GUTHRIE COMMON SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2025

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
LUBBOCK, TEXAS

GUTHRIE COMMON SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2025

GUTHRIE COMMON SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2025

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GUTHRIE COMMON SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT
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CERTIFICATE OF BOARD

Guthrie Common School District	King	135-001
Name of School District	County	Co. - Dist. 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 17th day of November, 2025.

_____	_____
Signature of Board Secretary	Signature of Board President

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

FINANCIAL SECTION

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Independent Auditor's Report

UNMODIFIED OPINIONS ON THE BASIC FINANCIAL STATEMENTS

Board of School Trustees
Guthrie Common School District
Guthrie, Texas

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

GAAP requires that the management's discussion and analysis on pages 4-9, budgetary comparison information on page 48, and the pension and other post-employment benefit (OPEB) related information on pages 49-53 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to 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 assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining non-major fund financial statements 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 GAAS. In our opinion, the combining non-major fund financial statements are fairly stated, in all material aspects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the audit report. The other information comprises the required Texas Education Agency (TEA) schedules but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the 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 October 28, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Bolinger, Segars, Gilbert & Moss L.L.P.

Certified Public Accountants

Lubbock, Texas

October 28, 2025

GUTHRIE COMMON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

Our discussion and analysis of the Guthrie Common School District's (the District) financial performance provides an overview of the District's financial performance for the year ended August 31, 2025. It should be read in conjunction with the District's Basic Financial Statements and Independent Auditor's report.

The Management's Discussion and Analysis (MD&A) is an element of the new financial reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

FINANCIAL HIGHLIGHTS

· The net position of the District decreased by $838,092 or 8.98%. The District's statement of activities showed total revenues were $2,895,076 and expenses totaled $3,733,168.

· The District ended the year, August 31, 2025, with total net position of $8,494,661 and unrestricted net position of $2,213,763. The balance of cash and investments at August 31, 2025 was $3,644,156, which does not include the fiduciary cash account since these funds are not for District operations.

· Total general fund expenditures were $3,040,874 for the year ended August 31, 2025. This compares with general fund expenditures of $3,487,764 for the year ended August 31, 2024. This decrease in expenditures is due to turnover and decreases in staffing.

· The District's total revenues on the fund financial statements decreased from $3,563,281 in 2023-24 to $2,597,952 in 2024-25. This decrease is attributable to decreased property values and M&O tax rate as well as no longer collecting tax payments for I&S since the bonds were paid off in the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District as a whole, and then proceed to provide an increasingly detailed look at specific financial activities.

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

Fund financial statements 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 the services of the District were sold to departments within and outside the District. The fiduciary statements provide financial information about activities for which the District acts solely as a trustee.

The notes to the financial statements provide narrative explanations and additional data needed for full disclosure in the government-wide statements and the fund financial statements.

The combining statements for non-major funds contain information about the District's individual non-major funds.

The section labeled Required Texas Education Agency Schedules contains 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

Government-Wide Financial Statements

The analysis of the District's overall financial condition and operations is presented in the Statement of Net Position and the Statement of Activities. 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 statements 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 or from disadvantaged backgrounds (program revenues), and revenues provided by the taxpayers or by TEA in equalization funding processes (general revenues). All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the District's net position and changes in them. The District's net position (the difference between assets and liabilities) provide one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider 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, the District is reporting its governmental activities and business type activities. The District currently has no component units as defined in the GASB Statement 34.

- Governmental activities – All of the District's basic services are reported here, including the 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.
- Business type activities – The District’s for-profit participation in the Texas Virtual School Network is a business type activity accounted for in an enterprise fund.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements 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 from the U.S. Department of Education through TEA. The District's administration establishes many other funds to help it control and manage money for particular purposes.

The District's three fund types – governmental, proprietary, and fiduciary – use different accounting approaches.

- Governmental funds – Most of the District's basic services are included in governmental funds. These 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 reconciliation schedules following the fund financial statements.

- Proprietary Fund – Enterprise Fund – The District sets its own pricing policies intended to make a profit in its Texas Virtual School Network Participation, and as such, accounts for this activity in this fund.

- Fiduciary Funds – The District is the trustee, or fiduciary, for money raised by student activities. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. We exclude these activities from the government-wide financial statements because the District cannot use these assets to finance its operations.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the net position (Table I) and changes in net position (Table II) of the District's governmental and business-type activities.

Table I
Guthrie Common School District
Net Position
August 31, 2025 and 2024

	August 31, 2025	August 31, 2024
Cash and Temporary Investments	$ 3,644,156	$ 4,384,342
Receivables	180,529	198,647
Capital Assets	6,296,489	6,490,921
Total Assets	$ 10,121,174	$ 11,073,910
Total Deferred Outflows	$ 1,022,568	$ 780,084
Current Liabilities	$ 223,257	$ 280,024
Long-Term Liabilities	1,597,639	1,372,493
Total Liabilities	$ 1,820,896	$ 1,652,517
Total Deferred Inflows	$ 828,185	$ 868,724
Net Position		
Net Investment in Capital Assets	$ 6,280,898	$ 6,460,604
Restricted for Capital Projects		319,125
Unrestricted	2,213,763	2,553,024
Total Net Position	$ 8,494,661	$ 9,332,753

Changes in Net Position

The District's net position decreased during the year ended August 31, 2025. The net position decreased by $838,092 (See Table II). Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – decreased $339,261 from $2,553,024 in 2024 to $2,213,763 in 2025. This decrease is mainly attributable to the District no longer collecting tax payments for I&S since the bonds were paid off in the prior year.

Table II
Guthrie Common School District
Changes in Net Position
For the Years Ended August 31, 2025 and 2024

	August 31, 2025	August 31, 2024
Revenues:		
Program Revenues:		
Charges for Services	$ 565,099	$ 584,858
Operating Grants and Contributions	92,048	370,501
General Revenues:		
Maintenance and Operations Taxes	1,675,052	1,728,481
Interest and Sinking Taxes		641,893
State Aid Formula Grants	356,770	375,670
Investment Earnings	180,791	246,851
Miscellaneous	25,316	33,998
Total Revenue	$ 2,895,076	$ 3,982,252
Expenses:		
Instruction and Instructional-Related Services	$ 1,899,626	$ 2,098,423
Instructional and School Leadership	119,886	125,789
Student Support Services	18,590	32,523
Student Transportation	157,867	176,831
Food Services	150,207	154,608
Extracurricular Activities	173,966	214,200
General Administration	239,687	429,280
Facilities Maintenance and Operations	679,911	826,948
Security, Monitoring, and Data Processing Services	171,082	175,233
Interest and Fees on Long-Term Debt	1,783	4,538
Contracted Instructional Services		15,177
Payments to Member Districts	28,369	35,460
Other Intergovernmental Charges	92,194	105,539
Total Expenses	$ 3,733,168	$ 4,394,549
Change in Net Position	$ (838,092)	$ (412,297)

The District's total revenues decreased from $3,982,252 in 2024 to $2,895,076 in 2025, a decrease of $1,087,176. Decreases in revenue were attributable to the District no longer collecting tax payments for I&S since the bonds were paid off in the prior year and the District received state funding for safety grants in the prior year. The total expenses of the District decreased by $661,381 from $4,394,549 to $3,733,168 and is attributable to turnover and staffing decreases.

Other factors impacting the District's financial position include the following:

- The District total property tax rate decreased from $1.0180 in 2024 to $0.7355 in 2025. This change is due to a decrease of $0.0025 in the M&O rate and a decrease of $0.2800 in the I&S rate. The District's tax rate for 2025 was M&O of $0.7355. The District no longer has an I&S rate since the bonds were paid off in the prior year. The District's appraised valuation of taxable property decreased from $234,741,746 to $226,651,437, a decrease of $8,090,309 or 3.40%. The total school property taxes assessed for school year 2025 were $1,667,021. This is a decrease of $722,650 from the $2,389,671 assessed in 2024 and is attributable to no longer collecting tax payments for I&S since the bonds were paid off in the prior year.

- The District's average daily attendance (ADA) is the basis for State funding at most districts. However, based on the size of the District and its sparse population, under current funding laws, the District is funded on an ADA of 130. State funding decreased from $375,670 in 2024 to $356,770 in 2025, which is comparable to prior year.

FUND BALANCES

The District's total Governmental Funds fund balance was $3,587,768. This fund balance is reported in the various Governmental funds as follows:

General Fund – Unassigned $3,587,768 – This balance is available for current spending; however, it has been the practice of the District to try and maintain a fund balance that is at least equal to several months operating expenses.

BUDGETARY HIGHLIGHTS

Over the course of the year, the Board of Trustees revised the District's budget several times. These budget amendments were necessary to reflect the revised estimates of revenues and expenses. There were no individually significant amendments. The majority of amendments were to reclassify expenditures in various functions.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of August 31, 2025, the District had $6,296,489 of capital assets, net of accumulated depreciation. Financial statement footnote no. 6 discloses the capital asset activity for the year ended August 31, 2025.

Debt

At the end of 2025, the District had $15,591 of notes payable outstanding. Financial statement footnote no. 8 discloses the debt activity for the year ended August 31, 2025.

FACTORS BEARING ON THE DISTRICT'S FUTURE

The District has adopted a deficit budget in the general fund for 2025-2026.

The District has budgeted $2,976,461 in general fund revenues for fiscal year 2025-2026. This is an increase of $472,326 from the $2,504,135 actual general fund revenue for 2024-2023 fiscal year and is due to anticipated increases in state funding.

The District has budgeted $3,271,995 in general fund expenditures for fiscal year 2025-2026. This is an increase of $231,121 from the actual general fund expenditures of $3,040,874 expended in 2024-2025. This increase is attributable to increases in salaries due to the passage of Texas House Bill 2.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, 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 Guthrie Common School District, P.O. Box 70, Guthrie, Texas 79236.

BASIC FINANCIAL STATEMENTS

GUTHRIE COMMON SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION
AUGUST 31, 2025

Data Control Codes		1 Primary Government Governmental Activities	2 Primary Government Business-Type Activities	3 Total
	ASSETS			
1110	Cash and Cash Equivalents	$ 3,644,156	$	$ 3,644,156
1220	Property Taxes Receivable	33,972		33,972
1230	Allowance for Uncollectible Taxes	(4,721)		(4,721)
1240	Due from Other Governments	48,149	103,110	151,259
1260	Internal Balances	92,173	(92,173)	0
1290	Other Receivables	19		19
	Capital Assets:			
1510	Land	41,061		41,061
1520	Buildings, Net	5,494,271		5,494,271
1530	Furniture and Equipment, Net	387,084		387,084
1540	Vehicles, Net	374,073		374,073
1000	Total Assets	$ 10,110,237	$ 10,937	$ 10,121,174
	DEFERRED OUTFLOWS OF RESOURCES:			
1705	Deferred Outflow Related to TRS Pension Liability	$ 234,121	$	$ 234,121
1706	Deferred Outflow Related to TRS OPEB Liability	788,447		788,447
1700	Total Deferred Outflows of Resources	$ 1,022,568	$ 0	$ 1,022,568
	LIABILITIES:			
2110	Accounts Payable	$ 41,730	$ 801	$ 42,531
2160	Accrued Wages Payable	151,751	9,921	161,672
2200	Accrued Expenses	3,248	215	3,463
	Noncurrent Liabilities:			
2501	Due Within One Year	15,591		15,591
2540	Net Pension Liability (District's Share)	785,378		785,378
2545	Net OPEB Liability (District's Share)	812,261		812,261
2000	Total Liabilities	$ 1,809,959	$ 10,937	$ 1,820,896
	DEFERRED INFLOWS OF RESOURCES:			
2605	Deferred Inflow Related to TRS Pension Liability	$ 44,868	$	$ 44,868
2606	Deferred Inflow Related to TRS OPEB Liability	783,317		783,317
2600	Total Deferred Inflows of Resources	$ 828,185	$ 0	$ 828,185
	NET POSITION:			
3200	Net Investment in Capital Assets	$ 6,280,898	$	$ 6,280,898
3900	Unrestricted	2,213,763		2,213,763
3000	Total Net Position	$ 8,494,661	$ 0	$ 8,494,661

The accompanying notes are an integral part of this statement.

GUTHRIE COMMON SCHOOL DISTRICT

Exhibit B-1

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes		1 Expenses	Program Revenues 3 Charges for Services	Program Revenues 4 Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position 6 Total Governmental Activities	Net (Expense) Revenue and Changes in Net Position 7 Business-Type Activities	Net (Expense) Revenue and Changes in Net Position 8 Total
	GOVERNMENTAL ACTIVITIES:						
11	Instruction	$ 1,536,137	$	$ 50,055	$ (1,486,082)	$	$ (1,486,082)
12	Instructional Resources and Media Services	75,117	48,370		(26,747)		(26,747)
13	Curriculum and Instructional Staff Development	14,298			(14,298)		(14,298)
23	School Leadership	119,886		850	(119,036)		(119,036)
31	Guidance, Counseling, and Evaluation Services	15,812			(15,812)		(15,812)
33	Health Services	2,778			(2,778)		(2,778)
34	Student Transportation	157,867			(157,867)		(157,867)
35	Food Services	150,207			(150,207)		(150,207)
36	Extracurricular Activities	173,966	16,021		(157,945)		(157,945)
41	General Administration	239,687			(239,687)		(239,687)
51	Facilities Maintenance and Operations	679,911	69,050		(610,861)		(610,861)
52	Security and Monitoring Services	56,274		41,143	(15,131)		(15,131)
53	Data Processing Services	114,808			(114,808)		(114,808)
72	Interest on Long-Term Debt	1,783			(1,783)		(1,783)
93	Payments to Member Districts	28,369			(28,369)		(28,369)
99	Other Intergovernmental Charges	92,194			(92,194)		(92,194)
TG	Total Governmental Activities	$ 3,459,094	$ 133,441	$ 92,048	$ (3,233,605)	$ 0	$ (3,233,605)
	BUSINESS-TYPE ACTIVITIES:						
01	Enterprise Funds - Locally Defined	274,074	431,658			157,584	157,584
TP	Total Primary Government	$ 3,733,168	$ 565,099	$ 92,048	$ (3,233,605)	$ 157,584	$ (3,076,021)

Data Control Codes	General Revenues:			
MT	Property Taxes, Levied for General Purposes	$ 1,675,052	$	$ 1,675,052
SF	State Aid Formula Grants	356,770		356,770
IE	Investment Earnings	180,791		180,791
MI	Miscellaneous Local and Intermediate Revenue	25,316		25,316
FR	Transfers In (Out)	157,584	(157,584)	0
TR	Total General Revenues and Transfers	$ 2,395,513	$ (157,584)	$ 2,237,929
CN	Change in Net Position	$ (838,092)	$ 0	$ (838,092)
NB	Net Position - Beginning	9,332,753	0	9,332,753
NE	Net Position - Ending	$ 8,494,661	$ 0	$ 8,494,661

The accompanying notes are an integral part of this statement.

GUTHRIE COMMON SCHOOL DISTRICT

Exhibit C-1

BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2025

Data Control Codes		10 General Fund	Nonmajor Governmental Funds	98 Total Governmental Funds
	ASSETS:			
1110	Cash and Cash Equivalents	$ 3,644,156	$	$ 3,644,156
1220	Property Taxes - Delinquent	33,972		33,972
1230	Allowance for Uncollectible Taxes	(4,721)		(4,721)
1240	Due from Other Governments	15,590	32,559	48,149
1260	Due from Other Funds	122,814		122,814
1290	Other Receivables		19	19
1000	Total Assets	$ 3,811,811	$ 32,578	$ 3,844,389
	LIABILITIES:			
2110	Accounts Payable	$ 41,730	$	$ 41,730
2160	Accrued Wages Payable	150,014	1,737	151,751
2170	Due to Other Funds		30,641	30,641
2200	Accrued Expenditures	3,048	200	3,248
2000	Total Liabilities	$ 194,792	$ 32,578	$ 227,370
	DEFERRED INFLOWS OF RESOURCES:			
2601	Unavailable Revenue - Property Taxes	$ 29,251	$	$ 29,251
2600	Total Deferred Inflows	$ 29,251	$ 0	$ 29,251
	FUND BALANCES:			
3600	Unassigned	$ 3,587,768	$	$ 3,587,768
3000	Total Fund Balances	$ 3,587,768	$ 0	$ 3,587,768
4000	Total Liabilities, Deferred Inflows, and Fund Balances	$ 3,811,811	$ 32,578	$ 3,844,389

The accompanying notes are an integral part of this statement.

GUTHRIE COMMON SCHOOL DISTRICT

Exhibit C-2

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION AUGUST 31, 2025

Data Control Codes			
	Total Fund Balances - Governmental Funds (Exhibit C-1)	$	3,587,768
1	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 $15,838,618, and the accumulated depreciation was ($9,347,697). 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 these funds. The long-term debt was ($30,317). The net effect of including beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position.		6,460,604
2	Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statement, 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 2025 capital outlays of $322,347 and note payable principal payments of $14,726 is to increase net position.		337,073
3	The 2025 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(516,779)
4	Included in the items related to debt is the recognition of the District's proportionate share of the net pension liabilities required by GASB 68 in the amount of ($785,378), a Deferred Resource Inflow related to TRS in the amount of ($44,868), and a Deferred Resource Outflow related to TRS in the amount of $234,121. This amounted to a decrease in net position.		(596,125)
5	Included in the items related to debt is the recognition of the District's proportionate share of the OPEB liabilities required by GASB 75 in the amount of ($812,261), a Deferred Resource Inflow related to TRS in the amount of ($783,317), and a Deferred Resource Outflow related to TRS in the amount of $788,447. This amounted to a decrease in net position.		(807,131)
6	Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. These include recognizing deferred property tax revenue as revenue and eliminating interfund transactions. The net effect of these reclassifications is to increase net position by $29,251.		29,251
29	Total Net Position - Governmental Activities (Exhibit A-1)	$	8,494,661

The accompanying notes are an integral part of this statement.

GUTHRIE COMMON SCHOOL DISTRICT

Exhibit C-3

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes		10 General Fund	Nonmajor Governmental Funds	98 Total Governmental Funds
REVENUES:				
5700	Local and Intermediate Sources	$ 2,016,992	$ 850	$ 2,017,842
5800	State Program Revenues	487,143	54,959	542,102
5900	Federal Program Revenues		38,008	38,008
5020	Total Revenues	$ 2,504,135	$ 93,817	$ 2,597,952
EXPENDITURES:				
0011	Instruction	$ 1,371,866	$ 51,824	$ 1,423,690
0012	Instructional Resources and Media Services	65,960		65,960
0013	Curriculum and Instructional Staff Development	12,282		12,282
0023	School Leadership	109,383	850	110,233
0031	Guidance, Counseling, and Evaluation Services	13,863		13,863
0033	Health Services	2,386		2,386
0034	Student Transportation	118,508	123,281	241,789
0035	Food Services	131,234		131,234
0036	Extracurricular Activities	160,410		160,410
0041	General Administration	219,467		219,467
0051	Facilities Maintenance and Operations	574,059	26,979	601,038
0052	Security and Monitoring Services	24,357	41,143	65,500
0053	Data Processing Services	100,027		100,027
0071	Principal on Long-Term Debt	14,726		14,726
0072	Interest on Long-Term Debt	1,783		1,783
0081	Facilities Acquisition and Construction		168,865	168,865
0093	Payments to Fiscal Agent/Member Districts	28,369		28,369
0099	Other Intergovernmental Charges	92,194		92,194
6030	Total Expenditures	$ 3,040,874	$ 412,942	$ 3,453,816
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (536,739)	$ (319,125)	$ (855,864)
OTHER FINANCING SOURCES (USES):				
7912	Sale of Real Property	$ 6,500	$	$ 6,500
7915	Transfers In	157,584		157,584
7080	Total Other Financing Sources	$ 164,084	$ 0	$ 164,084
1200	Net Change in Fund Balance	$ (372,655)	$ (319,125)	$ (691,780)
0100	September 1 - Fund Balance	3,960,423	319,125	4,279,548
3000	August 31 - Fund Balance	$ 3,587,768	$ 0	$ 3,587,768

The accompanying notes are an integral part of this statement.

GUTHRIE COMMON SCHOOL DISTRICT

Exhibit C-4

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED AUGUST 31, 2025

Net Change in Fund Balance - Governmental Funds (Exhibit C-3)	$	(691,780)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation of ($516,779) exceeded capital outlays of $322,347 in the current period.		(194,432)
Property tax revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the net amount by which deferred revenue changed between the current year of $29,251 and the prior year of ($38,143).		(8,892)
Repayment of the note payable principal of $14,726 is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		14,726
Current year changes due to GASB 68 increased revenues in the amount of $30,207 and increased expenses in the amount of ($63,561) resulting in a decrease in the change in ending net position of ($33,354).		(33,354)
Current year changes due to GASB 75 decreased revenues in the amount of ($162,349) and decreased expenses in the amount of $237,989, resulting in an increase in the change in ending net position of $75,640.		75,640
Change in Net Position - Governmental Activities (Exhibit B-1)	$	(838,092)

The accompanying notes are an integral part of this statement.

GUTHRIE COMMON SCHOOL DISTRICT

Exhibit D-1

STATEMENT OF NET POSTION
PROPRIETARY FUNDS
AUGUST 31, 2025

	Business Activities 711 Enterprise Fund
ASSETS:	
Due from Other Governments	$ 103,110
Total Assets	$ 103,110
LIABILITIES:	
Accounts Payable	$ 801
Accrued Wages Payable	9,921
Due to Other Funds	92,173
Accrued Expenditures	215
Total Liabilities	$ 103,110
NET POSITION:	
Unrestricted	$ 0
Total Net Position	$ 0

The accompanying notes are an integral part of this statement.

GUTHRIE COMMON SCHOOL DISTRICT

Exhibit D-2

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2025

	Business Activities 711 Enterprise Fund
OPERATING REVENUES:	
Local and Intermediate Sources	$ 431,658
Total Revenues	$ 431,658
OPERATING EXPENSES:	
Instructional Costs	$ 274,074
Total Expenses	$ 274,074
Income (Loss) Before Transfers	$ 157,584
Transfer Out	(157,584)
Change in Net Position	$ 0
Net Position - September 1 (Beginning)	0
Net Position - August 31 (Ending)	$ 0

The accompanying notes are an integral part of this statement.

GUTHRIE COMMON SCHOOL DISTRICT

Exhibit D-3

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2025

	Business Activities 711 Enterprise Fund
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	
Cash Flows From Operating Activities	
Charges to Users	$ 380,733
Payments to Employees for Services	(71,632)
Payments for Contracted Services	(102,015)
Payments for Other Operating Expenses	(49,502)
Transfers to Other Funds	(157,584)
Net Cash From Operating Activities	$ 0
Change in Cash and Cash Equivalents	$ 0
Cash and Cash Equivalents at Beginning of the Year	0
Cash and Cash Equivalents at End of Year	$ 0
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES	
Operating Income	$ 0
Changes in Assets and Liabilities	
Increase in Due From Other Governments	(50,925)
Increase in Accrued Wages Payable	1,029
Increase in Due to Other Funds	49,873
Increase in Accrued Expenditures	23
Net Cash From Operating Activities	$ 0

The accompanying notes are an integral part of this statement.

GUTHRIE COMMON SCHOOL DISTRICT

Exhibit E-1

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
AUGUST 31, 2025

	Custodial Funds
ASSETS:	
Cash and Temporary Investments	$ 94,740
Total Assets	$ 94,740
NET POSITION:	
Unrestricted	$ 94,740
Total Net Position	$ 94,740

The accompanying notes are an integral part of this statement.

GUTHRIE COMMON SCHOOL DISTRICT

Exhibit E-2

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED AUGUST 31, 2025

	Custodial Funds
ADDITIONS:	
Other Revenues	$ 131,769
Total Additions	$ 131,769
DEDUCTIONS:	
Student Activities	$ 126,920
Total Deductions	$ 126,920
Change in Net Position	$ 4,849
Net Position - September 1 (Beginning)	89,891
Net Position - August 31 (Ending)	$ 94,740

The accompanying notes are an integral part of this statement.

GUTHRIE COMMON SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Guthrie Common School District's (the District) is a public education agency operating under the applicable laws and regulations of the State of Texas. The District prepares its basic financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) applicable to governmental units. The District also complies with the appropriate version of the Texas Education Agency's (TEA) Financial Accountability System Resource Guide (FASRG) and the requirements of contracts and grants of agencies from which it receives funds. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

A. REPORTING ENTITY

The Board of School Trustees (the Board), a seven-member group, has fiscal accountability over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public and has the exclusive power and duty to govern and oversee the management of the District. All powers and duties not specifically delegated by statute to TEA or to the State Board of Education are reserved for the Board, and TEA may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District is not included in any other governmental reporting entity as defined in governmental accounting and financial reporting standards. There are no component units included within the reporting entity.

The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding entities.

B. BASIS OF ACCOUNTING AND PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the government-wide entity as a whole. These statements report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, state foundation funds, grants, and intergovernmental revenues, are reported separately from business-type activities. Business-type activities rely on fees and charges for support.

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

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or Statement of Net Position. Bond issuance costs are expensed.

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. The operating grants and contributions column includes amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. If a revenue is not a program revenue, it is a general revenue used to support all of the District's functions. Taxes are always general revenues.

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense to each function allocated. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Interfund activities 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 interfund transactions between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to/due from on the government-wide Statement of Net Position.

FUND FINANCIAL STATEMENTS

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. Major governmental funds are reported as separate columns in the fund financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Revenues from local sources consist primarily of property taxes. No amounts have been recorded for property tax revenues collected after August 31, 2025. State revenues are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and claims and judgments are recorded only when payment is due.

The proprietary fund and the fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Fiduciary funds are not included in the government-wide statements.

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. Interest income earned on the operating cash account is considered operating revenue. All other revenues are non-operating.

GOVERNMENTAL FUND TYPES

The District reports the following major governmental funds:

General Fund – This fund is established to account for resources used for general operations. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. This is a budgeted fund, and unassigned fund balances are considered resources available for current operations.

For the year ended August 31, 2025, the District accounted for its Food Service Fund in the general fund. Students are not charged for meals, and the general fund subsidizes all expenditures in the Food Service Fund.

Additionally, the government reports the following governmental fund types:

Special Revenue Funds – These funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal financial assistance generally is accounted for in a special revenue fund. Unused balances are returned to the grantor at the close of specified project periods.

Capital Projects Fund – This governmental fund is established to account for proceeds, on a modified accrual basis, from other resources to be used for Board-authorized construction of major capital facilities.

PROPRIETARY FUND TYPES

Enterprise Fund – The Enterprise Fund is used to account for the District's participation in the Texas Virtual School Network Learning Program (VSN). The District establishes its own pricing policies for this program designed to make a profit.

FIDUCIARY FUND TYPES

Custodial Funds – The District accounts for resources held for others in a custodial capacity in custodial funds. These funds are used to account for activities of student groups. Student activity organizations exist with the explicit approval from the Board and are subject to revocation.

C. BASIS OF ACCOUNTING APPLICABLE TO ALL FINANCIAL STATEMENTS

Capital assets, which include land, buildings, furniture and equipment, and vehicles, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an individual cost of more than $5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' useful lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Revenues from state and federal grants are considered to be earned to the extent of expenditures made under the provisions of the grant. Funds received but unexpended are reflected as deferred revenues, and funds expended but not yet received are shown as receivables. If balances have not been expended by the end of the project period, grantors generally require the District to refund all or part of the unused amount.

Supplies and materials are recorded as expenditures when purchased.

District employees earn personal days each year at the local and state level in accordance with Board policies. The District does not have a policy to pay any amounts when employees separate from with the District. GASB Statement 101, *Compensated Absences*, became effective for the current year; however its adoption did not have a material impact and is not reflected in the District's financial statements.

In accordance with the FASRG, the District has adopted and installed an accounting system which exceeds the minimum requirements prescribed by the State Board of Education and approved by the State Auditor. Specifically, the District's accounting system uses codes and the code structure presented in the Accounting Code Section of the FASRG. Mandatory codes are utilized in the form provided in that section.

The Data Control Codes refer to the account code structure prescribed by TEA in the FASRG. TEA requires school districts to display these codes in the financial statements filed with TEA in order to ensure accuracy in building a Statewide database for policy development and funding plans.

D. BUDGETARY DATA

The official budget was prepared on the modified accrual basis of accounting, which is consistent with GAAP, for the general fund. The remaining special revenue funds adopt project-length budgets which do not correspond to the District's fiscal year. The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

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

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

c. Prior to September 1st, the budget is legally enacted through passage of a resolution by the Board.

The budget is prepared and controlled at the function level within each fund and is amended at this level as needed. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. Such amendments are made before the fact and they are reflected in the official minutes of the Board. During the year, several amendments were necessary.

E. ENCUMBRANCE ACCOUNTING

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31st, and encumbrances outstanding at that time are to be either cancelled or appropriately provided for in the subsequent year's budget. There were no outstanding encumbrances at August 31, 2025.

F. FUND BALANCES

Fund balances of the governmental funds are classified as follows:

Unassigned – Amounts not included in other spendable classifications.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

G. NET POSITION ON THE STATEMENT OF NET POSITION

Net position on the Statement of Net Position includes the following:

Net Investment in Capital Assets – This component of net position represents the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, is directly attributable to the acquisition, construction, or improvement of those assets.

Unrestricted – This component of net position represents the difference between assets and liabilities that is not reported in the previous categories.

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

H. 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.

I. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The fiduciary net position of the TRS Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net 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.

J. CASH AND CASH EQUIVALENTS – PROPRIETARY FUNDS

For purposes of the Statement of Cash Flows for proprietary fund types, the District considers petty cash, demand deposits, and money market accounts to be cash equivalents. Highly liquid investments are considered cash equivalents if they have a maturity of three months or less when purchased.

K. MANAGEMENT'S USE OF ESTIMATES

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

2. DEPOSITS AND INVESTMENTS

Legal and Contractual Provisions Governing Deposits and Investments

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

Statutes authorize the District 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 365 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 investment pools, and (9) guaranteed investment contracts for bond proceeds investment only, with defined termination date and secured by U.S. Government direct or agency obligations approved by the Act in an amount equal to the bond proceeds. The Act also requires the District 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.

Policies Governing Deposits and Investments

In compliance with the Public Funds Investment Act, the District has adopted a deposit and investment policy. That policy does not address the following risks:

a. Custodial Credit Risk – Deposits and Investments: In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits and investments in certificates of deposits may not be returned to it. The District's policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits and investments, other than the following: The State of Texas requires that a financial institution secure deposits and investments made by state or local governments by pledging securities in excess of the highest cash balance of the government. The District is not exposed to custodial credit risk for its deposits and investments in certificates of deposit, because they are all covered by depository insurance and pledged securities held by a third party in the District's name.

b. Concentration of Credit Risk – The investment policy of the District contains no limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent five percent or more of the total entity investments represent a concentration risk. At August 31, 2025, all of the District's investments are in external investment pools and as such the District has no risk.

c. Credit Risk – The risk that an issuer of another counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At August 31, 2025, the District was not significantly exposed to credit risk.

d. Interest Rate Risk – Not applicable

e. Foreign Currency Risk – Not applicable

The carrying amount of the District's cash and temporary investments at August 31, 2025 approximates fair value and consisted of the following with respective maturities and credit rating:

	Amount	Percent	Maturity in Less than 1 Year	Credit Rating
Cash in Bank	$ 246,673	6.60%	$ 246,673	N/A
Certificates of Deposit	17,500	0.47%	17,500	N/A
LOGIC Investment Pool	3,510	0.09%	3,510	AAAm
TexPool Investment Pool	475	0.01%	475	AAAm
Lone Star Investment Pool	3,470,738	92.83%	3,470,738	AAAm
	$ 3,738,896	100.00%	$ 3,738,896	

The District's cash and temporary investments are shown in the financial statements as follows:

Statement of Net Position	$	3,644,156
Statement of Fiduciary Net Position		94,740
	$	3,738,896

Public Funds Investment Pools

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

The District's investment in Pools are reported at an amount determined by the fair value per share of the Pool's underlying portfolio, unless the Pool is 2a7-like, in which case they are reported at share value. A 2a7-like Pool is one which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

3. PROPERTY TAXES

Property taxes were levied by October 1st on the assessed value listed as of the prior January 1st 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 1st of the year following the year in which imposed. On January 1st of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed.

All delinquent taxes are recorded in the general fund. All property taxes remaining uncollected after ten years are provided for in the allowance for uncollectible 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.

4. DUE FROM OTHER GOVERNMENTS

Amounts due from other governments consisted of the following at August 31, 2025:

Due from State - Accrued Foundation Payments	$	8,656
Due from State - Unreimbursed Grant Expenditures		32,559
Due from State - Unreimbursed VSN Charges		103,110
Due from Other Governments - Property Tax Collections		6,899
Due from Other Governments - SSA		35
Total Due from Other Governments	$	151,259

5. INTERFUND BALANCES AND TRANSFERS

Interfund balances are a result of normal operations and are cleared out periodically. Management intends to pay out these balances within one year. Interfund balances at August 31, 2025 consisted of the following:

	Due from Other Funds	Due to Other Funds
General Fund		
Special Revenue Funds	$ 30,641	$
Enterprise Fund	92,173	
	$ 122,814	$ 0
Special Revenue Funds		
General Fund	$ 0	$ 30,641
Enterprise Fund		
General Fund	$ 0	$ 92,173
	$ 122,814	$ 122,814

Interfund transfers are defined as flow of assets without equivalent flows of assets in return and without requirement of repayment. During the year, the District transferred all margins from the Enterprise Fund to the General Fund. Interfund transfers for the year ended August 31, 2025 consisted of the following:

	Transfers In	Transfers Out
General Fund		
Enterprise Fund	$ 157,584	$ 0
Enterprise Fund		
General Fund	$ 0	$ 157,584

6. CAPITAL ASSETS

Capital asset activity for the year ended August 31, 2025, was as follows:

	9/1/2024	Additions	Deletions	8/31/2025
Capital Assets:				
Land	$ 41,061	$	$	$ 41,061
Building and Improvements	14,538,412			14,538,412
Furniture and Equipment	462,482	200,723	9,634	653,571
Vehicles	796,663	121,624		918,287
	$ 15,838,618	$ 322,347	$ 9,634	$ 16,151,331
Accumulated Depreciation:				
Building and Improvements	$ 8,666,767	$ 377,374	$	$ 9,044,141
Furniture and Equipment	211,809	64,312	9,634	266,487
Vehicles	469,121	75,093		544,214
	$ 9,347,697	$ 516,779	$ 9,634	$ 9,854,842
Total Net Value of Capital Assets	$ 6,490,921	$ (194,432)	$ 0	$ 6,296,489

Depreciation expense of $516,779 was charged to functions of the primary government as follows:

Instruction	$ 233,724
Instruction Resources and Media Services	10,828
Curriculum and Instructional Staff Development	2,016
School Leadership	18,097
Guidance, Counseling, and Evaluation Services	2,276
Health Services	392
Student Transportation	39,694
Food Services	21,544
Extracurricular Activities	26,334
General Administration	36,029
Facilities Maintenance and Operations	98,671
Security and Monitoring Services	10,753
Data Processing Services	16,421
	$ 516,779

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

Buildings and Improvements	15 - 30 years
Furniture and Equipment	5 - 10 years
Vehicles	5 - 10 years

7. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

The financial statements report separate sections for deferred outflows and inflows of resources. Deferred outflows represent an acquisition of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. Deferred inflows represent an acquisition of fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred Outflows on the Statement on Net Position consists of the District's proportionate share of TRS pension deferred outflows of $234,121 (See Note 10), and the District's proportionate share of TRS OPEB deferred outflows of $788,447 (See Note 11) at August 31, 2025.

Deferred Inflows on the Statement on Net Position consists of the District's proportionate share of TRS pension deferred inflows of $44,868 (See Note 10) and the District's proportionate share of TRS OPEB deferred inflows of $783,317 (See Note 11) at August 31, 2025.

Deferred Inflows on the Balance Sheet – Governmental Funds at August 31, 2025 consists of:

	General Fund
Property Taxes - Delinquent	$ 33,972
Less: Allowance for Uncollectible Taxes	(4,721)
Total Deferred Inflows (Exhibit C-1)	$ 29,251

8. LONG-TERM DEBT

Notes Payable

A summary of notes payable as of August 31, 2025, is as follows:

Description	Interest Rate	Amount Originally Issued	Interest Current Year	Due Within One Year
Bus Financing	5.88%	$ 46,593	$ 1,783	$ 15,591

A summary of changes in notes payable for the year ended August 31, 2025, is as follows:

Description	Amount Outstanding 9/1/2024	Issued Current Year	Retired Current Year	Amount Outstanding 8/31/2025
Bus Financing	$ 30,317	$ 0	$ 14,726	$ 15,591

During the year ended August 31, 2024, the District financed $46,593 for the purchase of a bus. The note has an interest rate of 5.88% with annual maturities through November 2025. Interest expense on this note for the year totaled $1,783.

Debt service requirements for the outstanding notes payable are as follows:

Fiscal Year Ending August 31,	Principal	Interest	Total
2026	$ 15,591	$ 919	$ 16,510

9. REVENUES FROM LOCAL AND INTERMEDIATE SOURCES

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

	General Fund	Special Revenue Funds	Totals
Property Taxes, Penalties, Interest, and Other Tax-Related Income	$ 1,683,944	$	$ 1,683,944
Interest Income	181,498		181,498
Rent	69,050		69,050
Co-Curricular Student Activities	16,021		16,021
Other	66,479	850	67,329
	$ 2,016,992	$ 850	$ 2,017,842

10. DEFINED BENEFIT PENSION PLAN

Plan Description

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

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

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

The information provided in the Notes to the Financial Statements in the 2024 and 2023 Annual Comprehensive Financial Report for TRS provides the following information regarding the Pension Plan fiduciary net position as of August 31, 2024 and 2023:

Net Pension Liability	2024	2023
Total Pension Liability	$ 271,627,434,294	$ 255,860,886,500
Less: Plan Fiduciary Net Position	(210,543,258,495)	(187,170,535,558)
Net Pension Liability	$ 61,084,175,799	$ 68,690,350,942
Net Position as Percentage of Total Pension Liability	77.51%	73.15%

Benefits Provided
TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3% (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with five 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 five years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic cost of living adjustments (COLA). 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 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 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 as applied to eligible annuitants' payments beginning with their January 2024 payment:

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

Texas Government Code, Title 8, Section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS's unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in the manner are determined by the System's actuary.

Contributions
Contribution requirements are established or amended pursuant to Article 16, Section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of 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 fiscal years 2024 and 2025, the contributions by type reported by TRS which were received by TRS during the measurement year (TRS FY 2024 and 2025), and the actual contributions made by the District to TRS during their fiscal year (District FY 2024 and 2025). 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.

	Contribution Rates	
	2024	2025
Member	8.25%	8.25%
Non-Employer Contributing Entity (State)	8.25%	8.25%
Employers	8.25%	8.25%

	TRS Plan Year	
	FY 2024	FY 2025
Employer Contributions	$ 72,455	$ 78,808
Member Contributions	134,371	131,907
NECE On-Behalf Contributions	100,749	

	District's Fiscal Year	
	FY 2024	FY 2025
Employer Contributions	$ 72,455	$ 78,808
Member Contributions	134,371	131,907

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

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

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.

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

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

Actuarial Assumptions
The actuarial valuation was performed as of August 31, 2023. Update procedures were used to roll forward the total pension liability to August 31, 2024.

The total pension liability is determined by an annual actuarial valuation. The actuarial methods and assumptions were selected by the Board of Trustees based upon analysis and recommendations by the System's actuary. The Board of Trustees has sole authority to determine the actuarial assumptions used for the Plan. The actuarial methods and assumptions were primarily based on a study of actual experience for the four-year period ending August 31, 2021 and adopted in July 2022.

The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioner Mortality Tables with full generational projection using the ultimate improvement rates from the most recently published projection scale (U-MP). The active mortality rates were based on the published PUB(2010) Mortality Tables for Teachers, below median, also with full generational mortality.

The following table discloses the assumptions that were applied to the measurement period:

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 Buyer's "20-Bond GO 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% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash flows used to determine the 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% of payroll in fiscal year 2025 and thereafter. This includes all employer and state contributions for active and rehired retirees.

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

The long-term rate of return on pension plan investments is 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-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:

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

(a) - Absolute Return includes Credit Sensitive Investments
(b) - Target allocations are based on the FY 2024 policy model
(c) - Capital Market Assumptions (CMA) come from 2024 SAA Study CMA Survey (as of 12/31/2023)
(d) - The volatility drag results from the conversion between arithmetic and geometric mean returns

Discount Rate Sensitivity Analysis
The following table presents the Net Pension Liability of the plan using the discount rate of 7.00%, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) 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	$ 1,254,447	$ 785,378	$ 396,720

Pension Liabilities and Pension Expense
At August 31, 2025, the District reported a liability of $785,378 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's Proportionate Share of the Collective Net Pension Liability	$ 785,378
State's Proportionate Share that is Associated with the District	1,092,064
Total	$ 1,877,442

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 pension plan relative to the contributions of all employers to the plan for the period September 1, 2023 through August 31, 2024.

At August 31, 2024, the employer's proportion of the collective net pension liability was 0.001286% which was a decrease of 0.000022% from its proportion measured as of August 31, 2023.

For the year ended August 31, 2025, the District recognized pension expense of $130,520 and revenue of $100,749 for support provided by the State in the Government Wide Statement of Activities.

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

Benefit Terms – The Texas 2023 Legislature passed SB 10, which provided a stipend payment to certain retirees and variable ad hoc COLAs 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, and adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, August 31, 2024. SB 10 and 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.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
At August 31, 2025, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Actuarial Experience	$ 43,289	$ 6,132
Changes in Actuarial Assumptions	40,551	5,436
Difference Between Projected and Actual Investment Earnings	4,774	
Changes in Proportion and Difference Between the Employer's Contributions and the Proportionate Share of Contributions	66,699	33,300
Contributions Paid to TRS Subsequent to the Measurement Date	78,808	
Total	$ 234,121	$ 44,868

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

	Pension (Benefit) Expense
2026	$ 5,540
2027	92,401
2028	22,614
2029	(11,410)
2030	1,300
Thereafter	-

11. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

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

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

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

Components of the net OPEB liability of the TRS-Care plan as of August 31, 2024 and 2023 are as follows:

Net OPEB Liability	2024	2023
Total OPEB Liability	$ 35,168,178,563	$ 26,028,070,267
Less: Plan Fiduciary Net Position	(4,816,646,311)	(3,889,765,203)
Net OPEB Liability	$ 30,351,532,252	$ 22,138,305,064
Net Position as Percentage of Total OPEB Liability	13.70%	14.94%

Benefits Provided
TRS-Care provides health insurance coverage to all retirees from public schools 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 GAA passed by the 88th Legislature included funding to maintain TRS-Care premiums at their current level through 2025. Also, the 86th Legislature passed Senate Bill 1682 which requires TRS to establish a contingency reserve in the TRS-Care fund equal to 60 days of expenditures. This amount is estimated at $353,400,000 as of August 31, 2024.

The premium rates for retirees are presented below:

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 an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the employer. The actual public school contribution rate is prescribed by the Legislature in the General Appropriations Act, which is 0.75% of each active employee's pay for fiscal year 2024.

The following table shows contribution rates by type of contributor for the fiscal years 2024 and 2025, the contributions by type reported by TRS which were received by TRS during the measurement year (TRS FY 2024 and 2025), and the actual contributions made by the District to TRS during their fiscal year (District FY 2024 and 2025). The district and member contributions reported are included in the calculation of the district's proportionate share of the Net TRS-Care liability for the measurement period.

	Contribution Rates	
	2024	2025
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%

	TRS Plan Year	
	FY 2024	FY 2025
Employer Contributions	$ 72,455	$ 78,808
Member Contributions	134,371	131,907
NECE On-Behalf Contributions	100,749	

	District's Fiscal Year	
	FY 2024	FY 2025
Employer Contributions	$ 72,455	$ 78,808
Member Contributions	134,371	131,907

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

Additional actuarial methods and assumptions were as follows:

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

The election rates for normal retirement were 62% participation rate prior to age 65 and 25% participation rate after age 65. For pre-65 retirees, it is assumed that 30% will discontinue coverage at age 65.

The initial medical trend rates were 6.75% for 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% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 11 years.

Discount Rate
A single discount rate of 3.87% was used to measure the total OPEB liability. This was a decrease of 0.26% in the discount rate since the previous year. Because the investments are held in cash and there is no intentional objective to advance fund the benefits, the single discount rate is equal to the prevailing municipal bond rate. The source of the municipal bond rate is the Bond Buyer's "20-Bond GO index" as of August 31, 2024 using the Fixed Income Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Discount Rate Sensitivity Analysis
The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% point lower and 1% point higher 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%)
District's Proportionate Share of the Net OPEB Liability	$ 965,004	$ 812,261	$ 688,842

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's Proportionate Share of the Net OPEB Liability	$ 661,466	$ 812,261	$ 1,008,762

OPEB Liabilities and OPEB Expense
At August 31, 2025, the District reported a liability of $812,261 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's Proportionate Share of the Collective Net OPEB Liability	$ 812,261
State's Proportionate Share that is Associated with the District	1,017,752
Total	$ 1,830,013

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 the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2023 thru August 31, 2024.

At August 31, 2024, the employer's proportion of the collective net OPEB liability was 0.002676% compared to the 0.002070% as of August 31, 2023. This is an increase of 0.000606%.

For the year ended August 31, 2025, the District recognized OPEB expense of $132,289 and revenue of $30,459 for support provided by the State.

Changes Since the Prior Actuarial Valuation
Actuarial Assumptions – The following were changes to the actuarial assumptions or other inputs that affected the measurement of the total OPEB Liability since the prior measurement period:

- The discount rate changed from 4.13% as of August 31, 2023 to 3.87% as of August 31, 2024, 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.

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

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs
At August 31, 2025, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Actuarial Experience	$ 155,683	$ 405,362
Changes in Actuarial Assumptions	103,960	265,031
Difference Between Projected and Actual Investment Earnings		2,275
Changes in Proportion and Difference Between the Employer's Contributions and the Proportionate Share of Contributions	503,805	110,649
Contributions Paid to TRS Subsequent to the Measurement Date	24,999	
Total	$ 788,447	$ 783,317

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

	OPEB (Benefit) Expense
2026	$ (71,782)
2027	(34,994)
2028	(46,789)
2029	(33,050)
2030	4,282
Thereafter	162,464

12. RISK MANAGEMENT

The District's risk management program includes coverage, through various third party insurance providers, to protect the District against losses related to torts, errors, and omissions, theft and damage or destruction of property, employee health, and natural disasters. For the year ended August 31, 2025, there were no significant reductions in insurance coverage from the previous year.

13. HEALTH CARE COVERAGE

During the year ended August 31, 2025, employees of the District were covered by a health insurance plan through TRS – Active Care. The District contributed $250 of the employee-only premium per month and employees, at their option, authorized payroll withholdings to pay contributions for dependents. Under this plan, the District is not liable for costs incurred beyond the premiums paid.

Payments made on behalf of the District by the state for Medicare, Part D fringe benefits and salaries amounted to $10,242 and $9,098 for the years ended August 31, 2025 and 2024, respectively.

14. LITIGATION

Management represents there is no litigation pending against the District which would have a material effect on the financial statements.

15. COMMITMENTS AND CONTINGENCIES

Federal and State Funding

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

16. SUBSEQUENT EVENTS

The District's management has evaluated subsequent events though October 28, 2025, the date which the financial statements were available for issue.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBITS G-1 THROUGH G-5

GUTHRIE COMMON SCHOOL DISTRICT

Exhibit G-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes		1 Budgeted Amounts Original	2 Budgeted Amounts Amended	3 Actual	Variance With Final Budget Favorable (Unfavorable)
REVENUES:					
5700	Local and Intermediate Sources	$ 1,913,620	$ 2,036,620	$ 2,016,992	$ (19,628)
5800	State Program Revenues	389,182	507,182	487,143	(20,039)
5020	Total Revenues	$ 2,302,802	$ 2,543,802	$ 2,504,135	$ (39,667)
EXPENDITURES:					
0011	Instruction	$ 1,559,360	$ 1,559,360	$ 1,371,866	$ 187,494
0012	Instructional Resources and Media Services	46,913	76,913	65,960	10,953
0013	Curriculum and Instructional Staff Development	13,800	23,800	12,282	11,518
0023	School Leadership	103,327	136,827	109,383	27,444
0031	Guidance, Counseling, and Evaluation Services		14,000	13,863	137
0033	Health Services	5,650	13,650	2,386	11,264
0034	Student Transportation	125,695	274,119	118,508	155,611
0035	Food Services	141,749	161,749	131,234	30,515
0036	Extracurricular Activities	148,750	223,750	160,410	63,340
0041	General Administration	289,086	289,086	219,467	69,619
0051	Facilities Maintenance and Operations	550,715	676,715	574,059	102,656
0052	Security and Monitoring Services	6,550	30,550	24,357	6,193
0053	Data Processing Services	84,186	110,186	100,027	10,159
0071	Principal on Long-Term Debt		30,000	14,726	15,274
0072	Interest on Long-Term Debt		5,000	1,783	3,217
0081	Facilities Acquisition and Construction		168,865		168,865
0093	Payments to Fiscal Agent/Member Districts	34,440	44,440	28,369	16,071
0099	Other Intergovernmental Charges	110,100	110,100	92,194	17,906
6030	Total Expenditures	$ 3,220,321	$ 3,949,110	$ 3,040,874	$ 908,236
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (917,519)	$ (1,405,308)	$ (536,739)	$ 868,569
OTHER FINANCING SOURCES (USES):					
7912	Sale of Real Property	$	$ 320,000	$ 6,500	$ (313,500)
7915	Transfers In			157,584	157,584
7080	Total Other Financing Sources (Uses)	$ 0	$ 320,000	$ 164,084	$ (155,916)
1200	Net Change in Fund Balance	$ (917,519)	$ (1,085,308)	$ (372,655)	$ 712,653
0100	September 1 - Fund Balance	3,960,423	3,960,423	3,960,423	0
3000	August 31 - Fund Balance	$ 3,042,904	$ 2,875,115	$ 3,587,768	$ 712,653

GUTHRIE COMMON SCHOOL DISTRICT

Exhibit G-2

SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT SYSTEM
FOR THE YEARS ENDED AUGUST 31

	2025 Plan Year 2024	2024 Plan Year 2023	2023 Plan Year 2022	2022 Plan Year 2021	2021 Plan Year 2020	2020 Plan Year 2019	2019 Plan Year 2018	2018 Plan Year 2017	2017 Plan Year 2016	2016 Plan Year 2015
District's Proportion of the Net Pension Liability	0.001286%	0.001308%	0.001108%	0.001074%	0.001136%	0.001282%	0.001258%	0.001293%	0.001358%	0.001366%
District's Proportionate Share of the Net Pension Liability	$ 785,378	$ 898,683	$ 657,577	$ 273,619	$ 608,163	$ 666,594	$ 692,371	$ 413,364	$ 513,286	$ 482,782
State's Proportionate Share of the Net Pension Liability Associated with the District	1,092,064	1,170,679	1,261,861	655,075	1,443,117	1,403,642	1,487,254	941,068	1,285,884	1,249,323
Total	$ 1,877,442	$ 2,069,362	$ 1,919,438	$ 928,694	$ 2,051,280	$ 2,070,236	$ 2,179,625	$ 1,354,432	$ 1,799,170	$ 1,732,105
District's Covered Payroll	$ 1,628,736	$ 1,531,245	$ 1,676,916	$ 1,764,611	$ 1,811,974	$ 1,771,041	$ 1,684,252	$ 1,725,488	$ 1,856,434	$ 1,787,232
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	48.22%	58.69%	39.21%	15.51%	33.56%	37.64%	41.11%	23.96%	27.65%	27.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.51%	73.15%	75.62%	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%

Note: The information on this schedule is presented as of the measurement date of the plan (August 31, 20XX). Therefore, the amounts reported for FY 2025 are for the measurement date of August 31, 2024.

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

GUTHRIE COMMON SCHOOL DISTRICT

Exhibit G-3

SCHEDULES OF DISTRICT CONTRIBUTIONS
FOR PENSIONS
TEACHERS RETIREMENT SYSTEM
FOR THE YEARS ENDED AUGUST 31

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 78,808	$ 72,455	$ 67,250	$ 51,681	$ 45,858	$ 46,854	$ 44,883	$ 52,080	$ 42,369	$ 40,441
Contribution in Relation to the Contractually Required Contribution	78,808	(72,455)	(67,250)	(51,681)	(45,858)	(46,854)	(44,883)	(52,080)	(42,369)	(40,441)
Contribution Deficiency (Excess)	$ 157,616	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
District's Covered Payroll	$ 1,598,872	$ 1,628,736	$ 1,531,245	$ 1,676,916	$ 1,764,611	$ 1,811,974	$ 1,771,041	$ 1,684,252	$ 1,725,488	$ 1,856,434
Contributions as a Percentage of Covered Payroll	4.93%	4.45%	4.39%	3.08%	2.60%	2.59%	2.53%	3.09%	2.46%	2.18%

Note: The information on this schedule is presented as of the District's respective fiscal years.

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

GUTHRIE COMMON SCHOOL DISTRICT

Exhibit G-4

SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
TEACHERS RETIREMENT SYSTEM
FOR THE YEARS ENDED AUGUST 31

	2025 Plan Year 2024	2024 Plan Year 2023	2023 Plan Year 2022	2022 Plan Year 2021	2021 Plan Year 2020	2020 Plan Year 2019	2019 Plan Year 2018	2018 Plan Year 2017
District's Proportion of the Net OPEB Liability	0.002676%	0.002070%	0.001559%	0.001694%	0.001790%	0.001872%	0.001831%	0.001825%
District's Proportionate Share of the Net OPEB Liability	$ 812,261	$ 458,219	$ 373,237	$ 653,501	$ 680,497	$ 885,157	$ 914,215	$ 793,775
State's Proportionate Share of the Net OPEB Liability Associated with the District	1,017,752	552,911	455,291	875,546	914,425	1,176,176	1,526,706	1,435,374
Total	$ 1,830,013	$ 1,011,130	$ 828,528	$ 1,529,047	$ 1,594,922	$ 2,061,333	$ 2,440,921	$ 2,229,149
District's Covered Payroll	$ 1,628,736	$ 1,531,245	$ 1,676,916	$ 1,764,611	$ 1,811,974	$ 1,771,041	$ 1,684,252	$ 1,725,488
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	49.87%	29.92%	22.26%	37.03%	37.56%	49.98%	54.28%	46.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	13.70%	14.94%	11.52%	6.18%	4.99%	2.66%	1.57%	0.91%

Note: The information on this schedule is presented as of the measurement date of the plan (August 31, 20XX). Therefore, amounts reported for FY 2025 are for the measurement date of August 31, 2024.

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

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

GUTHRIE COMMON SCHOOL DISTRICT

Exhibit G-5

SCHEDULES OF DISTRICT CONTRIBUTIONS
FOR OTHER POST-EMPLOYMENT BENEFITS
TEACHERS RETIREMENT SYSTEM
FOR THE YEARS ENDED AUGUST 31

	2025	2024	2023	2022	2021	2020	2019	2018
Contractually Required Contribution	$ 24,999	$ 24,309	$ 17,955	$ 12,799	$ 13,235	$ 13,590	$ 13,284	$ 12,631
Contribution in Relation to the Contractually Required Contribution	(24,999)	(24,309)	(17,955)	(12,799)	(13,235)	(13,590)	(13,284)	(12,631)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
District's Covered Payroll	$ 1,598,872	$ 1,628,736	$ 1,531,245	$ 1,676,916	$ 1,764,611	$ 1,811,974	$ 1,771,041	$ 1,684,252
Contributions as a Percentage of Covered Payroll	1.56%	1.49%	1.17%	0.76%	0.75%	0.75%	0.75%	0.75%

Note: The information on this schedule is presented as of the District's respective fiscal years.

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

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

GUTHRIE COMMON SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

A. NOTES TO SCHEDULES FOR THE TRS PENSION

Changes of Assumptions

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

Changes of Benefit Terms

The Texas 2023 Legislature passed SB 10, which provided a stipend payment to certain retirees and variable ad hoc COLAs 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, and adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, August 31, 2024. SB 10 and 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.

B. NOTES TO SCHEDULES FOR THE TRS OPEB PLAN

Changes of Assumptions

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

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

Changes of Benefit Terms

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

SUPPLEMENTARY INFORMATION

EXHIBITS H-1 THROUGH H-2

GUTHRIE COMMON SCHOOL DISTRICT

Exhibit H-1

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2025

	Special Revenue Funds					
	211 ESEA I, A Improving Basic Program	255 ESEA II, A Training and Recruiting	289 Other Federal Special Revenue Funds	410 State Instructional Materials	429 Other State Special Revenue Funds	Total Nonmajor Governmental Funds
ASSETS:						
Due from Other Governments	$ 1,578	$ 359	$ 817	$ 10,908	$ 18,897	$ 32,559
Other Receivables				19		19
Total Assets	$ 1,578	$ 359	$ 817	$ 10,927	$ 18,897	$ 32,578
LIABILITIES:						
Accrued Wages Payable	$ 1,415	$ 322	$	$	$	$ 1,737
Due to Other Funds			817	10,927	18,897	30,641
Accrued Expenditures	163	37				200
Total Liabilities	$ 1,578	$ 359	$ 817	$ 10,927	$ 18,897	$ 32,578
FUND BALANCES:						
Unassigned	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Total Fund Balances	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Total Liabilities and Fund Balances	$ 1,578	$ 359	$ 817	$ 10,927	$ 18,897	$ 32,578

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

GUTHRIE COMMON SCHOOL DISTRICT

Exhibit H-2

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED AUGUST 31, 2025

	Special Revenue Funds									
	211 ESEA I, A Improving Basic Program	255 ESEA II, A Training and Recruiting	270 ESEA V, B,2 Rural & Low Income	289 Other Federal Special Revenue Funds	410 State Instructional Materials	429 Other State Special Revenue Funds	499 Other Local Special Revenue Funds	Total Special Revenue Funds	699 Capital Projects Fund	Total Nonmajor Governmental Funds
REVENUES:										
Local and Intermediate Sources	$	$	$	$	$	$	$ 850	$ 850	$	$ 850
State Program Revenues					13,816	41,143		54,959		54,959
Federal Program Revenues	1,578	2,205	25,516	8,709				38,008		38,008
Total Revenues	$ 1,578	$ 2,205	$ 25,516	$ 8,709	$ 13,816	$ 41,143	$ 850	$ 93,817	$ 0	$ 93,817
EXPENDITURES:										
Instruction	$ 1,578	$ 2,205	$ 25,516	$ 8,709	$ 13,816	$	$	$ 51,824	$	$ 51,824
School Leadership							850	850		850
Student Transportation								0	123,281	123,281
Facilities Maintenance and Operations								0	26,979	26,979
Security and Monitoring Services						41,143		41,143		41,143
Facilities Acquisition and Construction								0	168,865	168,865
Total Expenditures	$ 1,578	$ 2,205	$ 25,516	$ 8,709	$ 13,816	$ 41,143	$ 850	$ 93,817	$ 319,125	$ 412,942
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (319,125)	$ (319,125)
Net Change in Fund Balance	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (319,125)	$ (319,125)
Fund Balance - September 1 (Beginning)	0	0	0	0	0	0	0	0	319,125	319,125
Fund Balance - August 31 (Ending)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

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OTHER INFORMATION

EXHIBITS J-1 THROUGH J-4

GUTHRIE COMMON SCHOOL DISTRICT

Exhibit J-1

SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2025

Last Ten Years Ended August 31	1 Tax Rates Maintenance	2 Tax Rates Debt Service	3 Assessed/ Appraised Value for School Tax Purposes	10 Beginning Balance 9/1/2024	20 Current Year's Total Levy	31 Maintenance Total Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/2025	99 Taxes Refunded Under Section 26.1115(c)
2016 and Prior Years	Various	Various	$ Various	$ 4,722	$	$	$	$ 4,722	
2017	1.03000	0.29650	159,333,406	316				316	
2018	1.04000	0.28170	166,411,789	522		74		448	
2019	1.04000	0.27770	169,223,512	424		23		401	
2020	0.97000	0.23480	196,778,834	1,751		25		1,726	
2021	0.96640	0.28280	163,060,627	369		131		238	
2022	0.96340	0.35060	124,935,275	705		63		642	
2023	0.85460	0.28000	245,407,807	1,144		234	6,241	7,151	
2024	0.73800	0.28000	234,741,746	30,511		28,442	5,397	7,466	
2025 (School Year Under Audit)	0.73550	0.00000	226,651,437		1,667,021	1,662,427	6,268	10,862	
1000 TOTALS				$ 40,464	$ 1,667,021	$ 1,691,419	$ 17,906	$ 33,972	
8000 Total Taxes Refunded Under Section 26.1115(c), Tax Code									$ 0

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GUTHRIE COMMON SCHOOL DISTRICT

Exhibit J-4

STATE COMPENSATORY EDUCATION AND BILINGUAL EDUCATION PROGRAM EXPENDITURES FOR THE YEAR ENDED AUGUST 31, 2025

	Section A: Compensatory Education Programs	
AP1	Did the 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	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	$ 42,196
AP4	List the actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	$ 120,472
	Section B: Bilingual Education Programs	
AP5	Did the 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	List the total state allotment funds received for bilingual education programs during the district's fiscal year.	$ 2,405
AP8	List the actual direct program expenditures for bilingual education programs during the district's fiscal year. (PICs 25, 35)	$ 2,032

OVERALL COMPLIANCE AND INTERNAL CONTROL SECTION

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of School Trustees
Guthrie Common School District
Guthrie, Texas

We have audited, in accordance with the auditing standards generally accepted in the Unites States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Guthrie Common School District (the District), as of and for the year ended August 31, 2025, and related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 28, 2025.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District'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 over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

October 28, 2025

GUTHRIE COMMON SCHOOL DISTRICT

SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2025

Current Year Findings –

N/A

Corrective Action Plan –

N/A

Status of Prior Year Findings –

N/A