the year ended **August 31, 2025**. **Jim Ned Consolidated Independent School District's** major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

##### *Basis for Opinion on Each Major Federal Program*

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

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

##### *Responsibilities of Management for Compliance*

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

## *Auditor's Responsibilities for the Audit of Compliance*

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

## **Report on Internal Control over Compliance**

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

# James E. Rodgers and Company, P.C.

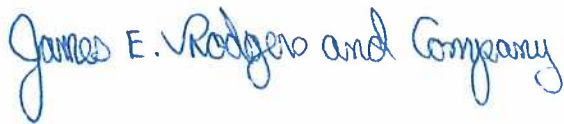
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Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in blue ink that reads "James E. Rodgers and Company". The signature is written in a cursive, flowing style.

James E. Rodgers and Company, P.C.

# James E. Rodgers and Company, P.C.

**Certified Public Accountants**

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## JIM NED CONSOLIDATED INDEPENDENT SCHOOL DISTRICT SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED AUGUST 31, 2025

### I. Summary of the Auditor's Results:

1.	The type of auditor's report opinion on whether the financial statements of the District were prepared in accordance with GAAP (generally accepted accounting standards):	<b>Unmodified</b>	
2.	Internal control over financial reporting during the audit of the financial statements:		
(a)	Significant deficiencies in internal control identified that are not considered to be material weaknesses.		<b>No</b>
(b)	Material weaknesses identified.		<b>No</b>
3.	Noncompliance, which is material to the financial statements.		<b>No</b>
4.	Internal Control over major federal programs:		
(a)	Significant deficiencies in internal control identified that are not considered to be material weaknesses.		<b>No</b>
(b)	Material weaknesses identified.		<b>No</b>
5.	Type of auditor's report opinion on compliance with major programs.	<b>Unmodified</b>	
6.	Audit findings that are required to report under Uniform Guidance 2 CFR Section 200.516(a).		<b>No</b>
7.	Identification of programs tested as major programs:  <b>Special Education -IDEA B, Formula – CFDA 84.027 and Special Education – IDEA B, Preschool – CFDA 84.173</b>		
8.	Dollar threshold used to distinguish between Type A and Type B programs.	<b>\$750,000</b>	
9.	District qualified as a low-risk auditee.	<b>Yes</b>	

### II. Findings Relating to the Financial Statements Which Are Required to Be Reported in Accordance with *Generally Accepted Government Auditing Standards (GAGAS)*

#### **Finding 2025-001:**

a.	Condition:	<b>None Identified</b>
b.	Criteria:	N/A
c.	Cause:	N/A
d.	Effect:	N/A
e.	Recommendation:	N/A
f.	District Response:	N/A

**JIM NED CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED AUGUST 31, 2025**

**III. Findings and Questioned Costs Related to the Federal Awards**

**Finding 2025-002:**

a.	Condition:	<b>None Identified</b>
b.	Criteria:	N/A
c.	Cause:	N/A
d.	Effect:	N/A
e.	Recommendation:	N/A
f.	District Response:	N/A



# **JIM NED**

## **CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**

441 Graham, Tuscola, Texas 79562 | 325-554-7500 (P) | 325-554-7740 (F)

Will Brewer  
Superintendent  
will.brewer@jimned.esc14.net

Hunter Cooley  
Chief Financial Officer  
hcooley@jimned.esc14.net

David Hogan  
Chief Academic Officer  
dhogan@jimned.esc14.net

### **SCHEDULE OF STATUS OF PRIOR AUDIT FINDINGS**

**Finding 2024-001: There were no prior year August 31, 2024, audit findings.**



# **JIM NED**

## **CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**

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Chief Academic Officer  
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### **CORRECTIVE ACTION PLAN FOR THE YEAR ENDED AUGUST 31, 2025**

The name of the contact person responsible for corrective action:

**Hunter Cooley, Chief Financial Officer and Assistant Superintendent**  
**District Phone Number: 325-554-7577.**

#### **The corrective action for Finding 2025-001:**

The District did not incur an audit finding for the current year **August 31, 2025**, and therefore a corrective action plan is not required.

JIM NED CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2025

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<u>Passed Through Texas Education Agency</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	25610101221911	\$ 136,385
*SSA - IDEA - Part B, Formula	84.027	256600012219116000	1,220,548
*SSA - IDEA - Part B, Preschool	84.173	256610012219116000	29,620
Total Special Education Cluster (IDEA)			1,250,168
ESEA, Title II, Part A, Teacher Principal Training	84.367A	25694501221950	20,282
Total Passed Through Texas Education Agency			1,406,835
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			1,406,835
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<u>Passed Through the Texas Department of Agriculture</u>			
*School Breakfast Program	10.553	71402501	55,450
*National School Lunch Program - Cash Assistance	10.555	71302501	172,168
*National School Lunch Prog. - Non-Cash Assistance	10.555	71302501	42,609
Total Assistance Listing Number 10.555			214,777
*Fresh Fruit and Vegetable Program	10.582	71302501	1,497
Total Child Nutrition Cluster			271,724
Total Passed Through the Texas Department of Agriculture			271,724
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			271,724
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			\$ 1,678,559

\*Clustered Programs

**JIM NED CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED AUGUST 31, 2025**

1. For all Federal programs, the District uses the fund types specified in Texas Education Agency's *Financial Accountability System Resource Guide*. Special revenue funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund.
2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types and Expendable Trust Funds are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in a Special Revenue Fund that is a Governmental Fund type. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.
3. The modified accrual basis of accounting is used for the Governmental Fund types, the Expendable Trust Funds, and Agency Funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.
4. Federal grant funds are recorded as earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.
5. The period of performance for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Availability of Federal Funds, Part 3, Compliance Statement.

**6. Indirect Costs**

The District did not elect to use a de minimis cost rate of 10% as described at 2CFR §200.414(f) – Indirect (F&A) Costs.

**7. Reconciliation of Federal Awards**

The following is a reconciliation of expenditures of federal awards in the SEFA and federal program Revenues in the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental funds.

Federal program revenues per Exhibit C-3	\$ <u>1,719,286</u>
School Health & Related Services (SHARS) Reimbursement not reported to the SEFA	\$ <u>40,727</u>
Total federal expenditures on Exhibit K-1	\$ <u>1,678,559</u>

8. The District did not pass through any payments to subrecipients during the current year.

## SCHOOLS FIRST QUESTIONNAIRE

EXHIBIT L-1

Jim Ned Consolidated Independent School District

Fiscal Year 2025

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SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year-end?	No
SF3	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If payments were not made or warrant hold not cleared within 30 days of when due, then payments are NOT timely.)	Yes
SF4	Was the school district issued a warrant hold? (Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, answer is still YES.)	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state or federal funds and/or substantial doubt about the district's ability to continue as a going concern?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school district's administration and school board members discuss any changes and/or impact to local, state, and federal funding at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year end.	\$0