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# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2020



SANTA ROSA INDEPENDENT SCHOOL DISTRICT

P.O. BOX 368 – SANTA ROSA, TEXAS 78593

[WWW.SRTX.ORG](http://WWW.SRTX.ORG)



# **Santa Rosa**

# **Independent School District**

**Santa Rosa, Texas**



**Comprehensive Annual Financial Report**  
**For the Ten Month Period Ended June 30, 2020**

**Prepared by the Business Office:**

Mrs. Marisa Cuevas, Interim Chief Financial Officer

*Santa Rosa Independent School District*  
*P.O. Box 368*  
*Santa Rosa, Texas 78593*  
*[www.srtx.org](http://www.srtx.org)*

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## INTRODUCTORY SECTION

*“Warriors On the Move –  
Education On the Rise”*

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**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
Santa Rosa, Texas

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2020**

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## Santa Rosa Independent School District

P.O. Box 368 \* Santa Rosa, Texas 78593  
Telephone (956) 636-9800 \* Fax (956) 636-1439

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*"Once a Warrior, Always a Warrior"*

December 14, 2020

**Mrs. Santos Y. Castañeda, President,  
Members of the Board of Trustees, and  
Citizens of the Santa Rosa Independent School District  
Santa Rosa, Texas 78593**

Dear Mrs. Castañeda, Board of Trustees, and Citizens:

We are pleased to present the Santa Rosa Independent School District (the "District") Comprehensive Annual Financial Report (CAFR) for the 10 months ending June 30, 2020. The report was prepared by the Business Office. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures contained in the report, rests solely with the District.

The District's annual audited financial statements of the governmental activities, each major fund, and the aggregate remaining fund information are presented in conformity with requirements established by the Texas Education Agency in their Financial Accountability Systems Resource Guide. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statement in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designated to provide, reasonable rather than absolute, assurance that the financial statement will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's independent auditors were **Carr, Riggs & Ingram, LLC** and their opinion letter is hereby made a part of this report. Texas law requires that each public school district in the state undergo an annual audit conducted by an independent audit firm of certified public accountants and publish within one-hundred fifty days of the close of each fiscal year a complete set of financial statements. This audit must be done in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

The goal of the independent audit was to provide reasonable assurance that the financial statements of Santa Rosa Independent School District for 10 months ended June 30, 2020, are free of material misstatement and are presented in conformity with generally accepted accounting principles (GAAP). The independent audit involved examining, on a test basis, evidence supporting the

amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the ten month period ended June 30, 2020 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated "Single Audit" designated to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statement, but also on the audited government's internal controls and compliance with legal requirement, with special emphasis on internal controls and legal requirements involving the administration of federal awards. Information related to this single audit, including a schedule of expenditures of federal awards, the independent auditors' reports on the internal controls and compliance with applicable laws and regulations, and a schedule of finding sand questioned costs are included in the Federal Awards Section of the report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

This comprehensive annual financial report consists of four major sections: (1) the Introductory Section which describes our District and the contents of the report; (2) the Financial Section which contains the basic financial statements and notes, combining schedules and required TEA schedules; (3) the Statistical Section which shows prior years information for comparison purposes and other general information; and (4) the Federal Awards Section, as required.

## **GOVERNING BODY**

Santa Rosa Independent School District ("District") is a political subdivision of the State of Texas. The District encompasses approximately 26 square miles and is located near the Gulf of Mexico in Cameron County in the southwest corner of Texas. The District serves primarily the City of Santa Rosa and is located ten miles west of the City of Harlingen on State Highway 107.

The policy-making functions of the District lie with a seven-member Board of Trustees (the Board) composed of District residents, each of which is elected by the voters of the district for three-year staggered terms. Regular meetings are scheduled the third Monday of the month and are held in the Library of Santa Rosa High School. Special called meetings, committee meetings and workshop sessions are scheduled as needed and announced to the public in compliance with public notice requirements.

The Board has final control over local school matters limited only by the state legislature, the court system and by the will of its citizens as expressed in school Board elections and bond referendums. Board decisions are based on a majority vote of those present.

In general, the Board is responsible for adopting policy, employing and evaluating the Superintendent and overseeing the operations of the District and its schools. The Board is also responsible for setting the tax rate, adopting the annual budget along with periodic amendments, setting salary schedules, approving pay increases and serving as a board of appeals in personnel and student matters. The Board receives funding from local, state and federal source entities. This report contains all funds pertaining to the District. Serving without compensation, Board members establish the policies by which schools operate. In carrying out the task of setting policy, the board identifies needs and establishes priorities for the school system, allocates financial and human resources among the priority areas and evaluates school performance. The District's Superintendent of Schools and staff assist the Board with financial and administrative matters and oversee the day-to-day operations of the District.

### *Budgetary Controls*

On an annual basis, the District presents the Board of Trustees with the proposed budgets for the General Operating Fund, the Debt Service Fund, and the Food Service Fund for approval as required by the Texas Education Code and as described in the Texas Education Agency's Financial Accountability Systems Resource Guide. The proposed budget is presented to the Board summarized at the function level for each of the funds above. The Board is required to hold a public hearing on the proposed budget and to adopt a final budget no later than June 30, the close of the District's fiscal year. After adoption of the budget, the appropriation amounts are entered into the District's accounting and encumbrance system and monitoring of the expenditures and encumbrances in relation to the approved budget begins.

Budget managers have the authority to approve budget transfers anytime during the year. A budget transfer is the movement of appropriations between budget line items within the same function. Any request to move appropriations between budget line items to different functions is considered a budget amendment. Any budget amendment requested by budget managers requires Board approval. Expenditure requests will not be processed unless appropriations are available in the line item.

The District feels that the budgetary controls currently in place are adequate to ensure that expenditures remain within the approved budget and that the District complies with regulations established by the Texas Education Code and the Financial Accountability Systems Resource Guide.

The District evaluates the existing system of internal controls annually through self-evaluation and the annual independent financial and compliance audit. Internal controls are designed to provide reasonable, but not absolute, assurance regarding: 1) the safeguarding of assets against loss from authorized use or disposition; and 2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: 1) the cost of controls should not exceed benefits expected to be derived; and 2) the evaluation of costs and benefits requires estimates and judgments by management.

*Services Provided*

The District provides a safe and learning environment that ensures a quality education for grade levels Pre-kindergarten through the 12<sup>th</sup> grade. Beginning in the one elementary school, one middle schools, one alternative education program and extending through one high school, students study the essential elements of language arts, reading, science, mathematics, art, music, physical education and computer literacy. This includes a special education program for students with disabilities, occupational education, bilingual instruction for those with limited English proficiency, and specialized instruction for disadvantaged students.

*Enrollment*

Santa Rosa I.S.D is a Title I District and has a total enrollment of 998 students for the 2019-2020 school year. Of these students, 98.7% are Hispanic, 1.1% White, 87.98% of the students are economically disadvantaged, 61.32% of the students are At-Risk, 16.8% of all students are identified as English learners.

The breakdown of our student membership is as follows:

• Pre-K	38
• K-5	436
• 6-8	217
• 9-12	<u>307</u>
TOTAL	998

Due to flooding in the area the past two years, we had a dramatic decrease in 2019-2020 in our average daily attendance. ADA is expected to continue to decline not only due to the flooding but because of the COVID-19 pandemic. Projected membership for school year 2020-2021 is expected to reach 980.

*Mission Statement*

Santa Rosa Independent School District is in partnership with the administration, staff, teachers, parents, and the community. The district is committed to provide all students with the highest quality instruction through the use of modern technology, highly qualified teachers, and high performing learning environments. It is our goal to reach a level of high student performance, exemplary academic achievement, and to produce self-motivated citizens who will fulfill their potential and enhance their welfare for the future.

*Long Range District Goals*

The long-range goal of Santa Rosa ISD is to prepare students to be college and workforce ready. When 100% of our students graduate from Santa Rosa High School they will be prepared to enter the workforce or prepared for postsecondary. A long-range goal for Santa Rosa ISD is to be an “Academic Achievement Distinction Designated” (AADD) district. To provide facilities that will provide the education that will prepare students for the future.

## *Achievements*

The District received a Superior rating on the School FIRST (Financial Integrity Rating System of Texas) financial accountability system for the fiscal year ending August 31, 2019. The rating system was established during the 77<sup>th</sup> Legislative session. School districts received its first official rating by TEA in August 2003 for the fiscal year 2001-2002.

## **Factors Affecting Financial Condition**

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

### **Local Economy**

#### *Employment and the Labor Force*

Santa Rosa is a strategically positioned land port that connects La Feria and surrounding areas to State Highway 107. Agricultural production, transportation, and service sector continue to play a major role in the Santa Rosa area economy.

### **Long-term Financial Planning and Major Initiatives**

The District continues to maintain a healthy General Fund Balance. The District has maintained the fund balance to ensure that needed resources are available when required to meet unexpected revenue shortfalls and one-time expenditures that may exceed the annual available resources. If certain events occur during the year, the District may react with appropriate budget changes and or amendments as per CE (Local) Policy, “The expenditure of funds shall be under the direction of the Superintendent or designee who shall ensure that funds are expended in accordance with the adopted budget.”

Growth in the District’s tax base has continued, averaging 3.13% annual growth from fiscal years 2016-20. The District’s fiscal 2020 taxable assessed valuation (TAV) grew to \$91.1 million.

Some of the major initiatives for the 2020 fiscal period were the roof repairs that were done at the HS and Elem and the fire alarm upgrades that was done at all three campuses.

### **Debt Service**

Debt Service is a major area of cost due to the District’s building program which is primarily financed by the sale of general obligation bonds. The Texas Education Code (TEC) authorizes the District to issue negotiable coupon bonds to construct, acquire, or equip school buildings, to purchase necessary sites, or to acquire or refinance property financed under a contract entered into under the Public Property Finance Act. The District is further authorized to levy and assess annual ad valorem taxes sufficient to pay the principal and interest on the bonds as they become due. The District’s primary objective in debt management is to keep the level of indebtedness within available resources and within legal debt limitations.

All bond elections are held in accordance with statutory requirements and bonds are issued and taxes are levied in compliance with Sections 45.001, 45.003(b)(1), and 45.003(e) of the Texas Education Code.

As of June 30, 2020, the District had \$8,550,000 of School Building Unlimited Tax Bonds and Refunding Bonds, with maturities extending into the year 2038. The District's Debt Service fund balance is \$1,020,938 as of June 30, 2020.

### **Rating**

In October 2016, the District's bonds have been rated "AAA" by S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P"). S&P generally rates all bonds guaranteed by the Permanent School Fund of Texas "AAA". The currently outstanding tax supported debt of the District has a rating of "AAA" by S&P by virtue of the Permanent School Fund Guarantee.

### **Fiduciary Operations**

The District maintains the fiduciary responsibility of monitoring the individual campus' student activity funds. The District ensures that proper control over cash is maintained and that all procedures are in accordance with TEA's Financial Accountability Systems Resource Guide. As of June 30, 2020, total assets for student activity funds were \$54,406.

### **Acknowledgments**

The preparation of the Comprehensive Annual Financial Report on a timely basis could not have been accomplished without the commitment and dedicated services of the Business Office staff and other members district-wide. We would like to express our appreciation for their contributions to its presentation. The Business Office would like to thank the following personnel for the time and effort given to the preparation of this report:

#### **Administration**

Dr. Angela Gonzalez, Superintendent of Schools  
Mrs. Marisa Cuevas, Interim Chief Financial Officer  
Mrs. Melissa Salinas, Curriculum & Instruction Director  
Ms. Rocio Ramos, High School Principal  
Mr. Jacinto Saucedo, Middle School Principal  
Mr. Gregorio Camarillo, Elementary School Principal  
Mr. Enrique Betancourt, Police Chief

**Business and Finance**

Mrs. Irma Grijalva, Superintendent/HR Secretary

Mrs. Leticia Lopez, Accounts Payable Clerk

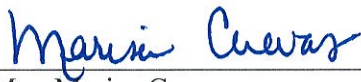
Mrs. Dina P. Vela, Payroll Clerk

Mrs. Mary Rodriguez, Fixed Assets & Shipping/Receiving Clerk

Mrs. Dalia Anes, Maintenance, Transportation, & Athletics Secretary

We would especially like to thank the District's Board of Trustees for their time, dedication and support to the District and its personnel and our independent auditor, Carr, Riggs, & Ingram, LLC, for their role in providing professional guidance and assistance in the preparation of this report.

Respectfully Submitted,



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Mrs. Marisa Cuevas,  
Interim Chief Financial Officer

It is the policy of the Santa Rosa Independent School District not to discriminate on the basis of race, color, national origin, gender, religion, limited English proficiency, or handicapping condition in its programs.

# SANTA ROSA INDEPENDENT SCHOOL DISTRICT

Santa Rosa, Texas

## PRINCIPAL OFFICIALS, CONSULTANTS & ADVISORS

For the Ten Month Period Ended June 30, 2020

### ELECTED OFFICIALS

<u>Board of Trustees</u>	<u>Length of Service</u>	<u>Term Expires</u>	<u>Occupation</u>
Santos Y. Castañeda, President	2 Year, 2 Months	May 2021	Public Health Program Director
Sandra Rickford, Vice-President	11 Years, 2 Months	May 2021	Home Provider
Danny Theys, Secretary	21 Years, 2 Months	May 2020	Self Employed – Home Health Owner
Raul Garza, Trustee	15 Years, 2 Months	May 2020	Probation Officer
Rogelio Guerra, Jr., Trustee	1 Years, 2 Months	May 2022	Teacher
Juan Manuel Perez, Trustee	4 Years, 2 Months	May 2022	Respiratory Therapist
Cynthia Saldivar, Trustee	2 Year, 2 Months	May 2021	Case Manager

### CONSULTANTS & ADVISORS

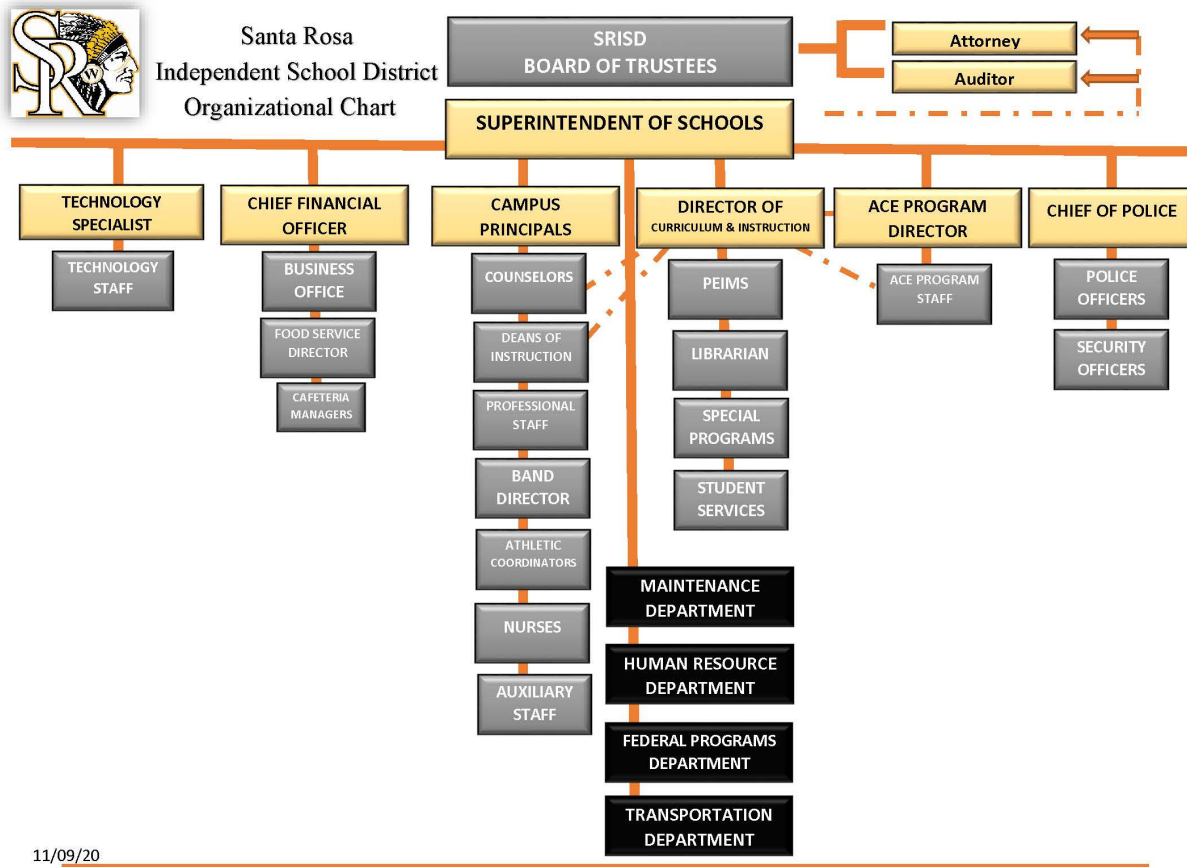
Financial Advisors ..... Estrada-Hinojosa & Company, Inc.  
 ..... Dallas and San Antonio, Texas

General Counsel ..... O’Hanlon, Demerath & Castillo, P.C.  
 ..... Austin, Texas

Independent Auditors ..... Carr, Riggs & Ingram, LLC  
 ..... Harlingen, Texas

Bond Counsel ..... The Ricardo Perez Law Firm P.L.L.C.  
 ..... McAllen, Texas

# Santa Rosa Independent School District Organizational Chart



11/09/20

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**CERTIFICATE OF BOARD**

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**Santa Rosa Independent School District**  
*Name of School District*

**Cameron**  
*County*

**031-914**  
*County District Number*

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and \_\_\_ approved \_\_\_ disapproved for the ten month period ended June 30, 2020 at the meeting of the Board of Trustees of such school district on the 14th day of December, 2020.

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

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

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## FINANCIAL SECTION

*“Warriors On the Move –  
Education On the Rise”*





**Carr, Riggs & Ingram, LLC**  
402 East Tyler Avenue  
Harlingen, TX 78550-9122  
  
(956) 423-3765  
(956) 428-7520 (fax)  
CRIcpa.com

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees  
Santa Rosa Independent School District

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Santa Rosa Independent School District (the "District") as of and for the ten month period ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

#### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Santa Rosa Independent School District, as of June 30, 2020, and the respective changes in financial position for the ten months then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension supplementary information on pages 19-31 and 81-91 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Santa Rosa Independent School District's basic financial statements. The introductory section, other supplementary information and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2020, on our consideration of the Santa Rosa Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Santa Rosa Independent School District's internal control over financial reporting and compliance.

*Cary Riggs & Ingram, L.L.C.*

Harlingen, Texas  
December 14, 2020

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# Santa Rosa Independent School District

*“Once a Warrior, Always a Warrior”*

Dr. Angela Gonzalez, Superintendent of Schools

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## MANAGEMENT’S DISCUSSION AND ANALYSIS FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2020 (UNAUDITED)

As management of the Santa Rosa Independent School District (the “District”), we are providing readers of the District’s financial statements this narrative overview and analysis of the District’s financial performance for the ten month period ended June 30, 2020. Please read this discussion in conjunction with the transmittal letter, which can be found at the front of this report, and the District’s financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

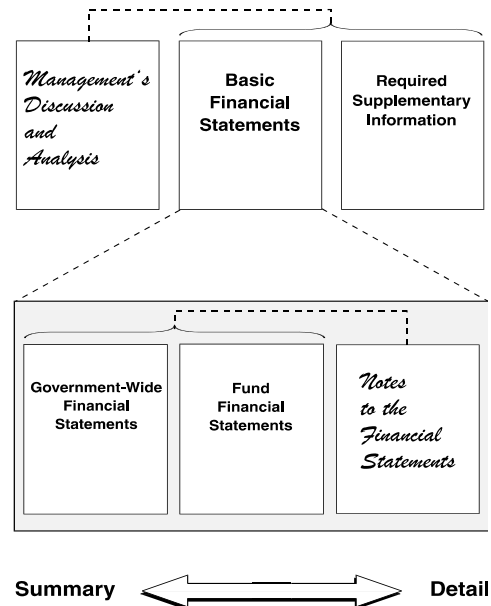
- The District’s total combined net position as reflected in the government-wide Statement of Net Position was \$9,256,986 at June 30, 2020.
- The District’s Statement of Activities reflects an increase in net position for Governmental Activities in the amount of \$329,915. This is a result of revenues of \$16,171,284 generated in taxes, state aid, investment earnings, and other revenues such as charges for services and federal grants exceeding operating expenses.
- The General Fund reported a fund balance in the governmental funds financial statement this year of \$4,679,857. Approximately 97.9% of this total amount, \$4,580,430 is available for spending at the District’s discretion (unassigned fund balance).
- As of the close of the fiscal year, the District governmental funds reported combined ending fund balances of \$5,700,795, an increase of \$892,022 in comparison with the prior year. This is primarily due to the changing of the fiscal year end to June 30 in the current year resulting in a 10 month period, which caused a significant reduction in debt service expenditures in the governmental funds while still collecting substantially the majority of all revenues within that 10 month period.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*. The District currently does not utilize any proprietary funds.
- *Fiduciary fund* statements provide information about the financial relationships in which the District's acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

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



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

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**Figure A-2. Major Features of the District's Government-wide and Fund Financial Statements**

Type of Statements	Fund Statements			
	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Agency's government (except fiduciary funds) and the Agency's component units	The activities of the district that are not proprietary or fiduciary	Activities the district operates similar to private businesses: self insurance	Instances in which the district is the trustee or agent for someone else's resources
Required financial statements	♦ Statement of net assets	♦ Balance sheet	♦ Statement of net assets	♦ Statement of fiduciary net assets
	♦ Statement of activities	♦ Statement of revenues, expenditures & changes in fund balances	♦ Statement of revenues, expenses and changes in fund net assets ♦ Statement of cash flows	♦ Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

### Government-wide Statements

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

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

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

The government-wide financial statements of the District include the *Governmental activities*. Most of the District's basic services are included here, such as instruction, curriculum and staff development, school district administrative support services and general administration. Grants and charges for services finance most of these activities.

## **Fund Financial Statements**

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

- Some funds are required by State law.
- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain grants and local sources.

The District has the following kinds of funds:

- *Governmental funds*—Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Fiduciary funds*—The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

## **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information concerning budget to actual presentations for the General Fund in accordance with State Board of Education rules. In addition, a budget to actual presentation for the Debt Service Fund is included in the TEA Required Schedules section.

The combining statements referred to earlier in connection with Nonmajor governmental funds are presented immediately following the Required Supplementary Information.

## **FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

Net position may serve over time as a useful indicator of a government's financial position. The District's combined net position was \$9,256,986 at June 30, 2020 (See Table A-1). The government-wide increase in net position was \$329,915, primarily due to current year changes in net pension and net OPEB liabilities related to significant additional expenses recognized by the Plans in comparison to the prior year.

**TABLE A-1**

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL ACTIVITIES  
NET POSITION**

	FY 2020	FY 2019	Percentage Change
Current Assets and Other Assets	\$7,749,364	\$6,098,451	27.1%
Capital Assets	24,694,466	24,796,652	-0.4%
Total Assets	<u>32,443,830</u>	<u>30,895,103</u>	<u>5.0%</u>
Deferred Charge for Refunding	297,911	316,882	-6.0%
Deferred Outflow Related to TRS	3,562,426	3,223,730	10.5%
Total Deferred Outflows of Resources	<u>3,860,337</u>	<u>3,540,612</u>	<u>9.0%</u>
Current Liabilities	1,851,977	1,058,429	75.0%
Long-Term Liabilities	20,716,987	20,969,251	-1.2%
Total Liabilities	<u>22,568,964</u>	<u>22,027,680</u>	<u>2.5%</u>
Deferred Inflow Related to TRS	4,478,217	3,480,964	28.6%
Total Deferred Inflows of Resources	<u>4,478,217</u>	<u>3,480,964</u>	<u>28.6%</u>
Net Position:			
Net Investment in Capital Assets	14,984,904	14,826,956	1.1%
Restricted for Federal and State Programs	99,427	129,404	-23.2%
Restricted for Debt Service	933,186	232,506	301.4%
Unrestricted	(6,760,531)	(6,261,795)	8.0%
Total Net Position	<u>9,256,986</u>	<u>8,927,071</u>	<u>3.7%</u>

Approximately 91.8% of the District's largest liability is for the repayment of general obligation bonds and pension liabilities. Other liabilities, representing about 8.2% of the District's total liabilities, consist almost primarily of payables on accounts and salaries and benefits. The largest portion of the District's net position, \$14,984,904, reflects its investment in capital assets (e.g., land, buildings, and equipment) less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes and state aid), since the capital assets themselves cannot be used to liquidate these liabilities.

The smallest portion of the District's net position (11.2%) represents resources that are subject to external restrictions on how they may be used. Restricted net position increased by \$700,680 during the 10 month period ended June 30, 2020. The remaining balance of unrestricted net position is a deficit of \$6,760,531 due to the large balances resulting from reporting the District's share of the Net Pension and Net OPEB liabilities. The District's current assets of \$7,749,364 were sufficient to cover current liabilities of \$1,851,977. This represents a current ratio of 4.18, which means that for every dollar the District owes in current liabilities, there is \$4.18 available in current assets.

## Governmental Activities

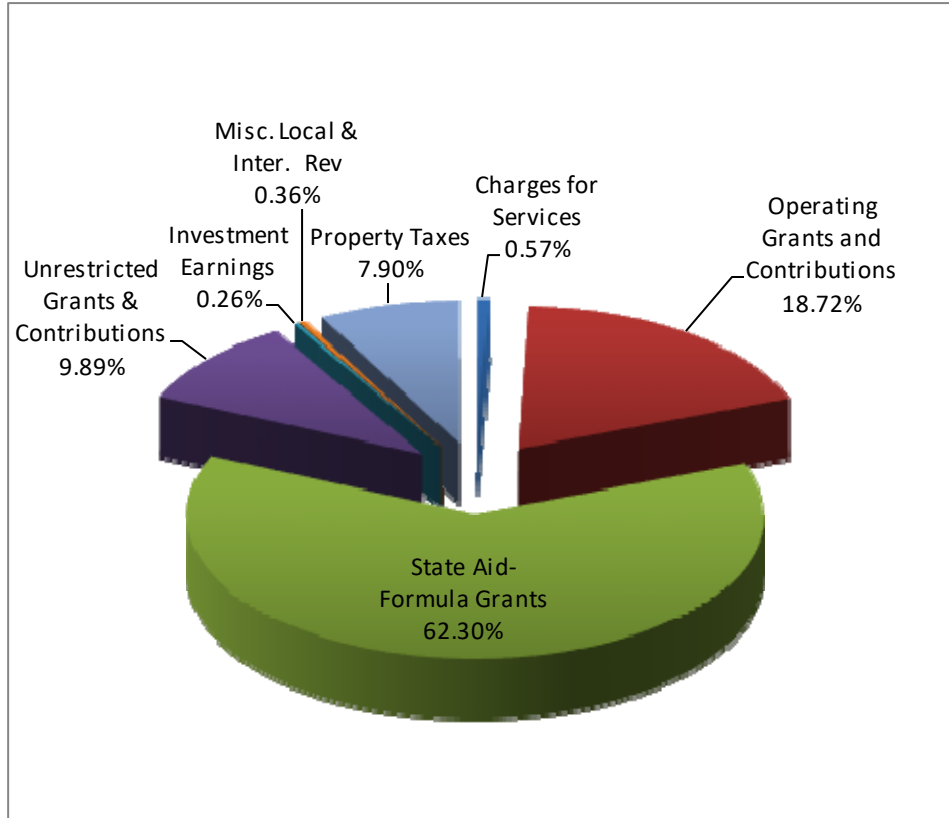
Governmental activities increased the District's total net position by \$329,915, which increased the overall Net Position by 3.7%.

**TABLE A-2**  
**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
**GOVERNMENTAL ACTIVITIES**  
**CHANGES IN NET POSITION**

Program Revenues:	FY 2020	FY 2019
Charges for Services	\$92,323	\$114,662
Operating Grants and Contributions	3,026,959	4,521,361
General Revenues:		
State Aid - Formula Grants	10,075,512	10,745,321
Grants and Contributions not Restricted	1,598,552	1,091,665
Investment Earnings	42,098	78,938
Miscellaneous Local and Intermediate Revenue	59,014	213,449
Property Taxes	1,276,826	1,283,019
<b>Total Program and General Revenues</b>	<b>16,171,284</b>	<b>18,048,415</b>
Expenditures		
Instruction	7,904,055	8,467,325
Instructional Resources and Media Services	181,112	180,336
Curriculum and Staff Development	179,432	134,122
Instructional Leadership	294,891	332,983
School Leadership	645,895	706,063
Guidance, Counseling and Evaluation Services	419,205	452,071
Social Work Services	56,980	105,415
Health Services	215,338	217,182
Student (Pupil) Transportation	154,537	294,165
Food Services	739,368	907,412
Extracurricular Activities	863,459	1,060,644
General Administration	838,133	1,255,007
Facilities Maintenance and Operations	1,810,709	2,207,755
Security and Monitoring Services	279,528	254,572
Data Processing Services	287,596	572,571
Community Services	22,498	49,070
Debt Service - Interest on Long Term Debt	201,930	283,512
Debt Service - Bond Issuance Costs and Fees	700	-
Payments related to Shared Services Arrangements	733,936	625,408
Other Intergovernmental Charges	12,067	16,154
<b>Total Expenditures</b>	<b>15,841,369</b>	<b>18,121,767</b>
<b>Increase (Decrease) in Net Position</b>	<b>329,915</b>	<b>(73,352)</b>
<b>Net Position at Beginning of Year</b>	<b>\$8,927,071</b>	<b>9,000,423</b>
<b>Increase (Decrease) in Net Position</b>	<b>329,915</b>	<b>(73,352)</b>
<b>Net Position at End of Year</b>	<b>\$9,256,986</b>	<b>\$8,927,071</b>

The following chart highlights the District's revenues by funding source for the governmental activities. As you can see, State Aid comprises 62.30% of the total.

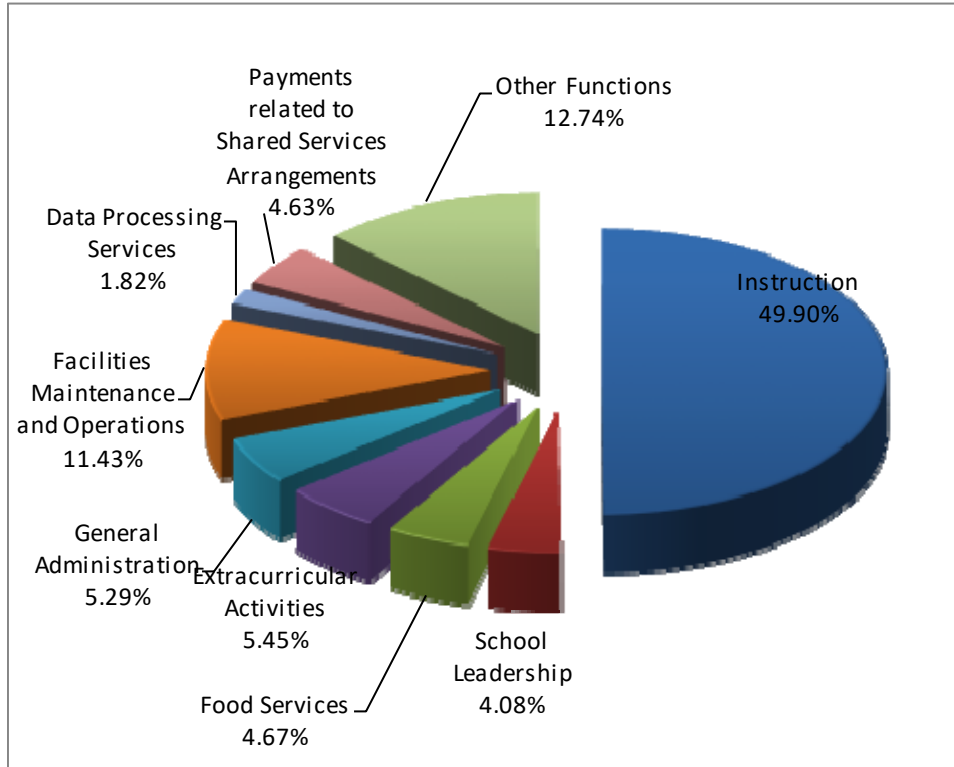
**Figure A-3 District's Total Revenues**



Total revenues were \$16,171,284. Revenues for the District's governmental activities decreased 10.4% compared to prior year. The decrease was primarily due to the short 10 month period due to converting to a June 30 fiscal year end, as well as a decrease in certain federal and state revenues which were caused by the COVID-19 pandemic.

The next chart presents the cost of each of the District's largest functions. Of the total expenses, instructional services represent the largest dollar expense at \$7,904,055 or 49.90%, followed by facilities maintenance & operations at \$1,810,709 or 11.4%.

**Figure A-4 District's Functional Expenses**



Total expenses were \$15,841,369. Total expenses decreased by \$2,280,398 or 12.6%. The decrease in expenses was across most functional areas and was the result of the fiscal period being changed to June 30, resulting in only 10 months of operations, combined with a reduction in certain areas as a result of the COVID-19 pandemic.

### **Governmental Funds**

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year, the District's governmental funds reported combined ending fund balances of \$5,700,795 an increase of \$892,022 in comparison with the prior year. Approximately 80.3% or \$4,580,430 of this total amount constitutes unassigned fund balance, which is available for spending at the district's discretion. The remainder of fund balance is restricted or nonspendable to indicate that it is not available for new spending because it has already been assigned: 1) Federal or State Funds Grant Restriction \$72,350, 2) Retirement of Long Term Debt \$1,020,938, 3) for inventories \$26,627, and 4) prepaid items \$450.

*General Fund.* The General Fund is the chief operating fund of the District. At the end of the current fiscal period, unassigned fund balance of the General fund was \$4,580,430, while total fund balance reached \$4,679,857. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 37.2% of total general fund expenditures, while total fund balance represents 38% of total general fund expenditures.

The \$4,580,430 of unassigned fund balance gives the District a balance that is the equivalent of 135.7 days of expenditures of unassigned fund balance. This fund balance is adequate to minimize the likelihood of the District entering the short-term debt market to pay for current operating expenditures.

*Debt Service Fund.* The Debt Service Fund ended with a total combined fund balance of \$1,020,938, all of which was reserved for the payment of debt service. This amount was set aside to help repay bond issues. The significant increase in fund balance in the current year of \$822,781 was the result of having a 10 month fiscal period ending June 30<sup>th</sup>, so certain debt service expenditures normally paid in August were not recognized in the 10 month period ended June 30, 2020.

### District’s Analysis of Debt Service Fund

Debt Service Fund (599)			
	<u>2020</u>	<u>2019</u>	<u>% Change</u>
Revenues			
Property Taxes	\$ 260,224	\$ 260,189	0.0%
State Program Revenues	734,257	796,048	-7.8%
Total Revenues	<u>994,481</u>	<u>1,056,237</u>	<u>-5.8%</u>
Expenditures by Function			
Principal Long Term Debt	-	670,000	-100.0%
Interest on Long Term Debt	171,000	366,400	-53.3%
Other Fees	700	400	75.0%
Total Expenditures	<u>171,700</u>	<u>1,036,800</u>	<u>-83.4%</u>
Net Change in Fund Balance	822,781	19,437	4133.1%
Fund Balance, Beginning	<u>198,157</u>	<u>178,720</u>	<u>10.9%</u>
Fund Balance, Ending	<u>\$ 1,020,938</u>	<u>\$ 198,157</u>	<u>415.2%</u>

## Business-Type Activities

The District did not have any business type of activities.

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled \$15,519,080 a decrease of 12% over the preceding year. The decrease is mainly attributed to federal and state revenues, which decreased as a result of the shorter 10 month fiscal period and the impact of the COVID-19 pandemic.

## General Fund Budgetary Highlights

The FY 2019-2020 budget was developed by balancing the challenges of operating a small district whose enrollment has been flat while maintaining the same property tax rate. The most significant fund for the District is the General Fund, funded primarily through state aid and property tax revenue. Over the course of the year, the District revised its budget several times.

The original appropriation was increased by \$61,633 (Exhibit G-1) as of the final amended budget. This increase was due to an increase to purchase technology upgrades at the middle school campus, consisting of teacher computer and laptops, and student computers.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

The Capital Projects Fund is used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing educational programs for all students in the District. At the end of 2020, the District had invested \$24,694,466 in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-3.) This amount represents a decrease of \$102,186 over last year. For readers interested in more detailed information please refer to Note 2 of the financial statements in the "Capital Assets" section.

**TABLE A-3**  
**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
**GOVERNMENTAL ACTIVITIES**  
**SCHEDULE OF CAPITAL ASSETS**

<b>Capital Assets</b>	<b>FYE 2020</b>	<b>FYE 2019</b>	<b>Percentage Change</b>
Land	\$ 265,271	\$ 265,271	0.0%
Buildings and Improvements	34,483,095	33,959,804	1.5%
Furniture & Equipment	6,187,421	6,027,957	2.6%
Totals at Historical Cost	40,935,787	40,253,032	1.7%
Less Accumulated Depreciation	(16,241,321)	(15,456,380)	5.1%
Net Capital Assets	<u>\$ 24,694,466</u>	<u>\$ 24,796,652</u>	<u>-0.4%</u>

## LONG TERM DEBT

At year end, the District has \$20,716,987 in bonds, premium, compensated absences, capital leases, net pension liability, and net OPEB liability outstanding as shown in Table A-4. More detailed information about the District’s debt is presented in Note 2 to the financial statements in the "Long-term Obligations" section.

**TABLE A-4**

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL ACTIVITIES  
SCHEDULE OF LONG-TERM DEBT**

Governmental Activities:	FYE 2020	FYE 2019	Percentage Change
Bonds Payable	\$8,550,000	\$8,550,000	0.0%
Unamortized Bond Premium	766,538	903,765	-15.2%
Compensated Absences	56,519	47,032	20.2%
Capital Lease Payable	690,935	832,813	-17.0%
Net Pension Liability	4,387,730	4,417,809	-0.7%
Net OPEB Liability	6,265,265	6,217,832	0.8%
Totals	\$20,716,987	\$20,969,251	1.2%

**Bond Ratings:** The District’s bonds carry “AAA” rating by Fitch based on a guaranty provided by the Texas Permanent School Fund (PSF), whose bond guaranty program is rated “AAA” by Fitch.

## ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The District’s board members considered many factors when setting the fiscal year 2020-2021 budget and tax rates. Some of these factors were the district needs, the campus needs, appraised values, and the Santa Rosa economy. The following factors are highlights of the budget:

- The Average Daily Attendance (ADA) is projected to decrease in fiscal year 2020-2021. The District’s 2020-2021 ADA is projected to be 980 which reflects a 1% decrease.
- The total budgeted tax rate is \$1.34419 which is composed of \$1.06390 compressed rate for maintenance and operations and \$0.28029 for the payment of principal and interest on bonds. Based on HB3, second year of tax rate compression, the tax rate reduced another \$0.00113.
- The taxable value used for the 2020-2021 budget preparation is \$94,560,453 from the previous year, which is an increase of 3.6%.

These indicators were taken into account when adopting the general fund budget for fiscal year 2020-2021. Amounts available for appropriation in the general fund budget for 2021 are \$14,410,961, a decrease of 3% versus the final 2020 budget of \$14,850,459.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT DEPARTMENT**

This comprehensive financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Mrs. Marisa Cuevas, Interim Chief Financial Officer, Business Office, Santa Rosa I.S.D., P.O. Box 368, Santa Rosa, Texas 78593, by calling (956) 636-9810, or by emailing [cuevasm@srtx.org](mailto:cuevasm@srtx.org).

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## **BASIC FINANCIAL STATEMENTS**

*“Warriors On the Move –  
Education On the Rise”*



SANTA ROSA ISD  
STATEMENT OF NET POSITION  
JUNE 30, 2020

EXHIBIT A-1

Data Control Codes	Primary Government Governmental Activities
<b>ASSETS</b>	
1110 Cash and Cash Equivalents	\$ 6,448,467
1120 Current Investments	249,693
1220 Property Taxes - Delinquent	402,422
1230 Allowance for Uncollectible Taxes	(16,119)
1240 Due from Other Governments	554,395
1290 Other Receivables, Net	83,429
1300 Inventories	26,627
1410 Prepayments	450
Capital Assets:	
1510 Land	265,271
1520 Buildings, Net	23,488,182
1530 Furniture and Equipment, Net	941,013
1000 Total Assets	32,443,830
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
1701 Deferred Charge for Refunding	297,911
1705 Deferred Outflow Related to TRS Pension	2,386,279
1706 Deferred Outflow Related to TRS OPEB	1,176,147
1700 Total Deferred Outflows of Resources	3,860,337
<b>LIABILITIES</b>	
2110 Accounts Payable	134,759
2140 Interest Payable	141,093
2150 Payroll Deductions and Withholdings	3,124
2160 Accrued Wages Payable	1,228,293
2180 Due to Other Governments	342,288
2190 Due to Student Groups	2,420
Noncurrent Liabilities:	
2501 Due Within One Year	845,270
2502 Due in More Than One Year	9,218,722
2540 Net Pension Liability (District's Share)	4,387,730
2545 Net OPEB Liability (District's Share)	6,265,265
2000 Total Liabilities	22,568,964
<b>DEFERRED INFLOWS OF RESOURCES</b>	
2605 Deferred Inflow Related to TRS Pension	1,319,276
2606 Deferred Inflow Related to TRS OPEB	3,158,941
2600 Total Deferred Inflows of Resources	4,478,217
<b>NET POSITION</b>	
3200 Net Investment in Capital Assets	14,984,904
3820 Restricted for Federal and State Programs	99,427
3850 Restricted for Debt Service	933,186
3900 Unrestricted	(6,760,531)
3000 Total Net Position	\$ 9,256,986

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

SANTA ROSA ISD  
STATEMENT OF ACTIVITIES  
FOR THE TEN MONTHS ENDED JUNE 30, 2020

Data Control Codes	1	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		3	4	6
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities

**Primary Government:**

## GOVERNMENTAL ACTIVITIES:

11 Instruction	\$ 7,904,055	\$ -	\$ 1,265,944	\$ (6,638,111)
12 Instructional Resources and Media Services	181,112	-	65,038	(116,074)
13 Curriculum and Instructional Staff Development	179,432	-	46,180	(133,252)
21 Instructional Leadership	294,891	-	165,617	(129,274)
23 School Leadership	645,895	-	40,849	(605,046)
31 Guidance, Counseling and Evaluation Services	419,205	-	85,862	(333,343)
32 Social Work Services	56,980	-	46,791	(10,189)
33 Health Services	215,338	-	51,496	(163,842)
34 Student (Pupil) Transportation	154,537	-	15,939	(138,598)
35 Food Services	739,368	59,565	557,306	(122,497)
36 Extracurricular Activities	863,459	32,758	27,011	(803,690)
41 General Administration	838,132	-	28,706	(809,426)
51 Facilities Maintenance and Operations	1,810,709	-	60,654	(1,750,055)
52 Security and Monitoring Services	279,528	-	28,234	(251,294)
53 Data Processing Services	287,597	-	11,233	(276,364)
61 Community Services	22,498	-	16,782	(5,716)
72 Debt Service - Interest on Long-Term Debt	201,930	-	-	(201,930)
73 Debt Service - Bond Issuance Cost and Fees	700	-	-	(700)
93 Payments Related to Shared Services Arrangements	733,936	-	513,317	(220,619)
99 Other Intergovernmental Charges	12,067	-	-	(12,067)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 15,841,369	\$ 92,323	\$ 3,026,959	(12,722,087)

Data Control Codes	General Revenues: Taxes:	
MT	Property Taxes, Levied for General Purposes	1,014,444
DT	Property Taxes, Levied for Debt Service	262,382
GC	Grants and Contributions not Restricted	1,598,552
803	State Aid - Formula Grants	10,075,512
IE	Investment Earnings	42,098
MI	Miscellaneous Local and Intermediate Revenue	59,014
TR	Total General Revenues	13,052,002
CN	Change in Net Position	329,915
NB	Net Position - Beginning	8,927,071
NE	Net Position - Ending	\$ 9,256,986

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

SANTA ROSA ISD  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Funds	Total Governmental Funds
<b>ASSETS</b>				
1110 Cash and Cash Equivalents	\$ 5,310,055	\$ 1,035,518	\$ 102,894	\$ 6,448,467
1120 Investments - Current	249,693	-	-	249,693
1220 Property Taxes - Delinquent	326,151	76,271	-	402,422
1230 Allowance for Uncollectible Taxes	(12,881)	(3,238)	-	(16,119)
1240 Due from Other Governments	90,016	-	464,379	554,395
1260 Due from Other Funds	332,762	4	-	332,766
1290 Other Receivables	31,364	-	52,065	83,429
1300 Inventories	26,627	-	-	26,627
1410 Prepayments	450	-	-	450
1000 Total Assets	<u>\$ 6,354,237</u>	<u>\$ 1,108,555</u>	<u>\$ 619,338</u>	<u>\$ 8,082,130</u>
<b>LIABILITIES</b>				
2110 Accounts Payable	\$ 60,402	\$ -	\$ 74,357	\$ 134,759
2150 Payroll Deductions and Withholdings Payable	3,124	-	-	3,124
2160 Accrued Wages Payable	1,072,798	-	155,495	1,228,293
2170 Due to Other Funds	4	-	332,762	332,766
2180 Due to Other Governments	261,257	24,307	56,724	342,288
2190 Due to Student Groups	2,420	-	-	2,420
2000 Total Liabilities	<u>1,400,005</u>	<u>24,307</u>	<u>619,338</u>	<u>2,043,650</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2601 Unavailable Revenue - Property Taxes	274,375	63,310	-	337,685
2600 Total Deferred Inflows of Resources	<u>274,375</u>	<u>63,310</u>	<u>-</u>	<u>337,685</u>
<b>FUND BALANCES</b>				
Nonspendable Fund Balance:				
3410 Inventories	26,627	-	-	26,627
3430 Prepaid Items	450	-	-	450
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	72,350	-	-	72,350
3480 Retirement of Long-Term Debt	-	1,020,938	-	1,020,938
3600 Unassigned Fund Balance	4,580,430	-	-	4,580,430
3000 Total Fund Balances	<u>4,679,857</u>	<u>1,020,938</u>	<u>-</u>	<u>5,700,795</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 6,354,237</u>	<u>\$ 1,108,555</u>	<u>\$ 619,338</u>	<u>\$ 8,082,130</u>

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

SANTA ROSA ISD  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
JUNE 30, 2020

EXHIBIT C-2

<b>Total Fund Balances - Governmental Funds</b>	\$	5,700,795
1 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the end of the year, the cost of these assets was \$40,935,787 and the accumulated depreciation was (\$16,241,321). The net effect of including the balances for capital assets (net of depreciation) is to increase net position.		24,694,466
2 Long term liabilities are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Liabilities at year end include bonds payable of \$8,550,000, capital leases of \$690,935, and unamortized bond premium of \$766,538. In addition, other long term liabilities of compensated absences for \$56,519 are recorded in governmental activities but not in the funds. The net effect of including the long term liabilities in governmental activities is to decrease net position.		(10,063,992)
3 Included in the items related to debt is the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of \$2,386,279, a deferred resource inflow in the amount of \$1,319,276, and a net pension liability in the amount of \$4,387,730. This resulted in a decrease in net position.		(3,320,727)
4 Included in the items related to debt is the recognition of the District's proportionate share of the net OPEB liability required by GASB 75. The net position related to TRS included a deferred resource outflow in the amount of \$1,176,147, a deferred resource inflow in the amount of \$3,158,941, and a net OPEB liability in the amount of \$6,265,265. This resulted in a decrease in net position.		(8,248,059)
5 Deferred outflows of resources for deferred charges for refundings are not financial resources and therefore are not reported in governmental funds. Including the deferred charges for refunding bonds increases net position.		297,911
6 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue of \$337,685, and recognizing the liabilities associated with maturing long-term debt of accrued interest \$(141,093). The net effect of these reclassifications and recognitions is to increase net position.		196,592
<b>19 Net Position of Governmental Activities</b>	<b>\$</b>	<b>9,256,986</b>

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

SANTA ROSA ISD  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE TEN MONTHS ENDED JUNE 30, 2020

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Funds	Total Governmental Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 1,142,129	\$ 260,224	\$ 12,880	\$ 1,415,233
5800 State Program Revenues	10,578,775	734,257	99,376	11,412,408
5900 Federal Program Revenues	918,338	-	1,773,101	2,691,439
5020 Total Revenues	<u>12,639,242</u>	<u>994,481</u>	<u>1,885,357</u>	<u>15,519,080</u>
EXPENDITURES:				
Current:				
0011 Instruction	5,799,524	-	914,129	6,713,653
0012 Instructional Resources and Media Services	92,175	-	60,050	152,225
0013 Curriculum and Instructional Staff Development	116,525	-	39,913	156,438
0021 Instructional Leadership	80,076	-	159,892	239,968
0023 School Leadership	546,439	-	395	546,834
0031 Guidance, Counseling, and Evaluation Services	287,659	-	68,707	356,366
0032 Social Work Services	-	-	46,791	46,791
0033 Health Services	139,024	-	42,017	181,041
0034 Student (Pupil) Transportation	123,586	-	228	123,814
0035 Food Services	646,825	-	-	646,825
0036 Extracurricular Activities	761,237	-	-	761,237
0041 General Administration	742,246	-	79	742,325
0051 Facilities Maintenance and Operations	1,620,652	-	29,572	1,650,224
0052 Security and Monitoring Services	235,377	-	11,146	246,523
0053 Data Processing Services	369,061	-	394	369,455
0061 Community Services	1,838	-	16,782	18,620
Debt Service:				
0071 Principal on Long-Term Debt	141,878	-	-	141,878
0072 Interest on Long-Term Debt	46,723	171,000	-	217,723
0073 Bond Issuance Cost and Fees	-	700	-	700
Capital Outlay:				
0081 Facilities Acquisition and Construction	336,642	-	231,773	568,415
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	220,619	-	513,317	733,936
0099 Other Intergovernmental Charges	12,067	-	-	12,067
6030 Total Expenditures	<u>12,320,173</u>	<u>171,700</u>	<u>2,135,185</u>	<u>14,627,058</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>319,069</u>	<u>822,781</u>	<u>(249,828)</u>	<u>892,022</u>
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	372,365	372,365
8911 Transfers Out (Use)	(372,365)	-	-	(372,365)
7080 Total Other Financing Sources (Uses)	<u>(372,365)</u>	<u>-</u>	<u>372,365</u>	<u>-</u>
1200 Net Change in Fund Balances	(53,296)	822,781	122,537	892,022
0100 Fund Balance - September 1 (Beginning)	<u>4,733,153</u>	<u>198,157</u>	<u>(122,537)</u>	<u>4,808,773</u>
3000 Fund Balance - June 30 (Ending)	<u>\$ 4,679,857</u>	<u>\$ 1,020,938</u>	<u>\$ -</u>	<u>\$ 5,700,795</u>

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

SANTA ROSA ISD  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 FOR THE TEN MONTHS ENDED JUNE 30, 2020

EXHIBIT C-4

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$	892,022
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the capital outlays of \$751,122 and debt principal payments of \$141,878 is to increase net position.		893,000
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.		(853,308)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing the increase in accrued interest on long term debt of \$(102,463), recording amortization of bond premiums of \$137,227, amortization of deferred charges on refunding of \$(18,971), and recognizing the increase in compensated absences of \$(9,487). The net effect of these reclassifications and recognitions is to increase the change in net position.		6,306
Property tax revenues that are not considered available are deferred in the funds but are recognized as revenue in governmental activities under full accrual accounting. The change in the unavailable portion of property taxes for the current period results in an increase to the change in net position.		67,806
GASB 68 requires that certain pension plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$269,107. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in the change in net position totaling \$239,086. Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense decreased the change in net position by \$627,127. The net result of these items is a decrease in a change in net position.		(597,106)
GASB 75 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$79,994. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net OPEB liability. This caused a decrease in the change in net position totaling \$77,517. Finally, the proportionate share of the TRS OPEB expense on the plan as a whole had to be recorded. The net OPEB expense decreased the change in net position by \$81,282. The net result is a decrease in the change in net position.		(78,805)
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b>329,915</b>

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

SANTA ROSA ISD  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2020

	Private Purpose Trust Funds	Agency Funds
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 5,086	\$ 54,406
Total Assets	<u>5,086</u>	<u>\$ 54,406</u>
<b>LIABILITIES</b>		
Accounts Payable	1,500	\$ -
Due to Student Groups	-	54,406
Payable from Restricted Assets	2,088	-
Total Liabilities	<u>3,588</u>	<u>\$ 54,406</u>
<b>NET POSITION</b>		
Restricted for Scholarships	<u>1,498</u>	
Total Net Position	<u>\$ 1,498</u>	

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

SANTA ROSA ISD  
STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION  
FIDUCIARY FUNDS  
FOR THE TEN MONTHS ENDED JUNE 30, 2020

	Private Purpose Trust Funds
Change in Fiduciary Net Position	-
Total Net Position - September 1 (Beginning)	<u>1,498</u>
Total Net Position - June 30 (Ending)	<u><u>\$ 1,498</u></u>

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

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS*  
*TEN MONTHS ENDED JUNE 30, 2020*

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Reporting Entity***

This report includes the financial statements of the funds required to account for those activities, organizations and functions which are related to the Santa Rosa Independent School District (the District) and which are controlled by or dependent upon the District's governing body, the Board of Trustees. The Board of Trustees (the Board), includes seven eligible members elected at large by the qualified voters of the Santa Rosa Independent School District, the Board has the exclusive power and duty to govern and oversee the management of the public schools of the District; all powers and duties not specifically delegated by statute to the Texas Education Agency (TEA) or to the State Board of Education are reserved for the Board, and TEA may not substitute its judgment for the lawful exercise of those powers and duties by the Board.

The District receives funding from local, state and federal government sources and must comply with the applicable requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined by GASB Statement No. 14 *The Financial Reporting Entity* as amended by GASBS No. 61, since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and hold primary accountability for fiscal matters. The District is a governmental entity exempt from federal income taxation under Internal Revenue Code Section 115. The District has no component units as defined by GASB Statement No. 39.

Santa Rosa Independent School District's (the "District") basic financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units in conjunction with the Texas Education Agency's Financial Accountability System Resource Guide (the "Resource Guide"). The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles.

***Government-Wide Statements:***

The government-wide financial statements consist of the statement of net position and the statement of activities. These statements report information on all of the non-fiduciary activities of the District. The effect of the interfund activity has been removed from these statements. The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Program revenues include charges to customers and grants used for operational requirements. Governmental activities are supported by tax revenues, state aid, charges for services, investment earnings and intergovernmental revenues such as grants.

Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS - CONTINUED*  
*TEN MONTHS ENDED JUNE 30, 2020*

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Separate financial statements are provided for governmental funds, and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

***Fund Financial Statements:***

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to, and accounted for the purpose of, carrying on specific activities in accordance with laws, regulations, or other appropriate requirements. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The District reports the following major governmental funds:

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

**Debt Service Fund.** This fund is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

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

**Special Revenue Funds.** Special Revenue Funds are the funds that account for state and federally financed programs or expenditures legally restricted for specified purposes or where unused balances are returned to the grantor at the close of specified project periods.

**Capital Projects Fund.** The capital projects fund of the District accounts for proceeds from long-term debt financing and revenues and expenditures related to authorized construction and related capital asset acquisitions.

**Fiduciary Funds**

**Scholarship Private-Purpose Trust Fund.** The Scholarship Private-Purpose Trust Fund is used to account for resources held in trust to be used by various other third parties to award scholarships to former students of the District.

**Agency Funds.** These funds are used to report student activity funds and other resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS - CONTINUED*  
*TEN MONTHS ENDED JUNE 30, 2020*

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Measurement Focus, Basis of Accounting and Financial Statement Presentation***

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

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (generally within 90 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

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

Unearned revenue is reported in the governmental funds when a potential revenue does not meet both the "measurable and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS - CONTINUED*  
*TEN MONTHS ENDED JUNE 30, 2020*

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Budgets***

The official school budgets were prepared for adoption for the General Fund and Debt Service Fund, and certain non-major special revenue funds by August 31, 2019. The budgets were formally adopted by the board of school trustees at a duly advertised public meeting prior to the expenditure of funds. The budgets were amended by the board of school trustees throughout the year. Expenditures may not legally exceed budgeted appropriations at the function level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated appropriately provided for in the subsequent year's budget.

**Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity**

***Cash and Cash Equivalents***

Investments are considered to be cash equivalents if they are highly liquid and have an original maturity of three months or less from the date of acquisition.

***Investments***

Money market investments which are short-term, highly liquid debt instruments including commercial paper, banker's acceptances and U.S. Treasury and agency obligations that have a remaining maturity at time of purchase of one year or less are reported at amortized cost. Investment pools have met the criteria established under GASB codification section 150: *Investments* to report their value at amortized cost. All of the investment pools strive to maintain a \$1 per share net asset value. Additionally, the pools do not have any limitations or restrictions on withdrawals such as notice periods or maximum transaction amounts. The pools do not impose any liquidity or redemption gates. Nonparticipating interest-earning investment contracts are reported using a cost-based measure. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. All other investments are reported at fair value.

***Interfund Activities and Transactions***

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position. Since the District does not report Business type activities, no internal balances or transfers are reported on the government wide statements.

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS - CONTINUED*  
*TEN MONTHS ENDED JUNE 30, 2020*

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Inventory***

Inventory is valued at cost (average). The District accounts for the food inventory by using the purchase method whereby purchases of inventories are recognized as expenditures when the goods are received. The District accounts for school supply and maintenance inventory by the consumption method whereby expenditures are recognized when the inventory items are used. Reported inventories are equally offset by non-spendable fund balance which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

***Prepayments***

Prepayments are expenditures that will benefit periods beyond June 30, 2020. In governmental funds, prepayments are accounted for by the consumption method whereby expenditures are recognized in the period for which the prepayment is applicable. The District has no prepayments in the current year.

***Capital Assets***

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Land and construction in progress are not depreciated. Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Assets Class</u>	<u>Estimated Useful Lives</u>
Buildings and Improvements	25-50
Furniture and Equipment	5-10

***Deferred Outflows and Inflows of Resources***

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

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS - CONTINUED*  
*TEN MONTHS ENDED JUNE 30, 2020*

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Deferred Outflows and Inflows of Resources (Continued)***

The District has two (2) items that qualify for reporting as deferred outflows of resources, the *deferred amount on refunding* and the *deferred outflows related to TRS pensions and OPEB*, both reported in the government-wide statement of net position. The deferred amount on refunding results from debt refinancing, whereby the reacquisition price of the funding debt instruments exceed their net carrying amount. The deferred amount on refunding is amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows related to TRS pensions and OPEB liabilities are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria* and P50: *Postemployment Benefits Other Than Pensions – Reporting for Benefits Provided through Trusts that Meet Specified Criteria – Defined Benefit*. The deferred outflows related to pensions and OPEB will be recognized as either pension and OPEB expense or a reduction in the net pension liability in future reporting years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting as deferred inflows of resources. The *deferred inflows related to TRS pensions and OPEB* are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria* and P50: *Postemployment Benefits Other Than Pensions – Reporting for Benefits Provided through Trusts that Meet Specified Criteria – Defined Benefit*. The deferred inflows related to pensions will be recognized as a reduction to pension expense in future reporting years.

*Unavailable revenue*, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

***Compensated Absences***

Each employee shall earn state personal leave at the rate of one-half workday for each 18 workdays of employment, up to the statutory maximum of five workdays annually and is cumulative. The local leave policy is that all employees shall earn two workdays of local convenience leave per school year; two days shall be earned at the same rate as state personal leave and may be taken at the employee's discretion and are non-cumulative.

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS - CONTINUED*  
*TEN MONTHS ENDED JUNE 30, 2020*

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Long-term Obligations***

In government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred charges and amortized over the term of the related debt.

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

***Pensions***

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

***Other Post-Employment Benefits (OPEB)***

The fiduciary net position of the Teacher Retirement System of Texas (TRS) 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.

***Categories and Classification of Fund Equity***

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

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS - CONTINUED*  
*TEN MONTHS ENDED JUNE 30, 2020*

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Categories and Classification of Fund Equity (Continued)***

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

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

The provisions of GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

*Nonspendable fund balance:* Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items and inventories. The District has inventories and prepayments that are considered nonspendable.

In addition to the nonspendable fund balance, GASB Statement No. 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

*Restricted:* fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.

*Committed:* fund balances that contain self-imposed constraints of the government from its highest level of decision making authority. The responsibility to commit funds rests with the Board of Trustees. Committed amounts cannot be used for any other purpose unless the governing board changes or lifts the constraint taking the same formal action that imposed the constraint originally.

*Assigned:* fund balances that contain self-imposed constraints of the government to be used for a particular purpose. The responsibility to assign funds rests with the Superintendent or the Assistant Superintendent for Business Services.

*Unassigned:* fund balance of the general fund that is not constrained for any particular purpose. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS - CONTINUED*  
*TEN MONTHS ENDED JUNE 30, 2020*

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Revenues and Expenditures/Expenses***

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

*Property taxes* – Property taxes attach as an enforceable lien on real property and are levied as of October 1st. Once a property tax billing is considered past due, the applicable property is subject to lien, and penalties and interest are assessed.

***Encumbrances***

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditure of monies are recorded as reservations of budget, is employed as an extension of the statutory required budgetary process. At year-end, outstanding encumbrances represent material purchase commitments for goods and services which were ordered, budgeted, and appropriated, but had not been received or completed at date. Although encumbrances lapse at year-end, it is the intention to substantially honor these encumbrances under authority provided in the subsequent year's budget. The District did not have significant encumbrances outstanding at year-end.

***Accounting System***

In accordance with the Resource Guide, the District has adopted and installed an accounting system which meets at least 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 prescribed by TEA in the Resource Guide. Mandatory codes are recorded in the order provided in that section.

***Data Control Codes***

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

***Net Position***

Net position represents the difference between assets, deferred outflows (inflows) of resources and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS - CONTINUED*  
*TEN MONTHS ENDED JUNE 30, 2020*

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Use of Estimates***

The preparation of financial statements in conformity with GAAP requires the use of management's estimates. Actual results could differ from those estimates.

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 14, 2020. See Note 11 for relevant disclosures. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

***Recently Issued Accounting Pronouncements***

GASB Statement No. 91, Conduit Debt Obligations, provides for a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2020.

In January 2017, the GASB issued GASB Statement No. 84, *Fiduciary Activities*, effective for fiscal years beginning after December 15, 2019. GASB Statement No. 84 was developed to provide consistency and comparability across all governmental units by establishing specific criteria to identify and report fiduciary activities. The District's agency funds will be reported as custodial funds following the implementation of GASB Statement No. 84 and as such the District will report both a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Assets. Management is in the process of implementing GASB Statement No. 84 for the 2020-2021 school year. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

In June 2017, the GASB issued GASB Statement No. 87, *Leases*, effective for fiscal years beginning after June 15, 2021. The objective of GASB Statement No. 87 is to improve accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. GASB Statement No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB Statement No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources. Management is evaluating the effects that the full implementation of GASB Statement No. 87 will have on its financial statements for the year ended June 30, 2022. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS - CONTINUED*  
*TEN MONTHS ENDED JUNE 30, 2020*

**NOTE 2: DETAILED NOTES ON ALL FUNDS**

***Deposits and Investments***

*Investment Accounting Policy*

The District is required by Government Code Chapter 2256, The Public Funds Investment Act (the "Act"), to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Act requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports, and establishment of appropriate policies, the District adhered to the requirements of the act. The District's management believes that it has complied in all material respects with the requirements of the act and the District's investment policies.

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

The Act determines the types of investments that are allowable for the District. These include, with certain restrictions, (1) obligations of the U.S. Treasury, certain U.S. agencies, the state of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The District policy authorizes all the State allowable investments.

*Custodial Credit Risk*

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Public Funds Investment Act, the District's investment policy, and Government Code Chapter 2257 "Collateral For Public Funds" contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments. To be eligible to receive funds from and invest funds on behalf of an entity under this chapter, a public fund investment pool created to function as a money market mutual fund must mark its portfolio to market daily, and, to the extent reasonably possible, stabilize at a \$1 net asset value. If the ratio of the market value of the portfolio divided by the book value of the portfolio is less than 0.995 or greater than 1.005, portfolio holdings shall be sold as necessary to maintain the ratio between 0.995 and 1.005.

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS - CONTINUED*  
*TEN MONTHS ENDED JUNE 30, 2020*

**NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Deposits and Investments (Continued)***

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

*Cash Deposits*

At June 30, 2020, the District's carrying amount had a balance of \$4,135,213 (cash, certificates of deposit, and interest-bearing savings accounts) and the bank balance was \$4,410,430. In addition, the District maintains \$2,622,439 in a government investment pool. The District's cash deposits and investments at June 30, 2020 and during the year ended June 30, 2020 were entirely covered by FDIC insurance or by pledged collateral held in the District's name by a bank other than the pledging bank.

The District's cash deposits at June 30, 2020 are maintained primarily at Rio Bank. These deposits were entirely covered by FDIC insurance or pledged collateral held by the District's agent bank throughout the year. The deposits were collateralized in accordance with Texas Law, and the Texas Education Agency maintains copies of all safekeeping receipts in the name of the District. In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

- a. Name of Bank: Rio Bank
- b. Amount of bond and/or market value of securities pledged as of the date of the highest combined balance on deposit was \$5,753,732.
- c. Largest cash, savings and time deposit combined account balance amounted to \$4,966,194 and occurred during the month of January 2020.
- d. Total amount of FDIC coverage at the time of largest combined balance was \$250,000.

*Interest Rate Risk*

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. In accordance to the District's local policy, the District uses final and weighted-average maturity limits and diversification. It manages its exposure to interest rate risk by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The District's policy in using final and weighted-average-maturity limits helps reduce exposure to changes in interest rates that could adversely affect the value of investments.

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**TEN MONTHS ENDED JUNE 30, 2020**

**NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Deposits and Investments (Continued)***

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

<u>Description</u>	<u>CUSIP</u>	<u>Amount</u>	<u>Maturity</u>	<u>Days</u>
TexPool	N/A	\$2,622,439	N/A	Daily
Certificate of Deposit	38149MC24	\$ 249,694	7/2/2020	360

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the District's investment policy and the Texas Public Fund Investment Act and the actual rating as of year end for each investment:

<u>Description</u>	<u>Minimum Legal Rating</u>	<u>Amount</u>	<u>Rating</u>	<u>Percentage</u>
TexPool	AAA	\$2,622,439	AAA	91%
Certificate of Deposit	N/A	\$ 249,694	N/A	9%

**Concentration of Credit Risk**

The Investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the Public Funds Investment Act. The above mentioned investments represents 100% of total District investments.

**Public Funds Investment Pools**

TexPool is a public funds investment pool created by the Texas Treasury Safekeeping Trust Company (Trust Company) to provide a safe environment for the placement of local government funds in authorized short-term, fully-collateralized investments, including direct obligations of, or obligations guaranteed by, the United States or State of Texas or their agencies; federally insured certificates of deposit issued by Texas banks or savings and loans; and fully collateralized direct repurchase agreements secured by United States Government agency securities and placed through a primary government securities dealer.

The Trust Company was incorporated by the State Treasurer by authority of the Texas Legislature as a special purpose trust company with direct access to the services of the Federal Reserve Bank to manage, disburse, transfer, safekeep, and invest public funds and securities more efficiently and economically. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters.

As noted in the District's Summary of Significant Accounting Policies, the District reports its local government investment pools at amortized cost as permitted by GASB Statement No. 79 *Certain External Investment Pools and Pool Participants*. In addition, the pools do not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. The pools do not impose any liquidity fees or redemption gates.

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS - CONTINUED*  
*TEN MONTHS ENDED JUNE 30, 2020*

**NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Deposits and Investments (Continued)***

TexPool investments consist exclusively of U. S. Government securities, repurchase agreements collateralized by U. S. government securities, and AAA-rated no-load money market mutual funds. TexPool is rated AAA by Standards & Poor's, the highest rating a local government investment pool can achieve. The weighted average maturities of the pool cannot exceed 60 days, with the maximum maturity of any investment limited to 13 months. TexPool, like its participants, are governed by the Texas Public Funds Investment act, and are in full compliance with the Act.

***Property Tax***

Property taxes are levied by October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period and those expected to be collected during a 60 day period after the close of the school fiscal year. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. The District's 2019 tax rate was \$1.068350 for maintenance and \$0.276970 for debt service per \$100 assessed valuation.

The 2019 assessed valuation was \$98,142,681. Allowances for uncollectibles within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. At June 30, 2020 outstanding taxes in the general fund and debt service fund was \$326,151 and \$76,271 with a corresponding allowance for doubtful accounts of \$12,881 and \$3,238.

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**TEN MONTHS ENDED JUNE 30, 2020**

**NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Due To and From Other Governments and Agencies***

Amounts due to and from other governments and agencies are as follows:

<u>General Fund</u>	<u>Due To</u>	<u>Due From</u>
Texas Education Agency:		
Foundation Revenues	\$ 261,257	\$ -
Available School Fund	-	90,016
U. S. Department of Agriculture:		
School Breakfast Program/National Lunch Program	-	-
<u>Debt Service Fund</u>		
Texas Education Agency:		
Institutional Facilities Allotment	24,307	-
<u>Other Governmental Funds</u>		
<i>Texas Education Agency :</i>		
ESEA Title I, Part A	56,724	113,118
ESEA Title I, Part C	-	1,621
Gear up Grant	-	27,639
ESEA Title II, Part A	-	4,250
Title III, Part A	-	400
ESSER - School Emergency Relief	-	4,607
State Textbook Fund	-	40,603
Coronavirus Relief Fund	-	-
State Funded Special Revenue	-	10,808
SSA - 21st Century Community Learning Centers	-	261,333
<b>Total due to/from other governments and agencies</b>	<b>\$ 342,288</b>	<b>\$ 554,395</b>

***Disaggregation of Receivables and Payables***

Receivables at June 30, 2020, were as follows:

	Property Taxes	Other Governments	Other Receivables	Accrued Interest	Due From Other Funds	Total Receivables
<b>Governmental Activities:</b>						
General Fund	\$ 326,151	\$ 90,016	\$ 31,364	\$ -	\$ 332,762	\$ 780,293
Debt Service Fund	76,271	-	-	-	4	76,275
Nonmajor Governmental Funds	-	504,076	52,064	-	-	556,140
Gross receivables	402,422	594,092	83,428	-	332,766	1,412,708
Allowance for uncollectible amounts	(16,119)	-	-	-	-	(16,119)
<b>Total Governmental Activities, net</b>	<b>\$ 386,303</b>	<b>\$ 594,092</b>	<b>\$ 83,428</b>	<b>\$ -</b>	<b>\$ 332,766</b>	<b>\$ 1,396,589</b>
Amounts not scheduled for collection during the subsequent year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**TEN MONTHS ENDED JUNE 30, 2020**

**NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Disaggregation of Receivables and Payables (Continued)***

Payables at June 30, 2020, were as follows:

	Accounts Payable	Salaries, Benefits and Withholdings	Other Governments	Due To Other Funds	Total Payables
<b>Governmental Activities:</b>					
General Fund	\$ 60,402	\$ 1,075,922	\$ 261,257	\$ 4	\$ 1,397,585
Debt Service Fund	-	-	24,307	-	24,307
Nonmajor Governmental Funds	74,357	155,495	56,724	332,762	619,338
<b>Total Governmental Activities</b>	<b>\$ 134,759</b>	<b>\$ 1,231,417</b>	<b>\$ 342,288</b>	<b>\$ 332,766</b>	<b>\$ 2,041,230</b>
Amounts not scheduled for payment during the subsequent year	\$ -	\$ -	\$ -	\$ -	\$ -

***Capital Assets***

Capital asset activity for the ten month period ended June 30, 2020, was as follows:

	Balance Sept. 1, 2019	Increase	Decrease	Transfers	Balance 30-Jun-20
<b>Governmental activities</b>					
Capital assets not being depreciated:					
Land	\$ 265,271	\$ -	\$ -	\$ -	\$ 265,271
<b>Total capital assets not being depreciated</b>	<b>265,271</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>265,271</b>
Capital assets being depreciated:					
Buildings and improvements	33,959,804	523,291	-	-	34,483,095
Furniture and equipment	6,027,957	227,831	(68,367)	-	6,187,421
<b>Total capital assets being depreciated</b>	<b>39,987,761</b>	<b>751,122</b>	<b>(68,367)</b>	<b>-</b>	<b>40,670,516</b>
Less accumulated depreciation:					
Building and improvements	10,424,581	570,332	-	-	10,994,913
Furniture and equipment	5,031,799	282,976	(68,367)	-	5,246,408
<b>Total accumulated depreciation</b>	<b>15,456,380</b>	<b>853,308</b>	<b>(68,367)</b>	<b>-</b>	<b>16,241,321</b>
<b>Total capital assets being depreciated, net</b>	<b>24,531,381</b>	<b>(102,186)</b>	<b>-</b>	<b>-</b>	<b>24,429,195</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 24,796,652</b>	<b>\$ (102,186)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 24,694,466</b>

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**TEN MONTHS ENDED JUNE 30, 2020**

**NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**Capital Assets (Continued)**

Depreciation was charged to the following functions:

**Government Activities:**

11 – Instruction	\$ 445,695
12 – Instructional Resources and Media Services	10,172
13 – Curriculum and Staff Development	10,454
21 – Instructional Leadership	16,035
23 – School Leadership	36,541
31 – Guidance, Counseling and Evaluation Services	23,824
32 – Social Work Services	3,127
33 – Health Services	12,098
34 – Student Transportation	8,274
35 – Food Services	43,223
36 – Cocurricular/Extracurricular Activities	50,868
41 – General Administration	49,605
51 – Plant Maintenance and Operations	109,065
52 – Security and Monitoring Services	16,006
53 – Data Processing Services	17,077
61 – Community Services	1,244
	<b>\$ 853,308</b>

**Long-term Obligations**

Long-term obligations include bonds, capital leases and compensated absences. Changes in long-term obligations for the ten month period ended June 30, 2020, are as follows:

Governmental Activities	Beginning Balance 9/1/2019	Increase	Decrease	Ending Balance 6/30/2020	Due Within One Year
General Obligation Bonds					
Bond Series 2016	\$ 3,310,000	\$ -	\$ -	\$ 3,310,000	\$ 120,000
Bond Series 2017	5,240,000	-	-	5,240,000	575,000
Total general obligation bonds	8,550,000	-	-	8,550,000	695,000
Premium on issuance – Refunding					
Bond Series 2016	419,968	-	(43,409)	376,559	41,069
Premium on issuance – Refunding					
Bond Series 2017	483,797	-	(93,818)	389,979	80,029
Capital leases	832,813	-	(141,878)	690,935	150,270
Total general long term debt	10,286,578	-	(279,105)	10,007,473	966,368
Total governmental activities	<b>\$ 10,286,578</b>	<b>\$ -</b>	<b>\$ (279,105)</b>	<b>\$ 10,007,473</b>	<b>\$ 966,368</b>

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS - CONTINUED*  
*TEN MONTHS ENDED JUNE 30, 2020*

**NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Long-term Obligations (Continued)***

*General Obligation Bonds:*

On November of 2016, the District issued \$3,500,000 in Unlimited Tax Refunding Bonds, Series 2016, in order to advance refund \$3,575,000 of the remaining bonds outstanding on the Unlimited Tax School Building Bonds, Series 2008 (“refunded bonds”). The net proceeds of the 2016 refunding bonds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds, and to pay costs of issuance. As a result, \$3,575,000 of the refunded bonds are considered defeased, and have been removed from the balance of long-term debt of the District. At June 30, 2020, the refunded bonds had an amount outstanding of \$3,575,000. The refunding resulted in a net present value savings of \$552,846. The 2016 bonds were issued with stated interest rates ranging from 2% to 4%, with interest payable semi-annually every year on February 15 and August 15 with final maturity on August 15, 2038.

3,310,000

In May of 2017, the District issued \$6,400,000 in Unlimited Tax Refunding Bonds, Series 2017, in order to advance refund \$6,795,000 of the remaining bonds outstanding on the Unlimited Tax Refunding Bonds, Series 2007 (“refunded bonds”). The net proceeds of the 2017 refunding bonds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds, and to pay costs of issuance. The \$6,795,000 of refunded bonds are considered defeased, and have been removed from the balance of long-term debt of the District. In addition, the refunded bonds had an original call date of August 15, 2017, and as of June 30, 2020, the bonds have been redeemed in full and no remaining is outstanding. The refunding resulted in a net present value savings of \$574,519. The 2017 refunding bonds were issued with stated interest rates ranging from 2% to 4%, with interest payable semi-annually every year on February 15 and August 15, with final maturity on August 15, 2031.

5,240,000

Total general obligation bonds

\$8,550,000

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**TEN MONTHS ENDED JUNE 30, 2020**

**NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**Long-term Obligations (Continued)**

*Capital Leases:*

During the year ended August 31, 2011, the District entered into two capital leases for an energy management system with TAC Americas, Inc. (TAC). The capital leases are payable in 30 semi-annual installment payments. The lease is secured by the components of the energy management system (primarily air conditioning units and fluorescent lights) and matures in September 1, 2024. TAC has guaranteed that the annual payments over the 15 year life of the contracts will be funded by energy costs reductions. If the energy cost savings do not equal the payment, TAC will fund the difference.

\$676,079

During the year ended August 31, 2012, the District entered into a capital lease for an energy conservation system with Government Capital Corporation. The capital lease is payable in 20 semi-annual installment payments. The lease is secured by the components of the energy management system (primarily air conditioning units and fluorescent lights) and matures on March 1, 2021.

14,856

Total capital leases

\$690,935

Debt service requirements on long-term debt at June 30, 2020, are as follows:

Year Ending June 30,	Bonds Payable		Capital Lease		Total Requirement
	Principal	Interest	Principal	Interest	
2021	\$ 695,000	\$ 328,100	\$ 150,270	\$ 38,330	\$ 1,211,700
2022	725,000	299,700	143,477	29,653	1,197,830
2023	760,000	270,000	152,020	21,110	1,203,130
2024	485,000	245,100	161,071	12,058	903,229
2025	505,000	225,300	84,097	2,468	816,865
2026-2030	2,870,000	797,400	-	-	3,667,400
2031-2035	1,600,000	300,400	-	-	1,900,400
2036-2039	910,000	74,400	-	-	984,400
	<u>\$ 8,550,000</u>	<u>\$ 2,540,400</u>	<u>\$ 690,935</u>	<u>\$ 103,619</u>	<u>\$ 11,884,954</u>

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**TEN MONTHS ENDED JUNE 30, 2020**

**NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Other Long-term Liabilities***

In addition to the long-term debt obligations in Note 9, Note 15 Defined Benefit Pension Plan and Note 16 Defined Other Post Employment Benefit Plans, the District has the following changes in other long-term liabilities for the ten months ended June 30, 2020 as follows:

Governmental Activities	Beginning Balance 9/1/2019	Increase	Decrease	Ending Balance 6/30/2020	Due Within One Year
Compensated Absences	\$ 47,032	\$ 36,065	\$ (26,578)	\$ 56,519	\$ 25,000

***Interfund Receivables, Payables and Transfers***

Interfund receivable and payable balances at June 30, 2020 were:

Due from Fund:	Due to Fund:			Total
	General Fund	Debt Service	Non Major Funds	
General Fund	\$ -	\$ 4	\$ -	\$ 4
Non Major Funds	332,762	-	-	332,762
<b>Total</b>	<b>\$ 332,762</b>	<b>\$ 4</b>	<b>\$ -</b>	<b>\$ 332,766</b>

The balances resulted primarily from amounts paid out of the general fund for activities in special revenue funds for which cash has not yet been collected in the special revenue fund. All amounts are scheduled to be repaid within one year.

***Revenues from Local and Intermediate Sources***

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

	General	Debt Service	Total Nonmajor	Total
	Fund	Fund	Funds	Governmental Funds
Property taxes	\$ 961,349	\$ 247,671	\$ -	\$ 1,209,020
Food sales	58,964	-	-	58,964
Investment income	39,394	2,602	102	42,098
Penalties, interest and other tax-related income	41,127	9,951	-	51,078
Athletic activities	32,758	-	-	32,758
Other	8,537	-	12,778	21,315
<b>Total governmental activities</b>	<b>\$ 1,142,129</b>	<b>\$ 260,224</b>	<b>\$ 12,880</b>	<b>\$ 1,415,233</b>

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**TEN MONTHS ENDED JUNE 30, 2020**

**NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Deferred Outflows and Inflows of Resources***

Unavailable revenues from property taxes in the general fund and the debt service fund at June 30, 2020 were \$274,375 and \$63,310 respectively.

At the government-wide financial statements (Exhibit A-1), the District reports cumulative deferred charges on refundings as a Deferred Outflows of Resources in the amount of \$297,911. In addition, deferred outflows and inflows of resources related to TRS pension liability are \$2,386,279 and \$1,319,276, respectively. Deferred outflows and inflows of resources related to the TRS OPEB liability are \$1,176,147 and \$3,158,941, respectively.

***General Fund Federal Source Revenues***

Federally financed programs are generally accounted for in the Special Revenue Funds of the District, except for indirect costs charged to federal programs which are accounted for in the General Fund as prescribed by the TEA and certain direct revenues. The District recognized in the General Fund such revenues for the ten month period ended June 30, 2020 from various federal sources as follows:

Programs or Source	Number	Amount
School Breakfast Program	10.553	\$ 175,751
National School Lunch Program	10.555	369,418
USDA – Donated Commodities	10.565	2,109
USDA - Child and Adult Care Food Program	10.558	76,061
Indirect Costs	Various	59,140
SHARS	-	235,858
		\$ 918,338

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**TEN MONTHS ENDED JUNE 30, 2020**

**NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Fund Balances and Net Position***

The District has classified its fund balances according to GASB Statement No. 54, with the following hierarchy:

**Nonspendable:** The District has inventories of \$26,627.

**Spendable:** The District has classified spendable fund balances as *Restricted, Committed, Assigned* and *Unassigned* and considered each to have been spent when expenditures are incurred.

Restricted for Food Service, Federal and State Programs, Debt Service and Capital Projects – Federal laws, Texas statutes and local ordinances require that certain revenues be specifically designed for the purposes of food service, federal and state programs, debt service, and capital projects. The funds have been included in the restricted category of fund balance.

**Unassigned** – the unassigned fund balance has no constraints.

Fund balances at June 30, 2020 are composed of the following amounts:

	General Fund	Debt Service Fund	Total Nonmajor	Total Governmental Funds
Fund balances				
Nonspendable				
Inventories				
Food service	\$ 26,627	\$ -	\$ -	\$ 26,627
Prepaid items	450	-	-	450
Restricted				
Food service	72,350	-	-	72,350
Debt service	-	1,020,938	-	1,020,938
Capital projects	-	-	-	-
Unassigned	4,580,430	-	-	4,580,430
	<b>\$ 4,679,857</b>	<b>\$ 1,020,938</b>	<b>\$ -</b>	<b>\$ 5,700,795</b>

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**TEN MONTHS ENDED JUNE 30, 2020**

**NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Fund Balances and Net Position (Continued)***

Net Position at June 30, 2020 is composed of the following amounts:

	Governmental Activities
<hr/>	
Net investment in capital assets:	
Capital assets, net of accumulated depreciation	\$ 24,694,466
Less related liabilities	(10,007,473)
Plus unamortized charges - deferred outflows of resources	297,911
<b>Total net investment in capital assets</b>	<b>14,984,904</b>
Restricted net position consists of the following:	
Federal and state programs	99,427
Debt Service	933,186
<b>Total restricted net position</b>	<b>1,032,613</b>
Unrestricted net position	(6,760,531)
<b>Total net position</b>	<b>\$ 9,256,986</b>

The District has a negative unrestricted net position in the Governmental Activities of \$6,760,531 at year-end. This negative balance is due to combined impact of the recognition of the net pension liability and net OPEB liability (Refer to Notes 15 and 16), the results of which are actuarially determined. The recognition of these significant long term liabilities has resulted in the negative unrestricted net position.

**NOTE 3: RETIREMENT PLANS**

**Plan Description**

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). TRS's defined benefit pension plan is 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.

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS - CONTINUED*  
*TEN MONTHS ENDED JUNE 30, 2020*

**NOTE 3: RETIREMENT PLANS (Continued)**

**Pension Plan Fiduciary Net Position**

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately- issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

**Benefits Provided**

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

In May, 2019, the 86th Texas Legislature approved the TRS Pension Reform Bill (Senate Bill 12) that provides for gradual contribution increases from the state, participating employers and active employees to make the pension fund actuarially sound. This action causing the pension fund to be actuarially sound, allowed the legislature to approve funding for a 13th check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in either the matching amount of their monthly annuity or \$2,000, whichever was less.

**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 86<sup>th</sup> Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025. The 83<sup>rd</sup> Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2018 and 2019.

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**TEN MONTHS ENDED JUNE 30, 2020**

**NOTE 3: RETIREMENT PLANS (Continued)**

The following are the contribution rates for years 2019 and 2020:

	Contribution Rates	
	2019	2020
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	7.5%
Employers	6.8%	6.8%

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA). Contributions as of the pension plan measurement date were as follows:

Current fiscal year employer contributions	\$ 317,654
Current fiscal year member contributions	\$ 656,670
2019 measurement year NECE on-behalf contributions	\$ 398,528

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 universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.
- When the employing district is a public or charter school, the employer shall contribute 1.5% of covered payroll to the pension fund beginning in fiscal year 2020. This contribution rate called the Public Education Employer Contribution will replace the Non(OASDI) surcharge that was in effect in fiscal year 2019.

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS - CONTINUED*  
*TEN MONTHS ENDED JUNE 30, 2020*

**NOTE 3: RETIREMENT PLANS (Continued)**

In addition to the employer contributions listed above, there is an additional surcharge an employer is subject to.

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district or charter school does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees. This surcharge was in effect through fiscal year 2019 and was replaced with the Public Education Employer Contribution explained above.

**Actuarial Assumptions**

The total pension liability in the August 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2018, rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term expected Investment Rate of Return	7.25%
Inflation	2.3%
Salary Increases including inflation	3.05% to 9.05% including inflation
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2018. For a full description of these assumptions please see the actuarial valuation report dated November 9, 2018.

**Discount Rate**

A single discount rate of 7.25 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.25 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. 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 7.25%.

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
*TEN MONTHS ENDED JUNE 30, 2020*

**NOTE 3: RETIREMENT PLANS (Continued)**

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

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2019 are summarized below:

**Teacher Retirement System of Texas**  
**Asset Allocation and Long-Term Expected Real Rate of Return**  
**As of August 31, 2019**

Asset Class	FY 2019 Target Allocation %	New Target Allocation %	Long-Term Expected Geometric Real Rate of Return
<b>Global Equity</b>			
USA	18.0%	18.0%	6.40%
Non – U. S. developed	13.0%	13.0%	6.30%
Emerging Markets	9.0%	9.0%	7.30%
Directional Hedge Funds	4.0%	-	-
Private Equity	13.0%	14.0%	8.40%
<b>Stable Value</b>			
U. S. Treasuries	11.0%	16.0%	3.10%
Stable Value Hedge Funds	4.0%	5.0%	4.50%
Absolute Return	0.0%	0.0%	0.00%
<b>Real Return</b>			
Global Inflation – Linked Bonds	3.0%	-	-
Real Estate	14.0%	15.0%	8.50%
Energy & Natural Resources	5.0%	6.0%	7.30%
Commodities	0.0%	0.0%	0.00%
<b>Risk Parity</b>			
Risk Parity	<u>5.0%</u>	8.0%	5.8%/6.5%
<b>Leverage</b>			
Cash	1.0%	2.0%	2.50%
Asset Allocation Leverage	-	-6.0%	2.70%
<b>Total</b>	<b>100.0%</b>	100.0%	<b>7.23%</b>

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
*TEN MONTHS ENDED JUNE 30, 2020*

**NOTE 3: RETIREMENT PLANS (Continued)**

**Discount Rate Sensitivity Analysis**

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the 2019 measurement year Net Pension Liability.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
District's proportionate share of the net pension liability:	\$ 6,744,578	\$ 4,387,730	\$ 2,478,228

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

At June 30, 2020 (August 31, 2019 measurement date) the District reported a liability of \$4,417,809 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	\$ 4,387,730
State's proportionate share that is associated with the District	5,919,107
Total	\$ 10,306,837

The net pension liability was measured as of August 31, 2018 and rolled forward to August 31, 2019 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 portion 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, 2018 thru August 31, 2019.

At August 31, 2019 the employer's proportion of the collective net pension liability was .0084406808%, which was a decrease of .0004144919% from its proportion measured as of August 31, 2018.

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
*TEN MONTHS ENDED JUNE 30, 2020*

**NOTE 3: RETIREMENT PLANS (Continued)**

**Changes Since the Prior Actuarial Valuation**

- The single discount rate as of August 31, 2018 was a blended rate of 6.907 percent and that has changed to the long-term rate of return of 7.25 percent as of August 31, 2019.
- With the enactment of SB 3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected in the actuarial assumptions.
- The Texas legislature approved funding for a 13th check. All eligible members retired as of December 31, 2018 will receive an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or \$2,000, whichever is less.

For the ten month period ended June 30, 2020, the District recognized pension expense of \$1,796,021 and revenue of \$929,808 for support provided by the State. At June 30, 2020, the District reports its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experiences	\$ 18,432	\$ 152,349
Changes in actuarial assumptions	1,361,289	562,549
Differences between projected and actual investment earnings	44,058	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	693,393	604,378
Total as of August 31, 2019 measurement date	2,117,172	1,319,276
Contributions paid to TRS subsequent to the measurement date	269,107	-
Total as of fiscal year-end	\$ 2,386,279	\$ 1,319,276

The \$269,107 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Years ended June 30,	Pension Expense Amount
2021	\$ 227,175
2022	\$ 178,453
2023	\$ 214,866
2024	\$ 125,811
2025	\$ 83,064
Thereafter	\$ (31,473)

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**TEN MONTHS ENDED JUNE 30, 2020**

**NOTE 4: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**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 plan is administered through a trust by the Teacher Retirement System (TRS) Board of Trustees. It is established and administered in accordance with Texas Insurance Code, Chapter 1575.

**OPEB Plan Fiduciary Net Position.** Detail information about the TRS-Care’s fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, Texas 78701-2698; or by calling (512) 542-6592.

Components of the net OPEB liability of the TRS-Care plan as of June 30, 2020 are as follows:

<u>Net OPEB Liability</u>	<u>Total</u>
Total OPEB Liability	\$50,729,490,103
Less: plan fiduciary net position	<u>798,574,633</u>
Net OPEB liability	<u>\$49,930,915,470</u>
 Net position as a percentage of total OPEB liability	 1.574%

**Benefits Provided.** TRS-Care provides a basic health insurance coverage (TRS- Care 1), at no cost to all retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

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

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

	TRS-Care Plan Premium Rates	
	<u>Medicare</u>	<u>Non-Medicare</u>
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

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
*TEN MONTHS ENDED JUNE 30, 2020*

**NOTE 4: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

**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 school districts based upon public school district payroll. 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 .75% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	Contribution Rates	
	2019	2020
Member	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding Remitted by Employers	1.25%	1.25%

Current fiscal year employer contributions	\$ 94,671
Current fiscal year member contributions	\$ 55,433
2019 measurement year NECE on-behalf contributions	\$ 124,932

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 employers hire a TRS retiree, they are required to pay to TRS-Care, a monthly surcharge of \$535 per retiree.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$73.6 million in fiscal year 2019.

**Actuarial Assumptions.** The total OPEB liability in the August 31, 2018 actuarial valuation was rolled forward to August 31, 2019. The actuarial valuation was determined using the following actuarial assumptions.

The actuarial valuation of TRS-Care is similar to the actuarial valuations performed for the pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, including mortality, and most of the economic assumptions are identical to those used in the respective TRS pension valuation.

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females. The post-retirement mortality rates were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published scale (U-MP).

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
*TEN MONTHS ENDED JUNE 30, 2020*

**NOTE 4: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2018 TRS pension actuarial valuation that was rolled forward to August 31, 2019:

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Expected Payroll Growth
Rates of Disability	

The initial medical trend rates were 10.25 percent for Medicare retirees and 7.50 percent for non-Medicare retirees. There was an initial prescription drug trend rate of 10.25 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.50 percent over a period of 13 years.

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2018 rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Discount Rate	2.63%
Aging Factors	Based on Plan Specific Experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Projected Salary Increases	3.05-9.05% including inflation
Healthcare Trend Rates	4.50%-12.00%
Election Rates	Normal Retirement: 65% participation prior to age 65 and 50% participation after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65
Ad-hoc Post Employment Benefit Changes	None

**Discount Rate.** A single discount rate of 2.63% was used to measure the total OPEB liability. There was a decrease of 1.06 percent in the discount rate since the previous year. The Discount Rate can be found in the 2019 TRS CAFR on page 70. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the nonemployer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
*TEN MONTHS ENDED JUNE 30, 2020*

**NOTE 4: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

**Sensitivity of the Net OPEB Liability:**

**Discount Rate Sensitivity Analysis.** The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (1.63%)	Discount Rate (2.63%)	1% Increase in Discount Rate (3.63%)
District's proportionate share of the net OPEB liability:	\$ 7,564,187	\$ 6,265,265	\$ 5,249,120

**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:	\$ 5,110,984	\$ 6,265,265	\$ 7,811,474

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs.** At June 30, 2020 (August 31, 2019 valuation), the District reported a liability of \$6,265,265 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	\$ 6,265,265
State's proportionate share that is associated with the District	8,325,137
Total	\$ 14,590,402

The Net OPEB Liability was measured as of August 31, 2018 and rolled forward to August 31, 2019 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 portion 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, 2018 through August 31, 2019.

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
TEN MONTHS ENDED JUNE 30, 2020

**NOTE 4: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

At June 30, 2020 (August 31, 2019 valuation) the employer's proportion of the collective Net OPEB Liability was 0.0132482637% which was an increase of 0.00079539434% from its proportion measured as of August 31, 2018.

**Changes Since the Prior Actuarial Valuation** – The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period.

- The discount rate changed from 3.69 percent as of August 31, 2018 to 2.63 percent as of August 31, 2019. This change increased the TOL.
- The health care trend rates were reset to better reflect the plan's anticipated experience. This change increased the TOL.
- The participation rate for pre-65 retirees was lowered from 70 percent to 65 percent. The participation rate for post-65 retirees was lowered from 75 percent to 50 percent. 25 percent of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the TOL.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20 percent to 15 percent. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20 percent to 10 percent. These changes decreased the TOL.
- Change of Benefit Terms Since the Prior Measurement Date – There were no changes in benefit terms since the prior measurement date.

The impact of the Cadillac Tax that is returning in fiscal year 2023 has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.30 percent.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

Results indicate that the value of the excise tax would be reasonably represented by a 25 basis point addition to the long-term trend rate assumption.

Future actuarial measurements may differ significantly from the current measurements due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

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

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
*TEN MONTHS ENDED JUNE 30, 2020*

**NOTE 4: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

For the ten months ended June 30, 2020, the District recognized OPEB expense of \$378,215 and revenue of \$219,416 for support provided by the State.

At June 30, 2020, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experiences	\$ 307,365	\$ 1,025,244
Changes in actuarial assumptions	347,987	1,685,203
Differences between projected and actual investment earnings	676	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	440,125	448,494
Total as of August 31, 2018 measurement date	1,096,153	3,158,941
Contributions paid to TRS subsequent to the measurement date	79,994	-
Total as of fiscal year-end	\$ 1,176,147	\$ 3,158,941

The \$79,994 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Years ended June 30,	OPEB Expense Amount
2021	\$ (354,629)
2022	\$ (354,629)
2023	\$ (354,847)
2024	\$ (354,973)
2025	\$ (354,939)
Thereafter	\$ (288,771)

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS - CONTINUED*  
*TEN MONTHS ENDED JUNE 30, 2020*

**NOTE 5: MEDICARE PART D**

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. Under Medicare Part D, TRS-Care received retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the ten months ended June 30, 2020, and the years ended August 31, 2018 and 2017 the subsidy payments received by TRS-Care on behalf of the District are as follows:

<u>Fiscal Year</u>	<u>Medicare Part D</u>
2020	\$ 40,576
2019	31,813
2018	24,987

Contributions made by the State on behalf of the District have been recorded in the government-wide financial statements and in the fund financial statements of the General Fund as both State revenue and payroll expenditures.

**NOTE 6: RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the ten months ended June 30, 2020, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year. In addition, there were no settlements exceeding insurance for each of the past three fiscal years.

**Health Coverage**

Effective September 1, 2003, the District entered into a health insurance contract with TRS-Active Care. These plans are fully-funded, pure premium plans for which the District pays premiums of \$275, respectively per month per employee to the plan, and the employees, at their option, may authorize payroll withholdings to pay premiums for dependents. Terms of coverage and premium costs are included in the contractual provisions.

**Workers' Compensation Insurance**

During the ten month period ended June 30, 2020, the District met its statutory workers' compensation obligations through participation in the TASB Risk Management Fund ("the Fund"). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Workers Compensation Program is authorized by Chapter 504, Texas Labor Code. All districts participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties. The Fund provides statutory workers' compensation benefits to its members and their injured employees.

The District participates in the Fund's reimbursable aggregate deductible program. As such, the District is responsible for a certain amount of claims liability as outlined on the District's Contribution and Coverage Summary document. After the District's deductible has been met, the Fund is responsible for additional claims.

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS - CONTINUED*  
*TEN MONTHS ENDED JUNE 30, 2020*

**NOTE 6: RISK MANAGEMENT (Continued)**

The Fund and its members are protected against higher than expected claims costs through the purchase of stop loss coverage for any claim in excess of the Fund's self-insured retention of \$1.5 million. The Fund uses the services of an independent actuary to determine reserve adequacy and fully funds those reserves. As of June 30, 2020, the Fund carries a discounted reserve in excess of \$50 million for future development on reported claims and claims that have been incurred but not yet reported. For the period ended June 30, 2020, member districts will have no additional liability beyond their contractual obligations for payment of contributions and reimbursable aggregate deductibles.

The Fund engages the services of Independent auditors to conduct an independent financial audit after the close of each plan year on August 31st and is approved by the Fund's Board of Trustees in February the following year. The Fund's audited financial statements as of June 30, 2020, are available at the TASB offices and have been filed with the Texas State Board of Insurance in Austin.

**NOTE 7: COMMITMENTS AND CONTINGENCIES**

The District participates in a number of grant programs funded by State and Federal Agencies. These programs are subject to compliance audits by the grantor agencies or their representatives.

Audits of all of these programs for the year ended June 30, 2020 have not been conducted. Accordingly, the District's compliance with applicable grant requirements will be established at some future date. Certain programs were audited and some expenditures were identified as unallowable. As a result, \$56,024 is a liability due to other governments on the financial statements as of June 30, 2020, which reflects the disallowed amounts. Expenditures which may be disallowed by the granting agencies of programs not audited cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

The District is a party to various legal actions, none of which is believed by administration to have a material effect on the financial condition of the District. Accordingly, no provision for losses has been recorded in the accompanying combined financial statements for such contingencies.

**NOTE 8: JOINT VENTURE - SHARED SERVICE ARRANGEMENTS**

The District participates in a shared service arrangement ("SSA") with the Regional Service Center ("Region One"). Those programs provided through the shared services include the Teacher and Principal Training through the ESEA Title II, Part A. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, Region One Education Service Center, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to Santa Rosa Independent School District. The fiscal agent manager is responsible for all financial activities of the shared services arrangement.

The District is also the fiscal agent for an SSA that provides assistance to member districts under the 21<sup>st</sup> Century Community Learning Centers program. This program provides assistance to provide opportunities for academic enrichment and additional services to students related to educational development. During the 10 months ended June 30, 2020, the District spent \$1,177,433. Of this amount \$513,317 was provided for assistance to other member Districts.

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**TEN MONTHS ENDED JUNE 30, 2020**

**NOTE 8: JOINT VENTURE - SHARED SERVICE ARRANGEMENTS (Continued)**

Presented below are the revenues and expenditures attributable to the District's participation.

Revenues		ESEA Title II, Part A	21st Century
5929	Federal revenue distributed by TEA	\$ 30,573	\$ 664,115
5952	SSA - Federal revenues from fiscal agent	-	513,317
<b>Total revenue</b>		<b>\$ 30,573</b>	<b>\$ 1,177,432</b>

Expenditures			
6100	Payroll costs	\$ -	\$ 502,624
6200	Purchased and contracted services	25,765	18,228
6300	Supplies and materials	4,808	61,425
6400	Miscellaneous operating expenses	-	557,330
6600	Capital outlay - land, buildings, and equipment	-	37,825
<b>Total expenditures</b>		<b>\$ 30,573</b>	<b>\$ 1,177,432</b>

**NOTE 9: COMPLIANCE AND ACCOUNTABILITY**

Finance-Related Legal and Contractual Provision

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations.

School districts in Texas must comply with constitutional provisions, statutory laws, public policy established by common law, Title 19 of the Texas Administrative Code, and with regulations of the Texas Education Agency.

**NOTE 10: CHAPTER 313 AGREEMENTS**

The District entered into a tax abatement agreement with Monte Alto Windpower, LLC, ("Monte Alto") on September 30, 2019, pursuant to Chapter 313 of the Texas Tax Code. The agreement is for Monte Alto to invest capital of \$57,097,000 on a long-term basis for a valuation limit of \$15,000,000. The investment will be taxed at 100% for I & S purposes but will be limited to \$15,000,000 for M & O purposes. For fiscal year 2020, there is currently no investment by Monte Alto that is taxable.

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS - CONTINUED*  
*TEN MONTHS ENDED JUNE 30, 2020*

**NOTE 11: SUBSEQUENT EVENTS**

Subsequent to June 30, 2020, the Texas Education Agency advised districts regarding the impact of the COVID-19 pandemic on average daily attendance (ADA) reporting and the impact on funding for the 2020-2021 school year. The District also will be able to utilize funding from various federal grant programs to offset losses of revenue associated with the pandemic and costs of implementing safety protocols and distance learning strategies. The full extent of the ongoing impact of COVID-19 on the District's 2020-21 fiscal year and longer-term operational and financial performance will depend on future developments, many of which are outside of the District's control, including the effectiveness of the mitigation strategies related to COVID-19, the duration and spread of COVID-19, and future governmental actions, all of which are highly uncertain and cannot be predicted.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

*“Warriors On the Move –  
Education On the Rise”*



SANTA ROSA ISD  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE TEN MONTHS ENDED JUNE 30, 2020

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 1,433,306	\$ 1,436,916	\$ 1,142,129	\$ (294,787)
5800 State Program Revenues	12,242,520	12,108,320	10,578,775	(1,529,545)
5900 Federal Program Revenues	1,113,000	1,243,590	918,338	(325,252)
5020 Total Revenues	14,788,826	14,788,826	12,639,242	(2,149,584)
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	6,450,160	6,622,332	5,799,524	822,808
0012 Instructional Resources and Media Services	104,983	106,168	92,175	13,993
0013 Curriculum and Instructional Staff Development	94,000	133,643	116,525	17,118
0021 Instructional Leadership	-	90,077	80,076	10,001
0023 School Leadership	653,671	663,135	546,439	116,696
0031 Guidance, Counseling, and Evaluation Services	356,802	338,082	287,659	50,423
0033 Health Services	149,164	156,653	139,024	17,629
0034 Student (Pupil) Transportation	286,117	243,921	123,586	120,335
0035 Food Services	873,800	873,800	646,825	226,975
0036 Extracurricular Activities	1,027,182	1,053,607	761,237	292,370
0041 General Administration	1,002,120	853,610	742,246	111,364
0051 Facilities Maintenance and Operations	2,115,381	2,013,819	1,620,652	393,167
0052 Security and Monitoring Services	231,390	257,486	235,377	22,109
0053 Data Processing Services	628,453	654,611	369,061	285,550
0061 Community Services	6,000	6,000	1,838	4,162
Debt Service:				
0071 Principal on Long-Term Debt	141,878	141,878	141,878	-
0072 Interest on Long-Term Debt	46,725	46,725	46,723	2
Capital Outlay:				
0081 Facilities Acquisition and Construction	370,000	343,292	336,642	6,650
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	220,000	220,620	220,619	1
0095 Payments to Juvenile Justice Alternative Ed. Prg.	14,000	14,000	-	14,000
0099 Other Intergovernmental Charges	17,000	17,000	12,067	4,933
6030 Total Expenditures	14,788,826	14,850,459	12,320,173	2,530,286
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(61,633)	319,069	380,702
<b>OTHER FINANCING SOURCES (USES):</b>				
7915 Transfers In	817,347	816,397	-	(816,397)
8911 Transfers Out (Use)	(817,347)	(771,764)	(372,365)	399,399
7080 Total Other Financing Sources (Uses)	-	44,633	(372,365)	(416,998)
1200 Net Change in Fund Balances	-	(17,000)	(53,296)	(36,296)
0100 Fund Balance - September 1 (Beginning)	-	4,733,153	4,733,153	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ 4,716,153	\$ 4,679,857	\$ (36,296)

SANTA ROSA ISD  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE TEN MONTHS ENDED JUNE 30, 2020

	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
District's Proportion of the Net Pension Liability (Asset)	0.008440681%	0.008026189%	0.008423647%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 4,387,730	\$ 4,417,809	\$ 2,693,429
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	5,919,107	6,581,608	3,819,041
Total	<u>\$ 10,306,837</u>	<u>\$ 10,999,417</u>	<u>\$ 6,512,470</u>
District's Covered Payroll	\$ 8,422,035	\$ 7,985,759	\$ 7,985,759
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	52.10%	55.32%	33.73%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.24%	73.74%	82.17%

Note: GASB Codification, Vol. 2, P20.183 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2019 for year 2020, August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, August 31, 2015 for year 2016 and August 31, 2014 for year 2015.

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

<u>FY 2017</u> <u>Plan Year 2016</u>	<u>FY 2016</u> <u>Plan Year 2015</u>	<u>FY 2015</u> <u>Plan Year 2014</u>
0.011021659%	0.00833336%	0.006251%
\$ 4,164,921	\$ 2,945,817	\$ 1,669,728
3,440,818	4,392,726	3,816,143
<u>\$ 7,605,739</u>	<u>\$ 7,338,543</u>	<u>\$ 5,485,871</u>
\$ 7,601,546	\$ 7,346,222	\$ 7,385,729
54.79%	40.10%	22.61%
78.00%	78.43%	83.25%

SANTA ROSA ISD  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR FISCAL YEAR 2020

	2020	2019	2018
Contractually Required Contribution	\$ 317,654	\$ 287,632	\$ 278,013
Contribution in Relation to the Contractually Required Contribution	(317,654)	(287,632)	(278,013)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 8,530,216	\$ 8,422,035	\$ 8,218,118
Contributions as a Percentage of Covered Payroll	3.72%	3.42%	3.38%

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

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

	2017	2016	2015
\$	276,078	\$ 273,907	\$ 238,509
	(276,078)	(273,907)	(238,509)
\$	-	\$ -	\$ -
\$	7,985,759	\$ 7,601,546	\$ 7,346,222
	3.46%	3.60%	3.25%

SANTA ROSA ISD  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE TEN MONTHS ENDED JUNE 30, 2020

	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.013248264%	0.012452869%	0.013386392%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 6,265,265	\$ 6,217,832	\$ 5,821,240
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	8,325,137	6,503,504	5,575,579
Total	<u>\$ 14,590,402</u>	<u>\$ 12,721,336</u>	<u>\$ 11,396,819</u>
District's Covered Payroll	\$ 8,422,035	\$ 7,985,759	\$ 7,985,759
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	74.39%	77.86%	72.90%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	2.66%	1.57%	0.91%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. Therefore the amounts reported for FY 2020 are for the measurement date of August 31, 2019. The amounts for FY 2019 are for the measurement date August 31, 2018. The amounts for FY 2018 are based on the August 31, 2017 measurement date.

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

SANTA ROSA ISD  
 SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)  
 TEACHER RETIREMENT SYSTEM OF TEXAS  
 FOR FISCAL YEAR 2020

	2020	2019	2018
Contractually Required Contribution	\$ 94,671	\$ 92,194	\$ 87,738
Contribution in Relation to the Contractually Required Contribution	(94,671)	(92,194)	(87,738)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 8,530,216	\$ 8,422,035	\$ 8,218,118
Contributions as a Percentage of Covered Payroll	1.11%	1.09%	1.07%

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

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

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**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO REQUIRED SUPPLEMENTARY INFORMATION*  
*TEN MONTHS ENDED JUNE 30, 2020*

**Stewardship, compliance, and accountability**

**I. Budgetary Information**

The Board adopts an “appropriated budget” on a basis consistent with GAAP for the general fund and debt service fund. At a minimum, the District is required to present the original and the final amended budgets for revenues and expenditures compared to actual revenues and expenditures for these two funds.

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

- Prior to August 20 for a fiscal year start date of September 1, the District prepares a budget based on the modified zero-based budgeting concept for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- After one or more budget workshops with the Board, a meeting is called for the purpose of adopting the proposed budget. At least ten days but not more than 30 days public notice of the meeting is required.
- Prior to August 31<sup>st</sup> for a fiscal year start date of September 1, the Board legally adopts the budget for the general fund and debt service fund.
- After the budget for the above listed funds is approved, any amendment that causes an increase or decrease in a fund or functional spending category or total revenue or other resources object category requires Board approval prior to the fact. These amendments are presented to the Board at its regular monthly meeting and are reflected in the official minutes. Because the District has a policy of careful budgetary control, several budgetary amendments were necessary throughout the year.
- Expenditure budgets are controlled at the expenditure functional and object level by the appropriate administrator. Transfers may be authorized within functional and organizational categories that do not affect the total functional and organizational appropriation. All budget appropriations lapse at year-end.

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in order to reserve that portion of the applicable appropriation, is used in all governmental funds. Encumbrances outstanding at year-end are commitments that do not constitute expenditures or liabilities. Since appropriations lapse at the end of each year, outstanding encumbrances are appropriately provided for in the subsequent fiscal year’s budget to provide for the liquidation of the prior commitments.

In total, the General Fund’s actual expenditures had a positive variance compared to the budgeted expenditures in the General Fund, and total expenditures of the general fund did not exceed total appropriations either in total or within functional areas.

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO REQUIRED SUPPLEMENTARY INFORMATION*  
*TEN MONTHS ENDED JUNE 30, 2020*

**TRS Pension**

**Changes of benefit terms** – There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

**Changes of assumptions** – The following are changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability during the measurement period:

The single discount rate as of August 31, 2018 was a blended rate of 6.907 percent and that has changed to the long-term rate of return of 7.25 percent as of August 31, 2019.

With the enactment of SB 3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected in the actuarial assumptions..

The Texas Legislature approved funding for a 13<sup>th</sup> check. All eligible members retired as of December 31, 2018 will receive an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or \$2,000, whichever is less.

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO REQUIRED SUPPLEMENTARY INFORMATION*  
*TEN MONTHS ENDED JUNE 30, 2020*

**TRS – OPEB PLAN**

**Changes of assumptions** – The following are changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

The discount rate changed from 3.69 percent as of August 31, 2018 to 2.63 percent as of August 31, 2019. This change increased the TOL.

The health care trend rates were reset to better reflect the plan’s anticipated experience. This change increased the TOL.

The participation rate for pre-65 retirees was lowered from 70 percent to 65 percent. The participation rate for post-65 retirees was lowered from 75 percent to 50 percent. 25 percent of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the TOL.

The percentage of retirees who are assumed to have two-person coverage was lowered from 20 percent to 15 percent. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20 percent to 10 percent. These changes decreased the TOL.

**Change of Benefit Terms Since the Prior Measurement Date** – There were no changes in benefit terms since the prior measurement date.

The impact of the Cadillac Tax that is returning in fiscal year 2023 has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.30 percent.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

Results indicate that the value of the excise tax would be reasonably represented by a 25 basis point addition to the long-term trend rate assumption.

Future actuarial measurements may differ significantly from the current measurements due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.





**OTHER SUPPLEMENTARY  
INFORMATION**

*“Warriors On the Move –  
Education On the Rise”*





## COMBINING STATEMENTS

*“Warriors On the Move –  
Education On the Rise”*

SANTA ROSA ISD  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2020

Data Control Codes	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting
<b>ASSETS</b>				
1110 Cash and Cash Equivalents	\$ 56,724	\$ -	\$ -	\$ -
1240 Due from Other Governments	113,118	1,621	-	4,250
1290 Other Receivables	-	-	-	-
1000 Total Assets	<u>\$ 169,842</u>	<u>\$ 1,621</u>	<u>\$ -</u>	<u>\$ 4,250</u>
<b>LIABILITIES</b>				
2110 Accounts Payable	\$ 1,000	\$ -	\$ -	\$ -
2160 Accrued Wages Payable	73,287	-	-	-
2170 Due to Other Funds	38,831	1,621	-	4,250
2180 Due to Other Governments	56,724	-	-	-
2000 Total Liabilities	<u>169,842</u>	<u>1,621</u>	<u>-</u>	<u>4,250</u>
4000 Total Liabilities and Fund Balances	<u>\$ 169,842</u>	<u>\$ 1,621</u>	<u>\$ -</u>	<u>\$ 4,250</u>

263 Title III, A English Lang Acquisition	266 ESSER -School Emergency Relief	274 GEAR UP	289 Other Federal Special Revenue Funds	352 SSA - 21st Century Learning	397 Advanced Placement Incentives
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
400	4,607	27,639	-	261,333	-
-	-	-	-	-	-
<u>\$ 400</u>	<u>\$ 4,607</u>	<u>\$ 27,639</u>	<u>\$ -</u>	<u>\$ 261,333</u>	<u>\$ -</u>
\$ -	\$ -	\$ 2,398	\$ -	\$ 70,959	\$ -
-	-	12,844	-	61,717	-
400	4,607	12,397	-	128,657	-
-	-	-	-	-	-
<u>400</u>	<u>4,607</u>	<u>27,639</u>	<u>-</u>	<u>261,333</u>	<u>-</u>
<u>\$ 400</u>	<u>\$ 4,607</u>	<u>\$ 27,639</u>	<u>\$ -</u>	<u>\$ 261,333</u>	<u>\$ -</u>

SANTA ROSA ISD  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2020

Data Control Codes	410 State Instructional Materials	429 Other State Special Revenue Funds	499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>				
1110 Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 56,724
1240 Due from Other Governments	40,603	10,808	-	464,379
1290 Other Receivables	-	11,746	319	12,065
1000 Total Assets	<u>\$ 40,603</u>	<u>\$ 22,554</u>	<u>\$ 319</u>	<u>\$ 533,168</u>
<b>LIABILITIES</b>				
2110 Accounts Payable	\$ -	\$ -	\$ -	\$ 74,357
2160 Accrued Wages Payable	-	7,647	-	155,495
2170 Due to Other Funds	40,603	14,907	319	246,592
2180 Due to Other Governments	-	-	-	56,724
2000 Total Liabilities	<u>40,603</u>	<u>22,554</u>	<u>319</u>	<u>533,168</u>
4000 Total Liabilities and Fund Balances	<u>\$ 40,603</u>	<u>\$ 22,554</u>	<u>\$ 319</u>	<u>\$ 533,168</u>

618 Capital Projects Fund	Total Nonmajor Governmental Funds
\$ 46,170	\$ 102,894
-	464,379
40,000	52,065
<u>\$ 86,170</u>	<u>\$ 619,338</u>
\$ -	\$ 74,357
-	155,495
86,170	332,762
-	56,724
<u>86,170</u>	<u>619,338</u>
<u>\$ 86,170</u>	<u>\$ 619,338</u>

SANTA ROSA ISD  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE TEN MONTHS ENDED JUNE 30, 2020

Data Control Codes	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	403,693	26,507	10,916	30,573
5020 Total Revenues	403,693	26,507	10,916	30,573
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	292,370	10,326	10,916	-
0012 Instructional Resources and Media Services	60,050	-	-	-
0013 Curriculum and Instructional Staff Development	7,980	-	-	30,573
0021 Instructional Leadership	920	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	-	-	-
0032 Social Work Services	-	-	-	-
0033 Health Services	42,017	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	356	16,181	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
6030 Total Expenditures	403,693	26,507	10,916	30,573
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
7915 Transfers In	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

263 Title III, A English Lang Acquisition	266 ESSER -School Emergency Relief	274 GEAR UP	289 Other Federal Special Revenue Funds	352 SSA - 21st Century Comm. Learning	397 Advanced Placement Incentives
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	21
11,505	4,607	83,084	24,784	1,177,432	-
11,505	4,607	83,084	24,784	1,177,432	21
10,345	1,474	14,153	24,784	505,143	-
-	-	-	-	-	-
1,160	200	-	-	-	-
-	-	-	-	158,972	-
-	395	-	-	-	-
-	-	68,686	-	-	21
-	-	-	-	-	-
-	228	-	-	-	-
-	79	-	-	-	-
-	1,499	-	-	-	-
-	338	-	-	-	-
-	394	-	-	-	-
-	-	245	-	-	-
-	-	-	-	-	-
-	-	-	-	513,317	-
11,505	4,607	83,084	24,784	1,177,432	21
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SANTA ROSA ISD  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE TEN MONTHS ENDED JUNE 30, 2020

Data Control Codes	410 State Instructional Materials	429 Other State Special Revenue Funds	499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ 12,778	\$ 12,778
5800 State Program Revenues	31,766	67,589	-	99,376
5900 Federal Program Revenues	-	-	-	1,773,101
5020 Total Revenues	31,766	67,589	12,778	1,885,255
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	31,766	74	12,778	914,129
0012 Instructional Resources and Media Services	-	-	-	60,050
0013 Curriculum and Instructional Staff Development	-	-	-	39,913
0021 Instructional Leadership	-	-	-	159,892
0023 School Leadership	-	-	-	395
0031 Guidance, Counseling, and Evaluation Services	-	-	-	68,707
0032 Social Work Services	-	46,791	-	46,791
0033 Health Services	-	-	-	42,017
0034 Student (Pupil) Transportation	-	-	-	228
0041 General Administration	-	-	-	79
0051 Facilities Maintenance and Operations	-	9,916	-	11,415
0052 Security and Monitoring Services	-	10,808	-	11,146
0053 Data Processing Services	-	-	-	394
0061 Community Services	-	-	-	16,782
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-	513,317
6030 Total Expenditures	31,766	67,589	12,778	1,885,255
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
7915 Transfers In	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

618 Capital Projects Fund	Total Nonmajor Governmental Funds
\$ 102	\$ 12,880
-	99,376
-	1,773,101
102	1,885,357
-	914,129
-	60,050
-	39,913
-	159,892
-	395
-	68,707
-	46,791
-	42,017
-	228
-	79
18,157	29,572
-	11,146
-	394
-	16,782
231,773	231,773
-	513,317
249,930	2,135,185
(249,828)	(249,828)
372,365	372,365
122,537	122,537
(122,537)	(122,537)
\$ -	\$ -

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SANTA ROSA ISD  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 PRIVATE PURPOSE TRUST FUNDS  
 JUNE 30, 2020

	806 Board and District Scholarship	807 Lou Ann Richardson Scholarship	Total Private Purpose Trust Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,593	\$ 1,493	\$ 5,086
Total Assets	<u>3,593</u>	<u>1,493</u>	<u>5,086</u>
<b>LIABILITIES</b>			
Accounts Payable	1,500	-	1,500
Payable from Restricted Assets	2,088	-	2,088
Total Liabilities	<u>3,588</u>	<u>-</u>	<u>3,588</u>
<b>NET POSITION</b>			
Restricted for Scholarships	5	1,493	1,498
Total Net Position	<u>\$ 5</u>	<u>\$ 1,493</u>	<u>\$ 1,498</u>

SANTA ROSA ISD  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 PRIVATE PURPOSE TRUST FUNDS  
 FOR THE TEN MONTHS ENDED JUNE 30, 2020

	806 Board and District Scholarship	807 Lou Ann Richardson Scholarship	Total Private Purpose Trust Funds	Col4Top Col4Top Col4Middle Col4Bottom
Change in Net Position	-	-	-	-
Net Position - September 1 (Beginning)	<u>5</u>	<u>1,493</u>	<u>1,498</u>	
Net Position - June 30 (Ending)	<u>\$ 5</u>	<u>\$ 1,493</u>	<u>\$ 1,498</u>	<u>\$</u>

SANTA ROSA ISD  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 JUNE 30, 2020

	BALANCE SEPTEMBER 1 2019	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30 2020
<b>Student Activity Account</b>				
Assets:				
Cash and Temporary Investments	\$ 64,309	\$ 85,383	\$ 95,286	\$ 54,406
Liabilities:				
Due to Student Groups	\$ 64,309	\$ 85,383	\$ 95,286	\$ 54,406
<b>TOTAL AGENCY FUNDS</b>				
Assets:				
Cash and Temporary Investments	\$ 64,309	\$ 85,383	\$ 95,286	\$ 54,406
Liabilities:				
Due to Student Groups	\$ 64,309	\$ 85,383	\$ 95,286	\$ 54,406





## **T.E.A. REQUIRED SCHEDULES**

*“Warriors On the Move –  
Education On the Rise”*

SANTA ROSA ISD  
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
 TEN MONTHS ENDED JUNE 30, 2020

Last 10 Years	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2011 and prior years	Various	Various	\$ Various
2012	1.040000	0.202200	67,645,946
2013	1.170000	0.202200	69,683,751
2014	1.170000	0.202200	71,342,643
2015	1.170000	0.202200	78,746,327
2016	1.170000	0.296600	76,355,894
2017	1.170000	0.276960	77,442,032
2018	1.170000	0.276960	80,595,451
2019	1.170000	0.276960	93,914,597
2020 (School year under audit)	1.068350	0.276970	98,142,681
1000 TOTALS			

(10) Beginning Balance 9/1/2019	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2020
\$ 46,991	\$ -	\$ 1,160	\$ 235	\$ 540	\$ 46,136
7,969	-	204	35	-	7,730
8,384	-	166	29	-	8,189
8,885	-	214	37	-	8,634
12,034	-	536	93	-	11,405
18,589	-	3,002	761	2,499	17,325
32,344	-	9,180	2,173	2,588	23,579
55,530	-	15,918	3,768	2,583	38,427
137,066	-	50,669	11,995	2,763	77,165
-	1,284,061	889,189	230,523	(517)	163,832
<u>\$ 327,792</u>	<u>\$ 1,284,061</u>	<u>\$ 970,238</u>	<u>\$ 249,649</u>	<u>\$ 10,456</u>	<u>\$ 402,422</u>

SANTA ROSA ISD  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - DEBT SERVICE FUND  
FOR THE TEN MONTHS ENDED JUNE 30, 2020

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 294,884	\$ 294,884	\$ 260,224	\$ (34,660)
5800 State Program Revenues	793,923	793,923	734,257	(59,666)
5020 Total Revenues	1,088,807	1,088,807	994,481	(94,326)
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Debt	695,000	695,000	-	695,000
0072 Interest on Long-Term Debt	342,000	342,000	171,000	171,000
0073 Bond Issuance Cost and Fees	-	-	700	(700)
6030 Total Expenditures	1,037,000	1,037,000	171,700	865,300
1200 Net Change in Fund Balances	51,807	51,807	822,781	770,974
0100 Fund Balance - September 1 (Beginning)	-	198,157	198,157	-
3000 Fund Balance - June 30 (Ending)	\$ 51,807	\$ 249,964	\$ 1,020,938	\$ 770,974

## STATISTICAL SECTION OVERVIEW

(Unaudited)

*The Statistical Section of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.*

<b><u>CONTENTS</u></b>	<b><u>PAGE</u></b>
<b>Financial Trends Information</b>	<b>109</b>
<i>Compiles information reported in the Comprehensive Annual Financial Report over the past ten years. These schedules contain information to help the reader understand how the District's financial performance has changed over time.</i>	
<b>Revenue and Expenditure Capacity</b>	<b>117</b>
<i>This section contains schedules that provide information about the District's most significant major own-source revenue, which is property taxes, and the factors that impact the District's ability to generate such revenue and the stability of revenue.</i>	
<b>Debt Capacity Information</b>	<b>125</b>
<i>These schedules contain information to help the reader assess the affordability of the District's current levels of outstanding debt, the District's ability to repay the debt, and the District's ability to issue additional debt in the future.</i>	
<b>Demographic and Economic Information</b>	<b>141</b>
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and the changes to those groups over the past ten years, if possible.</i>	
<b>Operating Information</b>	<b>144</b>
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial reports relates to the services the District provides and activities it performs.</i>	

### **SOURCES**

*Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.*

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## **FINANCIAL TRENDS INFORMATION**

*“Warriors On the Move –  
Education On the Rise”*



SCHEDULE 1

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

*(Unaudited)*

**Governmental Activities**

<b>Fiscal Year</b>	<b>Net Investment in Capital Assets</b>	<b>Restricted</b>	<b>Unrestricted</b>	<b>Total Net Position</b>
2011	\$ 11,922,927	\$ 347,284	\$ 3,474,011	\$ 15,744,222
2012	12,110,171	313,123	4,719,110	17,142,404
2013	12,302,565	164,971	5,616,807	18,084,343
2014	13,087,506	161,029	5,209,945	18,458,480
2015	12,864,264	232,510	4,046,531	17,143,305
2016	13,362,577	136,947	3,762,183	17,261,707
2017	13,340,476	491,721	3,092,018	16,924,215
2018	14,074,069	572,219	(5,645,865)	9,000,423
2019	14,826,956	361,910	(6,261,795)	8,927,071
2020	14,984,904	1,032,613	(6,760,531)	9,256,986

Source: The District's Statement of Net Position (Exhibit A-1)

SCHEDULE 2

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL ACTIVITIES EXPENSES & PROGRAM REVENUES  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

(Unaudited)

	Fiscal Year			
	2011	2012	2013	2014
<b>Expenses</b>				
Governmental Activities:				
Instruction	\$ 6,856,485	\$ 6,607,883	\$ 7,010,870	\$ 7,008,732
Instructional Resources and Media Services	101,948	125,467	128,494	143,158
Curriculum and Staff Development	98,859	200,964	239,020	133,298
Instructional Leadership	325,107	486,326	473,605	250,915
School Leadership	542,496	521,196	536,257	523,307
Guidance, Counseling, & Evaluation Services	407,274	351,237	448,347	403,669
Social Work Services	2,729	44,762	38,005	8,094
Health Services	153,532	156,228	143,684	177,994
Student Transportation	210,873	256,647	325,161	214,152
Food Service	788,217	776,803	894,329	916,660
Cocurricular/Extracurricular Activities	901,657	811,546	1,009,340	956,011
General Administration	661,414	695,810	702,357	666,644
Plant Maintenance and Operations	1,725,268	1,639,937	1,913,607	2,047,499
Security and Monitoring Services	112,573	67,770	92,057	132,966
Data Processing Services	158,728	186,980	284,064	246,958
Community Services	169,409	189,246	185,384	150,156
Interest on Long Term Debt	914,986	830,618	789,650	702,287
Bond Issuance Cost and Fees	850	850	900	-
Payments Related to Shared Services Arrangements	45,608	39,587	39,392	57,758
Payments to Juvenile Justice Alternative Ed. Prg.	9,362	-	-	1,198
Other Intergovernmental Charges	104,686	9,446	9,936	8,089
Total Governmental Activities	14,292,061	13,999,303	15,264,459	14,749,545
<b>Program Revenues</b>				
Charges for Services				
Instruction	162	163	251	725
Instructional Resources and Media Services	-	-	-	-
Curriculum and Staff Development	-	-	-	-
Instructional Leadership	-	-	-	-
School Leadership	-	-	-	-
Guidance, Counseling, & Evaluation Services	-	-	93,480	89,244
Social Work Services	-	-	-	-
Health Services	-	-	-	-
Student Transportation	-	-	-	-
Food Service	98,696	98,164	90,210	105,291
Cocurricular/Extracurricular Activities	37,266	36,439	34,709	29,443
General Administration	-	-	-	-
Plant Maintenance and Operations	-	-	-	-
Security and Monitoring Services	-	-	-	-
Data Processing Services	-	-	-	-
Community Services	-	-	-	-
Interest on Long Term Debt	-	-	-	-
Bond Issuance Cost and Fees	-	-	-	-
Capital Outlay	-	-	-	-
Payments Related to Shared Services Arrangements	-	-	-	-
Other Intergovernmental Charges	-	-	-	-
Operating Grants and Contributions	5,046,863	4,408,421	4,232,777	3,059,613
Total Governmental Activities	5,182,987	4,543,187	4,451,427	3,284,316
<b>Program Revenues</b>				
Total Governmental Activities	5,182,987	4,543,187	4,451,427	3,284,316
<b>Net Governmental Activities</b>				
Revenue/(Expense)	\$ (9,109,074)	\$ (9,456,116)	\$ (10,813,032)	\$ (11,465,229)

Source: The District's Statement of Activities (Exhibit B-1)

							Fiscal Year					
							2015	2016	2017	2018	2019	2020
\$	6,761,544	\$	7,396,103	\$	7,395,194	\$	5,113,612	\$	8,467,325	\$	7,904,055	
	148,536		175,998		164,003		124,945		180,336		181,112	
	148,956		149,803		95,468		65,369		134,122		179,432	
	229,197		224,677		219,536		161,399		332,983		294,891	
	548,404		602,516		640,547		450,869		706,063		645,895	
	415,363		442,925		448,206		246,301		452,071		419,205	
	-		72,157		113,856		65,630		105,415		56,980	
	181,441		192,732		191,292		131,147		217,182		215,338	
	269,810		227,510		262,799		160,946		294,165		154,537	
	865,877		957,602		935,409		695,466		907,412		739,368	
	976,749		1,099,488		1,120,053		954,428		1,060,644		863,459	
	702,870		905,921		823,576		766,948		1,255,007		838,132	
	2,000,166		2,003,002		2,052,265		1,909,322		2,207,755		1,810,709	
	198,635		201,359		210,953		160,369		254,572		279,528	
	227,830		311,194		265,715		552,121		572,571		287,597	
	38,933		43,675		44,224		28,771		49,070		22,498	
	604,487		583,379		348,785		304,008		283,512		201,930	
	-		-		341,304		1,856		-		700	
	86,542		80,507		76,838		71,171		625,408		733,936	
	995		-		-		-		-		-	
	14,584		9,846		12,959		17,747		16,154		12,067	
	14,420,919		15,680,394		15,762,982		11,982,425		18,121,767		15,841,369	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
	82,478		66,710		58,202		-		-		-	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
	85,171		98,365		79,606		75,943		79,421		59,565	
	31,878		33,526		46,261		39,553		35,241		32,758	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
	2,444,033		2,844,710		2,679,302		883,462		4,521,361		3,026,959	
	2,643,560		3,043,311		2,863,371		998,958		4,636,023		3,119,282	
\$	(11,777,359)	\$	(12,637,083)	\$	(12,899,611)	\$	(10,983,467)	\$	(13,485,744)	\$	(12,722,087)	

SCHEDULE 3

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
**GENERAL REVENUES AND CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

(Unaudited)

	<b>Fiscal Year</b>			
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Net Governmental Activities</b>				
<b>Revenue /(Expense)</b>	\$ (9,109,074)	\$ (9,456,116)	\$ (10,813,032)	\$ (11,465,229)
General Revenues and Changes in Net Position				
Property Taxes, Levied for General Purposes	688,672	684,573	782,882	728,096
Property Taxes - Debt Service	219,860	121,422	135,459	124,705
State Aid	8,076,588	8,853,321	9,525,926	9,682,347
Grants & Contributions not Restricted	1,187,339	1,050,010	1,386,426	1,140,560
Investment Earnings	4,114	4,513	5,075	15,270
Transfer In (Out)	-	-	-	-
Miscellaneous Local and Intermediate Revenue	108,740	140,459	147,691	148,388
<b>Total General Revenues</b>	<b>10,285,313</b>	<b>10,854,298</b>	<b>11,983,459</b>	<b>11,839,366</b>
<b>Change in Net Position</b>	<b>\$ 1,176,239</b>	<b>\$ 1,398,182</b>	<b>\$ 1,170,427</b>	<b>\$ 374,137</b>

Source: The District's Statement of Activities (Exhibit B-1)

<b>Fiscal Year</b>					
<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$ (11,777,359)	\$ (12,637,083)	\$ (12,899,611)	\$ (10,983,467)	\$ (13,485,744)	\$ (12,722,087)
870,588	871,689	904,839	953,001	1,037,282	1,014,444
150,502	221,972	214,976	225,842	245,737	262,382
10,098,466	10,534,837	9,867,780	10,699,072	10,745,321	10,075,512
1,147,579	1,219,350	1,031,796	1,090,346	1,091,665	1,598,552
17,768	23,376	36,298	64,173	78,938	42,098
-	-	-	-	-	-
69,090	72,834	506,430	91,543	213,449	59,014
12,353,993	12,944,058	12,562,119	13,123,977	13,412,392	13,052,002
\$ 576,634	\$ 306,975	\$ (337,492)	\$ 2,140,510	\$ (73,352)	\$ 329,915

SCHEDULE 4

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

(Unaudited)

	Fiscal Year		
	2011	2012	2013
<b>General Fund</b>			
<b>PRE GASB 54</b>			
<i>Reserved Fund Balances:</i>			
Investments in Inventory	\$ -	\$ -	\$ -
Prepaid Items			
Reserve for Food Service			
<i>Designated Fund Balance:</i>			
Construction	-	-	-
<i>Unreserved and Undesignated:</i>			
Reported in the General Fund	-	-	-
<b>POST GASB 54</b>			
<i>Nonspendable:</i>			
Investments in Inventory	4,275	880	8,366
Prepaid Items	18,306	124,235	-
<i>Restricted:</i>			
Restricted - Federal or State Funds Grant Restriction	234,730	305,243	48,332
<i>Unassigned:</i>			
Reported in the General Fund	3,149,660	4,183,852	5,206,488
<b>Total General Fund Balance</b>	<b>3,406,971</b>	<b>4,614,210</b>	<b>5,263,186</b>
<b>All Other Governmental Funds</b>			
<b>PRE GASB 54</b>			
<i>Reserved, Reported In:</i>			
Debt Service			
Food Service			
<i>Designated Fund Balance:</i>			
Construction	-	-	-
<i>Unreserved and Undesignated:</i>			
Reported in Special Revenue funds	-	-	-
Reported in Permanent Funds	-	-	-
Reported in Capital Projects Funds			
<b>POST GASB 54</b>			
Special Revenues			
<i>Unassigned:</i>			
Federal or State Funds Grant Restriction	2,307	-	-
Debt Service			
<i>Restricted:</i>			
Retirement of Long-Term Debt	108,279	29,039	56,660
Capital Projects			
<i>Restricted:</i>			
Other Purposes	-	60,438	59,979
<i>Unassigned:</i>			
Other Unassigned Fund Balance	93,091	-	-
Total All Other Governmental Fund Balance	203,677	89,477	116,639
<b>Total Government Funds -- Fund Balance</b>	<b>\$ 3,610,648</b>	<b>\$ 4,703,687</b>	<b>\$ 5,379,825</b>
<b>Governmental Funds</b>			
Beginning Fund Balance	\$ 3,602,077	\$ 3,610,648	\$ 4,703,687
Net Change in Fund Balance	8,571	1,093,039	676,138
<b>Ending Balance</b>	<b>\$ 3,610,648</b>	<b>\$ 4,703,687</b>	<b>\$ 5,379,825</b>

Source: The District's Governmental Funds Balance Sheets (Exhibit C-1)

Fiscal Year							
2014	2015	2016	2017	2018	2019	2020	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,018	24,150	9,202	22,367	25,581	25,581	26,627	
		94,035	70	-	-	450	
78,050	109,133	103,800	5,221	30,898	30,897	72,350	
5,292,712	5,758,789	5,431,527	5,306,398	4,808,046	4,676,674	4,580,430	
5,372,780	5,892,072	5,638,564	5,334,056	4,864,525	4,733,152	4,679,857	
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
7,828	31,290	35,309	10,909	178,720	198,157	1,020,938	
1,207	2,435	3,583	423,155	305,383	-	-	
-	-	-	-	-	(122,536)	-	
9,035	33,725	38,892	434,064	484,104	75,621	1,020,938	
\$ 5,381,815	\$ 5,925,797	\$ 5,677,456	\$ 5,768,120	\$ 5,348,629	\$ 4,808,773	\$ 5,700,795	
\$ 5,379,825	\$ 5,381,815	\$ 5,925,797	\$ 5,677,456	\$ 5,768,120	\$ 5,348,629	\$ 4,808,773	
1,990	543,982	(248,341)	90,664	(419,492)	(539,856)	892,022	
\$ 5,381,815	\$ 5,925,797	\$ 5,677,456	\$ 5,768,120	\$ 5,348,629	\$ 4,808,773	\$ 5,700,795	

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## **REVENUE AND EXPENDITURE CAPACITY**

*“Warriors On the Move –  
Education On the Rise”*



SCHEDULE 5

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL FUND REVENUES BY SOURCE  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

(Unaudited)

<b>Fiscal Year</b>	<b>Local and Intermediate Sources</b>	<b>State Program Revenues</b>	<b>Federal Programs Revenues</b>	<b>Total</b>
2011	1,158,180	9,595,551	4,708,748	15,462,479
2012	1,207,452	10,130,270	4,181,482	15,519,204
2013	1,221,029	10,944,499	4,195,951	16,361,479
2014	1,236,830	11,234,211	2,643,821	15,114,862
2015	1,334,712	11,604,140	2,085,935	15,024,787
2016	1,400,014	12,156,509	2,133,918	15,690,441
2017	1,538,079	11,339,096	2,147,343	15,024,518
2018	1,591,326	12,475,684	2,154,482	16,221,492
2019	1,704,429	12,480,381	3,453,339	17,638,149
2020	1,415,233	11,412,408	2,691,439	15,519,080

Source: The District's Governmental Funds Statements of Revenues, Expenditures, and Changes in Fund Balances  
Exhibit C-3

SCHEDULE 6

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL FUND EXPENDITURES BY FUNCTION  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

(Unaudited)

Function	Fiscal Year			
	2011	2012	2013	2014
Instruction	\$ 6,871,773	\$ 6,460,246	\$ 6,931,463	\$ 6,640,054
Instructional Resources and Media Services	96,570	117,665	120,485	132,764
Curriculum and Staff Development	93,643	188,467	224,122	123,609
Instructional Leadership	307,893	456,662	444,086	232,676
School Leadership	513,938	489,514	502,833	492,477
Guidance, Counseling, & Evaluation Services	385,788	329,953	420,402	374,389
Social Work Services	2,585	41,978	35,636	7,506
Health Services	145,432	146,513	134,728	165,076
Student Transportation	400,064	264,459	346,875	352,335
Food Service	746,634	770,843	1,014,357	870,729
Cocurricular/Extracurricular Activities	854,090	775,976	952,103	886,588
General Administration	626,543	653,237	658,580	640,094
Plant Maintenance and Operations	1,634,250	1,550,737	1,803,031	1,931,944
Security and Monitoring Services	106,634	63,556	86,319	123,322
Data Processing Services	190,396	254,989	274,464	434,297
Community Services	160,472	177,477	173,829	139,241
Principal on Long Term Debt	380,864	423,165	324,133	741,175
Interest on Long Term Debt	903,176	857,645	984,865	633,840
Bond Issuance Cost and Fees	850	850	900	-
Capital Outlay	872,657	473,072	412,859	309,418
Payments Related to Shared Services Arrangements	45,608	39,587	39,392	57,758
Payments to Juvenile Justice Alternative Ed. Prg.	9,362	-	-	1,198
Other Intergovernmental Charges	9,816	9,446	9,936	8,089
Total Expenditures	<u>15,359,038</u>	<u>14,546,037</u>	<u>15,895,398</u>	<u>15,298,579</u>
Ratio of Debt Service to Noncapital Expenditures	8.9%	9.1%	8.5%	9.2%
Ratio of Capital Outlay to Operating Expenditures	6.6%	3.7%	2.9%	2.3%

Source: The District's Governmental Funds Statements of Revenues, Expenditures, and Changes in Fund Balances Exhibit C-3

Note: Operating expenditures exclude debt service and capital outlay amounts.  
Noncapital expenditures exclude capital outlays amounts.

<b>Fiscal Year</b>						
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$	6,480,074	\$ 6,563,727	\$ 6,658,228	\$ 7,155,299	\$ 7,561,406	\$ 6,713,653
	137,202	157,574	146,974	162,609	160,626	152,225
	137,040	137,120	88,119	64,314	123,697	156,438
	213,199	199,369	191,510	244,323	298,350	239,968
	506,258	532,886	582,529	606,787	628,130	546,834
	384,525	392,689	403,610	349,654	401,642	356,366
	-	64,236	97,759	103,961	93,823	46,791
	168,078	170,451	170,604	188,516	192,470	181,041
	249,607	285,248	239,524	649,680	257,136	123,814
	804,896	862,077	890,708	836,992	839,293	646,825
	900,119	1,004,240	1,059,833	1,046,807	962,577	761,237
	648,426	813,961	752,840	880,582	1,145,172	742,326
	1,841,603	1,824,616	1,916,981	2,070,371	2,056,429	1,650,224
	183,613	177,661	252,593	214,070	225,092	246,523
	276,672	295,266	344,531	579,431	560,739	369,454
	36,366	38,945	37,988	42,243	43,717	18,620
	829,192	930,289	1,038,058	832,854	803,954	141,878
	614,390	586,230	401,353	458,252	421,447	217,723
	-	-	341,304	1,856	-	700
	154,434	609,932	28,800	63,465	827,189	568,415
	86,542	80,507	76,838	71,171	625,408	733,936
	995	-	-	-	-	-
	14,584	9,846	12,959	17,747	16,154	12,067
	<b>14,667,815</b>	<b>15,736,870</b>	<b>15,733,643</b>	<b>16,640,984</b>	<b>18,244,451</b>	<b>14,627,058</b>
	9.9%	10.0%	11.3%	7.8%	7.0%	2.6%
	1.2%	4.5%	0.2%	0.4%	5.1%	4.1%

SCHEDULE 7

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL FUNDS OTHER SOURCES, USES  
AND CHANGES IN FUND BALANCES  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

(Unaudited)

	Fiscal Year			
	2011	2012	2013	2014
Excess of Revenues Over (Under) Expenditures	\$ 103,441	\$ 973,167	\$ 466,081	\$ (183,717)
Other Financing Sources (Uses)				
Refunding Bonds Issued	-	-	-	-
Capital Leases	-	119,872	210,057	185,707
Sale of Real and Personal Property	-	-	-	-
Transfers In	739,769	626,085	752,446	743,193
Insurance Recovery	-	-	-	-
Premium or Discount on Issuance of Bonds	-	-	-	-
Transfers Out	(739,770)	(626,085)	(752,446)	(743,193)
Payment to Bond Refunding Escrow Agent	-	-	-	-
Other Uses	(94,869)	-	-	-
Total Other Financing Sources (Uses)	(94,870)	119,872	210,057	185,707
Prior Period Adjustment	-	-	-	-
Net Change in Fund Balances	\$ 8,571	\$ 1,093,039	\$ 676,138	\$ 1,990

Source: The District's Governmental Funds Statements of Revenues, Expenditures, and Changes in Fund Balances  
Exhibit C-3

<b>Fiscal Year</b>						
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$	356,972	\$ (46,429)	\$ (709,125)	\$ (419,492)	\$ (606,302)	\$ 892,022
	-	-	9,900,000	-	-	-
	187,010	-	-	-	-	-
	-	-	-	-	66,446	-
	785,927	792,082	100,000	-	-	372,365
	-	-	420,000	-	-	-
	-	-	1,276,927	-	-	-
	(785,927)	(792,082)	(100,000)	-	-	(372,365)
	-	-	(10,797,138)	-	-	-
	-	-	-	-	-	-
	187,010	-	799,789	-	66,446	-
	-	(201,912)	-	-	-	-
<b>\$</b>	<b>543,982</b>	<b>\$ (248,341)</b>	<b>\$ 90,664</b>	<b>\$ (419,492)</b>	<b>\$ (539,856)</b>	<b>\$ 892,022</b>

SCHEDULE 8

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
**GOVERNMENTAL FUND EXPENDITURES BY FUNCTION**  
**PER AVERAGE DAILY ATTENDANCE**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

(Unaudited)

<b>Function</b>	<b>Fiscal Year</b>			
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Instruction	\$ 6,152	\$ 5,794	\$ 6,336	\$ 6,075
Instructional Resources and Media Services	86	106	110	121
Curriculum and Staff Development	84	169	205	113
Instructional Leadership	276	410	406	213
School Leadership	460	439	460	451
Guidance, Counseling, & Evaluation Services	345	296	384	343
Social Work Services	2	38	33	7
Health Services	130	131	123	151
Student Transportation	358	237	317	322
Food Service	668	691	927	797
Cocurricular/Extracurricular Activities	765	696	870	811
General Administration	561	586	602	586
Plant Maintenance and Operations	1,463	1,391	1,648	1,768
Security and Monitoring Services	95	57	79	113
Data Processing Services	170	229	251	397
Community Services	144	159	159	127
Principal on Long Term Debt	341	380	296	678
Interest on Long Term Debt	809	769	900	580
Bond Issuance Cost and Fees	1	1	1	-
Capital Outlay	781	424	377	283
Payments Related to Shared Services Arrangements	41	36	36	53
Payments to Juvenile Justice Alternative Ed. Prg.	8	-	-	1
Other Intergovernmental Charges	9	8	9	7
Total Expenditures	<u>\$ 13,750</u>	<u>\$ 13,046</u>	<u>\$ 14,530</u>	<u>\$ 13,997</u>
Average Daily Attendance	1,117	1,115	1,094	1,093

Source: The District's Governmental Funds Statements of Revenues, Expenditures, and Changes in Fund Balance Exhibit C-3

							<b>Fiscal Year</b>																
							<b>2015</b>			<b>2016</b>			<b>2017</b>			<b>2018</b>			<b>2019</b>			<b>2020</b>	
\$	6,085	\$	6,210	\$	6,410	\$	6,927	\$	7,363	\$	7,906												
	129		149		141		157		156		179												
	129		130		85		62		120		184												
	200		189		184		237		291		283												
	475		504		561		587		612		644												
	361		372		389		338		391		420												
	-		61		94		101		91		55												
	158		161		164		182		187		213												
	234		270		231		629		250		146												
	756		816		857		810		817		762												
	845		950		1,020		1,013		937		896												
	609		770		725		852		1,115		874												
	1,729		1,726		1,845		2,004		2,002		1,943												
	172		168		243		207		219		290												
	260		279		332		561		546		435												
	34		37		37		41		43		22												
	779		880		999		806		783		167												
	577		555		386		444		410		256												
	-		-		329		2		-		1												
	145		577		28		61		805		669												
	81		76		74		69		609		864												
	1		-		-		-		-		-												
	14		9		12		17		16		14												
<b>\$</b>	<b>13,773</b>	<b>\$</b>	<b>14,888</b>	<b>\$</b>	<b>15,147</b>	<b>\$</b>	<b>16,109</b>	<b>\$</b>	<b>17,765</b>	<b>\$</b>	<b>17,225</b>												
	1,065		1,057		1,039		1,033		1,027		849												

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## DEBT CAPACITY

*“Warriors On the Move –  
Education On the Rise”*



SCHEDULE 9

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY  
 LAST TEN FISCAL YEARS**

(Unaudited)

<b>Fiscal Year</b>	<b>Assessed Taxable Value</b>			<b>Estimated Actual Market Value</b>	<b>Ratio of Total Assessed To Total Estimated Actual Value</b>	<b>*Total Direct Tax Rate</b>
	<b>Real Property</b>	<b>Personal Property</b>	<b>Total</b>			
2011	55,865,639	6,953,970	62,819,609	132,811,339	47.30%	1.372220
2012	57,341,633	6,587,529	63,929,162	132,862,232	48.12%	1.372220
2013	58,712,787	6,787,110	65,499,897	132,850,053	49.30%	1.372200
2014	59,133,999	7,742,676	66,876,675	133,693,137	50.02%	1.372200
2015	62,817,540	8,554,971	71,372,511	138,755,741	51.44%	1.372200
2016	64,480,454	9,248,972	73,729,426	149,213,406	49.41%	1.466600
2017	67,954,831	8,896,835	76,851,666	154,790,546	49.65%	1.446965
2018	71,236,755	9,358,696	80,595,451	158,211,127	50.94%	1.446965
2019	77,254,190	9,833,215	87,087,405	171,488,068	50.78%	1.446965
2020	79,791,106	11,295,679	91,086,785	173,767,006	52.42%	1.345320

Source: Cameron County Appraisal District

\* Per \$100 of assessed value

SCHEDULE 10

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

(Unaudited)

Fiscal Year	Original Tax Levy	Adjustments	Adjusted Tax Levy	Collected Within the Fiscal Year of the Levy			Total Collections to Date	
				Taxes Collected	Percent of Adjusted Tax Levy	Collections in Subsequent Years	Total Taxes Collected	Total Collected as Percent of Current Tax Levy
2011	909,488	(812)	908,676	795,260	87.44%	105,383	900,643	99.03%
2012	928,238	(911)	927,327	818,481	88.18%	100,877	919,358	99.04%
2013	956,200	(3,785)	952,415	859,239	89.86%	84,792	944,031	98.73%
2014	978,964	(1,481)	977,483	858,807	87.73%	109,791	968,598	98.94%
2015	1,055,163	(4,199)	1,050,964	948,729	89.91%	90,201	1,038,930	98.46%
2016	1,119,377	9,192	1,128,569	997,788	89.14%	112,192	1,109,980	99.16%
2017	1,162,364	(3,594)	1,158,770	1,023,811	88.08%	102,615	1,126,426	96.91%
2018	1,211,137	2,697	1,213,834	1,084,443	89.54%	73,862	1,158,305	95.64%
2019	1,321,679	(3,650)	1,318,029	1,180,963	89.35%	-	1,180,963	89.35%
2020	1,284,061	(517)	1,283,544	1,119,712	87.20%	-	1,119,712	87.20%

Source: The District's Schedule of Delinquent Tax Receivable (Exhibit J-1)

Note (1): The tax levy shown above is the adjusted tax levy as of the fiscal year end.

Note (2): Total Tax Collections include only the taxes collected for current and prior year. Penalty charges and interest are not included in Total Tax Collections.

SCHEDULE 11

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT  
ALLOCATION OF PROPERTY TAX RATES AND LEVIES  
LAST TEN FISCAL YEARS**

(Unaudited)

<b>Fiscal Year</b>	<b>Tax Rates (Per \$100 of Assessed Value)</b>			<b>Tax Levies</b>		
	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Total</b>	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Original Levy Total</b>
2011	1.040000	0.332220	1.372220	689,297	220,191	909,488
2012	1.170000	0.202220	1.372220	791,446	136,792	928,238
2013	1.170000	0.202200	1.372200	815,300	140,900	956,200
2014	1.170000	0.202200	1.372200	834,709	144,255	978,964
2015	1.170000	0.202200	1.372200	899,680	155,483	1,055,163
2016	1.170000	0.296600	1.466600	892,998	226,379	1,119,377
2017	1.170000	0.276965	1.446965	939,875	222,489	1,162,364
2018	1.170000	0.276965	1.446965	979,312	231,825	1,211,137
2019	1.170000	0.276965	1.446965	1,068,695	252,984	1,321,679
2020	1.068350	0.276970	1.345320	1,019,703	264,358	1,284,061

Source: The District's Schedule of Delinquent Tax Receivable (Exhibit J-1)

Note: The basis for the property tax rate is \$100 assessed valuation.

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SCHEDULE 12

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
**(PER \$100 ASSESSED VALUATION)**  
**LAST TEN FISCAL YEARS**

(Unaudited)

Fiscal Year	Tax Year	Direct Tax Rate	Overlapping Tax Rates			Total Direct and Overlapping Tax Rate
		Santa Rosa Independent School District	South Texas ISD	City of Santa Rosa	Cameron County	
2011	2010	1.372220	0.049200	0.530000	0.364291	2.315711
2012	2011	1.372220	0.049200	0.571975	0.384291	2.377686
2013	2012	1.372200	0.049200	0.571975	0.384291	2.377666
2014	2013	1.372200	0.049200	0.569529	0.384291	2.375220
2015	2014	1.372200	0.049200	0.575830	0.399291	2.396521
2016	2015	1.466600	0.049200	0.575649	0.399291	2.490740
2017	2016	1.446965	0.049200	0.650000	0.407743	2.553908
2018	2017	1.446965	0.049200	0.720000	0.410803	2.626968
2019	2018	1.446965	0.049200	0.720000	0.416893	2.633058
2020	2019	1.345320	0.049200	0.750000	0.436893	2.581413

Source: Cameron County Tax Assessor-Collector

SCHEDULE 13

SANTA ROSA INDEPENDENT SCHOOL DISTRICT  
 PRINCIPAL PROPERTY TAXPAYERS  
 CURRENT YEAR AND NINE YEARS PRIOR

(Unaudited)

Taxpayer	Nature of Property	Fiscal Year 2020			
		Tax Year 2019 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	
AEP Texas Inc	Utility	\$ 3,517,930	1	4.77%	
Union Pacific RR Co	Railroad	2,558,000	2	3.47%	
Compass Bank	Retail - Commercial	-		0.00%	
Magic Valley Elec Coop	Electric Cooperative	1,515,240	3	2.06%	
3BU Family Limited Partnership	Residential	821,969	4	1.11%	
Nationwide DG Weslaco Inc	Retail - Commercial	805,106	5	1.09%	
Garcia Grain Trading Corp	Agriculture	637,605	6	0.86%	
VOA Texas Santa Rosa Village LP	Apartments	563,519	7	0.76%	
Huttonco Development L P	Retail - Commercial	-		0.00%	
7-Eleven Inc	Retail - Commercial	462,984	8	0.63%	
Midnight Sun Inc VI	Residential	416,056	9	0.56%	
Rio Farms Inc	Agriculture	399,706	10	0.54%	
Guerra Guadalupe	Residential	-		0.00%	
Salinas Roberto Garcia & Maria Teresa Hinojosa de Gar	Agriculture	-		0.00%	
Totals		\$ 11,698,115		11.09%	

Source: Cameron County Appraisal District

**Fiscal Year 2011**

<b>Tax Year 2010 Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Assessed Valuation</b>
1,264,470	3	2.35%
1,379,710	2	2.57%
1,637,297	1	3.05%
900,650	4	1.68%
-		0.00%
411,966	7	0.77%
390,010	8	0.73%
512,192	6	0.95%
532,355	5	0.99%
-		0.00%
-		0.00%
-		0.00%
379,550	9	0.71%
357,204	10	0.66%
<b>\$ 7,765,404</b>		<b>12.10%</b>

SCHEDULE 14

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
**OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

(Unaudited)

<b>Fiscal Year</b>	<b>Bonds Payable</b>	<b>Net Pension Liability</b>	<b>Net OPEB Liability</b>	<b>Capital Lease Payable</b>	<b>Unamortized Bond Premium</b>	<b>Compensated Absences</b>	<b>Accreted Interest</b>	<b>Deferred Issuance/Loss</b>	<b>Total Debt</b>
2011	13,428,629	-	-	1,644,357	584,738	79,117	225,980	(513,003)	15,449,818
2012	13,102,984	-	-	1,666,709	555,699	64,417	191,736	(487,443)	15,094,102
2013	12,880,000	-	-	1,775,617	526,660	53,835	-	-	15,236,112
2014	12,320,000	-	-	1,780,149	497,621	57,495	-	-	14,655,265
2015	11,735,000	1,669,728	-	1,722,967	468,582	50,670	-	-	15,646,947
2016	11,120,000	2,945,817	-	1,407,679	439,543	54,360	-	-	15,967,399
2017	9,860,000	4,164,921	-	1,159,620	1,218,694	57,772	-	-	16,461,007
2018	9,220,000	2,693,429	5,821,240	966,766	1,054,752	49,124	-	-	19,805,311
2019	8,550,000	4,417,809	6,217,832	832,813	903,765	47,032	-	-	20,969,251
2020	8,550,000	4,387,730	6,265,265	690,935	766,538	56,519	-	-	20,716,987

Source: Santa Rosa Independent School District Annual Financial and Compliance Reports

\* Note: See Estimated Actual Property Value and Average Daily Membership amounts in Demographic and Economic Information Schedule in Demographic and Economic Information section of this report.

<u>* Total Debt as % of Personal Income</u>	<u>* Total Debt Per Capita Income</u>	<u>* Ratio of Total Debt to Estimated Actual Property Value</u>	<u>* Total Debt Per Average Daily Membership</u>
0.16%	663.17	11.63%	13,205
0.15%	631.00	11.36%	12,759
0.15%	626.56	11.47%	13,067
0.14%	567.37	10.96%	12,526
0.14%	588.14	11.28%	13,677
0.14%	590.88	10.70%	14,118
0.14%	600.18	10.63%	14,803
0.16%	688.74	12.52%	17,972
0.17%	709.35	12.23%	18,942
0.16%	681.73	11.92%	20,759

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SCHEDULE 15

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT  
DIRECT AND OVERLAPPING DEBT  
GENERAL OBLIGATION BONDS**

*As of June 30, 2020*

(Unaudited)

<u>Political Subdivision</u>	<u>Net Debt Amounts</u>		<u>As of</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Cameron County	\$ 199,365,000	A	08/31/20	0.57%	\$ 1,136,381
City of Santa Rosa	95,000	A	08/31/20	100.00%	95,000
					<u>1,231,381</u>
Santa Rosa ISD Direct Debt		B	06/30/20	100.00%	<u>8,550,000</u>
Total Direct and Overlapping Debt					<u><u>\$ 9,781,381</u></u>

A - Municipal Advisory Council of Texas

B - Long-Term Liabilities Note

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and business of the District. This process recognizes that, when considering the District's ability to issue and repay long term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping governmental.

SCHEDULE 16

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT  
COMPUTATION OF LEGAL DEBT MARGIN  
LAST TEN FISCAL YEARS**

(Unaudited)

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Assessed Valuation	\$ 62,819,609	\$ 63,929,162	\$ 65,499,897	\$ 66,876,675	\$ 71,372,511
Debt Limit - 20% of Assessed Valuation	\$ 12,563,922	\$ 12,785,832	\$ 13,099,979	\$ 13,375,335	\$ 14,274,502
General Obligation Bonds	13,428,629	13,102,984	12,880,000	12,320,000	11,735,000
Deduct Amount Available in Debt Service Fund	108,279	29,039	56,660	7,828	31,290
Legal Debt Margin	\$ (756,428)	\$ (288,113)	\$ 276,639	\$ 1,063,163	\$ 2,570,792
Debt Margin as a Percentage of the Debt Limit	-6.02%	-2.25%	2.11%	7.95%	18.01%

Source: Santa Rosa Independent School District Annual Financial and Compliance Reports: Assessed Valuation (Exhibit J-1); General Obligations Bonds (Notes to Financial Statements); and Debt Service Fund, Amount Available in Debt Service (Exhibit C-1).

Note: Texas statutes do not prescribe a debt limit; however, by custom, a practical economic debt limit of 20% of the assessed valuation is used for small size districts.

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$	73,729,426	\$ 76,851,666	\$ 80,595,451	\$ 87,087,405	\$ 91,086,785
\$	14,745,885	\$ 15,370,333	\$ 16,119,090	\$ 17,417,481	\$ 18,217,357
	11,120,000	9,860,000	9,220,000	8,550,000	8,550,000
	35,309	10,909	178,720	198,157	1,020,938
\$	3,661,194	\$ 5,521,242	\$ 7,077,811	\$ 9,065,638	\$ 10,688,295
	24.83%	35.92%	43.91%	52.05%	58.67%

SCHEDULE 17

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT  
RATIO OF NET GENERAL OBLIGATION BONDED DEBT  
TO ESTIMATED ACTUAL VALUE AND  
PER AVERAGE DAILY MEMBERSHIP  
LAST TEN FISCAL YEARS**

(Unaudited)

<b>Fiscal Year</b>	<b>Average Daily Membership</b>	<b>Estimated Actual Value</b>	<b>Total Bonded Debt</b>	<b>Debt Service Fund Balance</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Estimated Actual Value</b>	<b>Net Bonded Debt Per Average Daily Membership</b>
2011	1,170	132,811,339	14,239,347	108,279	14,131,068	10.64%	12,077.84
2012	1,183	132,862,232	13,850,419	29,039	13,821,380	10.40%	11,683.33
2013	1,166	132,850,053	13,406,660	56,660	13,350,000	10.05%	11,449.40
2014	1,170	133,693,137	12,817,621	7,828	12,809,793	9.58%	10,948.54
2015	1,144	138,755,741	12,203,582	31,290	12,172,292	8.77%	10,640.12
2016	1,131	149,213,406	11,559,543	35,309	11,524,234	7.72%	10,189.42
2017	1,112	154,790,546	11,078,694	10,909	11,067,785	7.15%	9,953.04
2018	1,102	158,211,127	10,274,752	178,720	10,096,032	6.38%	9,161.55
2019	1,107	171,488,068	9,453,765	198,157	9,255,608	5.40%	8,360.98
2020	998	173,767,006	9,316,538	1,020,938	8,295,600	4.77%	8,312.22

Source: Average Daily Membership provided by the District's PEIMS Office. Estimated Actual Value obtained from the Cameron County Tax Assessor-Collector.

Note (1): Average Daily Membership represents the average daily enrollment of students, district-wide, over the official number of instructional days.

Note (2): Estimated actual property value and average daily membership are used because they are more relevant to the school district than personal income and population

SCHEDULE 18

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT  
 RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED DEBT  
 TO TOTAL GENERAL FUND EXPENDITURES  
 LAST TEN FISCAL YEARS**

(Unaudited)

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest*</b>	<b>Total Debt Service</b>	<b>Total General Fund Expenditures</b>	<b>Ratio of Debt Service To General Fund Expenditures</b>
2011	380,864	903,176	1,284,040	9,799,381	13.10%
2012	423,165	857,645	1,280,810	10,167,441	12.60%
2013	324,133	984,865	1,308,998	11,555,847	11.33%
2014	741,175	633,840	1,375,015	12,277,406	11.20%
2015	829,192	614,390	1,443,582	12,335,125	11.70%
2016	930,289	586,230	1,516,519	13,268,639	11.43%
2017	1,038,058	401,353	1,439,411	12,822,538	11.23%
2018	832,854	458,252	1,291,106	13,982,385	9.23%
2019	803,954	421,447	1,225,401	14,204,837	8.63%
2020	141,878	217,723	359,601	12,320,173	2.92%

Source: The District's Budgetary Comparison Schedule (Exhibit G-1)

Note: \* Excludes Other Fees

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## DEMOGRAPHIC AND ECONOMIC INFORMATION

*“Warriors On the Move –  
Education On the Rise”*



SCHEDULE 19

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT  
DEMOGRAPHIC INFORMATION  
LAST TEN FISCAL YEARS**

(Unaudited)

<b>Calendar Year</b>	<b>Population *</b>	<b>Personal Income *</b>	<b>Per Capita Income*</b>	<b>Average Daily Attendance</b>	<b>Unemployment Rate **</b>
2011	413,188	9,625,983,000	23,297	1,117	11.9%
2012	416,048	9,952,491,000	23,921	1,115	10.6%
2013	418,217	10,169,819,000	24,317	1,094	10.0%
2014	420,392	10,834,952,000	25,830	1,093	8.7%
2015	419,579	11,175,188,000	26,604	1,065	7.1%
2016	421,766	11,407,526,000	27,023	1,057	7.6%
2017	423,725	11,606,636,000	27,427	1,039	7.2%
2018	423,908	12,189,811,000	28,756	1,033	6.1%
2019 ***	424,332	12,531,125,708	29,561	1,027	5.3%
2020***	424,756	12,881,997,228	30,389	849	11.2%

Source: \* Statistics for Population, Personal Income, and Per Capita Income, were taken from the Bureau of Economic Analysis based on the Metropolitan Statistical Area of Brownsville-Harlingen, TX Area (BEARFACTS)

\*\* The unemployment rates for the Metropolitan Statistical Area of Brownsville-Harlingen, TX Area were used as reported by the Bureau of Labor Statistics

\*\*\* The information was not available by the time of printing. Therefore a 3-year average was added to the affected years.

SCHEDULE 20

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS PRIOR**

(Unaudited)

Employer	2020 *			2011**		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Santa Rosa ISD	220	1	28.61%	202	1	25.25%
Diamond Eight	20	2	2.60%	5	3	0.63%
Stripes/Valero Gas Station	17	3	2.21%			0.00%
City of Santa Rosa	15	4	1.95%	12	2	1.50%
Dollar General	8	5	1.04%			0.00%
K's Max Convenience Store	7	6	0.91%			0.00%
Oldies Café	6	7	0.78%			0.00%
Su Clinica	4	8	0.52%			0.00%
Big Rascals Restaurant	4	9	0.52%			0.00%
The Concession Stand	3	10	0.39%			0.00%
<b>Total</b>	<b>304</b>		<b>39.53%</b>	<b>219</b>		<b>27.38%</b>

Source:

Note: \*City of Santa Rosa information.

\*\* Many of current 2020 employers did not exist in 2011

SCHEDULE 21

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
**CONSTRUCTION AND PROPERTY VALUES**  
**LAST TEN FISCAL YEARS**

(Unaudited)

<b>Fiscal Year</b>	<b>Single-Family Construction Permits</b>	<b>Average Construction Value</b>	<b>Estimated Actual Market Value</b>
2011	0	-	132,811,339
2012	2	11,800	132,862,232
2013	2	65,000	132,850,053
2014	0	-	133,693,137
2015	0	-	138,755,741
2016	0	-	149,213,406
2017	0	-	154,790,546
2018	0	-	158,211,127
2019	0	-	171,488,068
2020	0	-	173,767,006

Source: City-data.com





## **OPERATING INFORMATION**

*“Warriors On the Move –  
Education On the Rise”*

SCHEDULE 22

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT  
 WORK FORCE COMPOSITION BY EMPLOYEE CLASSIFICATION  
 LAST TEN FISCAL YEARS**

(Unaudited)

Classification	Fiscal Year			
	2011	2012	2013	2014
<b>Number of Employees</b>				
Teachers	86.20	85.50	86.50	85.80
Professional Support	17.40	19.20	23.80	21.60
Campus Administration	3.00	2.00	3.00	3.00
Central Administration	3.40	4.40	2.10	3.10
Educational Aides	19.00	21.90	26.70	19.90
Auxiliary Staff	73.00	74.30	69.30	63.00
Total Employees	202.00	207.30	211.40	196.40
<b>Percent of Total</b>				
Teachers	42.67%	41.24%	40.92%	43.69%
Professional Support	8.61%	9.26%	11.26%	11.00%
Campus Administration	1.49%	0.96%	1.42%	1.53%
Central Administration	1.68%	2.12%	0.99%	1.58%
Educational Aides	9.41%	10.56%	12.63%	10.13%
Auxiliary Staff	36.14%	35.84%	32.78%	32.08%
	100.00%	100.00%	100.00%	100.00%

Source: Texas Education Agency PEIMS Standard Reports

<b>Fiscal Year</b>					
<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
86.30	86.54	83.00	86.01	86.72	83.65
17.40	17.60	21.59	19.97	25.53	24.45
2.80	3.00	3.00	3.00	3.00	3.00
3.90	2.40	2.76	2.76	2.00	1.00
20.80	17.92	18.79	19.95	20.53	22.62
65.90	70.97	70.41	70.51	75.69	71.01
<u>197.10</u>	<u>198.43</u>	<u>199.55</u>	<u>202.20</u>	<u>213.47</u>	<u>205.73</u>
43.78%	43.61%	41.59%	42.54%	40.62%	40.66%
8.83%	8.87%	10.82%	9.88%	11.96%	11.88%
1.42%	1.51%	1.50%	1.48%	1.41%	1.46%
1.98%	1.21%	1.38%	1.36%	0.94%	0.49%
10.55%	9.03%	9.42%	9.87%	9.62%	10.99%
<u>33.43%</u>	<u>35.77%</u>	<u>35.28%</u>	<u>34.87%</u>	<u>35.46%</u>	<u>34.52%</u>
<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

SCHEDULE 23

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF TEACHER INFORMATION  
LAST TEN FISCAL YEARS**

(Unaudited)

Fiscal Year	Average		Average Teacher Salary	Statewide Average Teacher Salary	Average Years of Experience	Bachelor's Education	Master's Education
	Minimum	Maximum					
2011	37,623	54,093	45,321	48,638	12.3	98.8%	1.2%
2012	36,292	52,487	44,209	48,375	11.6	98.8%	1.2%
2013	37,805	53,978	45,147	48,821	11.3	96.8%	3.2%
2014	40,183	54,609	45,456	49,692	11.3	96.5%	3.5%
2015	40,652	54,860	45,662	50,715	11.3	96.5%	3.5%
2016	41,000	55,675	45,974	51,891	10.7	94.2%	5.8%
2017	43,200	57,201	47,736	52,525	11.6	96.4%	3.6%
2018	41,992	58,200	47,826	53,334	10.7	96.5%	3.5%
2019	42,836	58,804	48,618	54,122	11.0	96.5%	3.5%
2020	45,962	61,596	51,318	57,091	11.1	90.5%	9.5%

Source: Texas Academic Performance Reports (TAPR) FY 2013-2020 & Academic Excellence Indicator System (AEIS) FY 2010-2012

SCHEDULE 24

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
***SCHEDULE OF ATTENDANCE AND MEMBERSHIP***  
***LAST TEN FISCAL YEARS***

(Unaudited)

<b>Fiscal Year</b>	<b>Average Daily Attendance *</b>	<b>Average Daily Membership</b>	<b>Percent of Attendance</b>
2011	1,117	1,170	95.47%
2012	1,115	1,183	94.25%
2013	1,094	1,166	93.83%
2014	1,093	1,170	93.42%
2015	1,065	1,144	93.09%
2016	1,057	1,131	93.46%
2017	1,039	1,112	93.41%
2018	1,033	1,102	93.74%
2019	1,027	1,107	92.77%
2020	849	998	85.09%

Source: Texas Academic Performance Reports (TAPR) FY 2013-2020 & Academic Excellence Indicator System (AEIS) FY 2010-2012

\* Average Daily Attendance - the average daily attendance of eligible enrollees, district-wide, over the official number of instructional days.

SCHEDULE 25

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
***OPERATING STATISTICS***  
***LAST TEN FISCAL YEARS***

(Unaudited)

<b>Fiscal Year</b>	<b>Average Daily Attendance</b>	<b>Governmental Operating Expenditures</b>	<b>Cost per Pupil</b>	<b>Percent Change</b>	<b>Government Wide Operating Expenses</b>	<b>Cost per Pupil</b>	<b>Percent Change</b>
2011	1,117	13,201,491	11,819	-13.92%	13,376,225	11,975	-5.44%
2012	1,115	12,791,305	11,472	-2.93%	13,167,835	11,810	-1.38%
2013	1,094	14,172,641	12,955	12.93%	14,473,909	13,230	12.03%
2014	1,093	13,614,146	12,456	-3.85%	14,047,258	12,852	-2.86%
2015	1,065	13,069,799	12,272	-1.47%	13,816,432	12,973	0.94%
2016	1,057	13,610,419	12,876	3.38%	15,097,015	14,283	10.10%
2017	1,039	13,924,128	13,405	9.23%	15,072,893	14,511	1.59%
2018	1,033	15,284,557	14,796	10.38%	11,676,561	11,304	-22.10%
2019	1,027	16,191,861	15,766	6.55%	17,838,255	17,369	53.66%
2020	849	13,698,342	16,131	2.32%	15,638,738	18,417	6.03%

Source: CAFR

Note: Operating expenditures and expenses exclude any debt service or capital transactions as reflected in functions 71 through 81.

SCHEDULE 26

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
***SCHEDULE OF STUDENT INFORMATION***  
***LAST TEN FISCAL YEARS***

(Unaudited)

<b>Fiscal Year</b>	<b>Student/Teacher Ratio</b>	<b>No. of Economically Disadvantaged Students</b>	<b>Percentage of Economically Disadvantaged Students</b>
2011	13.6	1,114	95.2%
2012	13.8	1,118	94.5%
2013	13.5	1,115	95.6%
2014	13.6	1,125	96.2%
2015	13.3	1,025	89.6%
2016	13.1	974	86.1%
2017	13.4	964	86.9%
2018	12.8	970	87.9%
2019	12.8	974	88.4%
2020	11.9	875	87.9%

Source: Texas Academic Performance Reports (TAPR) FY 2013-2020 & Academic Excellence Indicator System (AEIS) FY 2010-2012

SCHEDULE 27

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF SCHOOL BUILDINGS  
FOR THE CURRENT FISCAL YEAR**

(Unaudited)

	<u>Estimated Square Footage</u>	<u>Recommended Capacity</u>	<u>Enrollment</u>
<b>HIGH SCHOOLS</b>			
SANTA ROSA HIGH SCHOOL (2006)	122,377	750	307
<b>MIDDLE SCHOOLS</b>			
JO NELSON MIDDLE SCHOOL (2003)	33,649	360	217
<b>ELEMENTARY SCHOOLS</b>			
ELMA E. BARRERA ELEMENTARY SCHOOL (1999)	102,852	800	474
GRAND TOTAL	<u>258,878</u>	<u>1,910</u>	<u>998</u>

District's buildings, which are the material capital assets.



## **FEDERAL AWARDS SECTION**

*“Warriors On the Move –  
Education On the Rise”*





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

To the Board of Trustees  
Santa Rosa Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Santa Rosa Independent School District, as of and for the 10 month period ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Santa Rosa Independent School District's basic financial statements, and have issued our report thereon dated December 14, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Santa Rosa Independent School District's internal control over financial reporting (internal control) to determine the 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 Santa Rosa Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Santa Rosa Independent School District's internal control.

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

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

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## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Santa Rosa Independent School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

In addition, we noted certain other matters that we reported to management of Santa Rosa Independent School District in a separate letter dated December 14, 2020.

## **Purpose of this Report**

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

*Carr, Riggs & Ingram, L.L.C.*

Harlingen, Texas  
December 14, 2020

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Trustees  
Santa Rosa Independent School District

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

We have audited the Santa Rosa Independent School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Santa Rosa Independent School District's major federal programs for the 10 month period ended June 30, 2020. Santa Rosa Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Santa Rosa Independent School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Santa Rosa Independent School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Santa Rosa Independent School District's compliance.

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

In our opinion, Santa Rosa Independent School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the 10 month period ended June 30, 2020.

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## Report on Internal Control over Compliance

Management of Santa Rosa Independent School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Santa Rosa Independent School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Santa Rosa Independent School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

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

*Carr, Riggs & Ingram, L.L.C.*

Harlingen, Texas  
December 14, 2020

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**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**TEN MONTHS ENDED JUNE 30, 2020**

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

*Financial Statements*

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiencies identified that are not considered to be material weaknesses?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

*Federal Awards*

**Internal control over major programs:**

- Material weakness(es) identified?  yes  no
- Significant deficiencies identified that are not considered to be material weakness(es)?  yes  none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance  yes  no

**Identification of major programs:**

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
10.553	Child Nutrition Cluster – School Breakfast Program
10.555	Child Nutrition Cluster – National School Lunch Program

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?  yes  no

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
*SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED*  
*TEN MONTHS ENDED JUNE 30, 2020*

**SECTION II - FINANCIAL STATEMENT FINDINGS**

*No findings were reported in the current year.*

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

*No findings were reported in the current year.*



## Santa Rosa Independent School District

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*"Once a Warrior, Always a Warrior"*

*SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED  
CORRECTIVE ACTION PLAN  
TEN MONTHS ENDED JUNE 30, 2020*

***No management responses were required to be reported.***

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**Contact Person:** Mrs. Marisa Cuevas, Interim Chief Financial Officer

**Implementation Time Frame:** N/A

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
*SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED*  
*SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS*  
*TEN MONTHS ENDED JUNE 30, 2020*

***No management responses were required to be reported.***

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
TEN MONTHS ENDED JUNE 30, 2020**

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor</i>	<i>Grant ID No.</i>	<i>Awarded to Suprecipients</i>	<i>Federal Expenditures(\$)</i>
<b>United States Department of Agriculture</b>					
<b>Child Nutrition Cluster</b>					
School Breakfast Program					
School Breakfast Program	10.553	Texas Department of Agriculture	71402001	\$ -	\$ 162,641
COVID-19 School Breakfast Program	10.553	Texas Department of Agriculture	71402001	-	13,110
Total School Breakfast Program				-	175,751
National School Lunch Program					
National School Lunch Program	10.555	Texas Department of Agriculture	71302001	-	348,562
COVID-19 National School Lunch Program	10.555	Texas Department of Agriculture	71302001	-	20,856
National School Lunch Program - noncash assistance	10.555	Texas Department of Agriculture	71302001	-	2,109
Total National School Lunch Program				-	371,527
<b>Total Child Nutrition Cluster-Cluster</b>					<b>547,278</b>
Child and Adult Care Food Program					
Child and Adult Care Food Program	10.558	Texas Department of Agriculture		-	76,061
Total Child and Adult Care Food Program					76,061
<i>Total United States Department of Agriculture</i>				-	623,339
<b>United States Department of Education</b>					
Title I Grants to Local Educational Agencies					
Title I Grants to Local Educational Agencies	84.010	Texas Education Agency	19610101031914	-	3,087
Title I Grants to Local Educational Agencies	84.010	Texas Education Agency	20610101031914	-	422,313
Total Title I Grants to Local Educational Agencies				-	425,400
Migrant Education_State Grant Program					
Migrant Education_State Grant Program	84.011	Texas Education Agency	20615001031914	-	26,507
Total Migrant Education_State Grant Program				-	26,507
Career and Technical Education -- Basic Grants to States					
Career and Technical Education -- Basic Grants to States	84.048	Texas Education Agency	20420006031914	-	10,916
Total Career and Technical Education -- Basic Grants to States				-	10,916
Twenty-First Century Community Learning Centers					
Twenty-First Century Community Learning Centers	84.287	Texas Education Agency	206950267110043	-	1,211,348
Total Twenty-First Century Community Learning Centers				-	1,211,348
Gaining Early Awareness and Readiness for Undergraduate Programs					
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	Region one ESC	P334A110180	-	86,603
Total Gaining Early Awareness and Readiness for Undergraduate Programs				-	86,603
English Language Acquisition State Grants					
English Language Acquisition State Grants	84.365	Texas Education Agency	20671001031914	-	11,505
Total English Language Acquisition State Grants				-	11,505
Supporting Effective Instruction State Grants					
Supporting Effective Instruction State Grants	84.367	Texas Education Agency	20694501031914	-	30,573
Total Supporting Effective Instruction State Grants				-	30,573
Education and Stabilization Fund					
COVID-19 Education and Stabilization Fund	84.425D	Texas Education Agency		-	4,607
Total Education and Stabilization Fund				-	4,607
Student Support and Academic Enrichment Program					
Student Support and Academic Enrichment Program	84.424	Texas Education Agency	20680101031914	-	24,784
Total Student Support and Academic Enrichment Program				-	24,784
<i>Total United States Department of Education</i>				-	1,832,243
<b>Total Expenditures of Federal Awards</b>				\$ -	\$ 2,455,582

**SANTA ROSA INDEPENDENT SCHOOL DISTRICT**  
*NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS*  
*TEN MONTHS ENDED JUNE 30, 2020*

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Santa Rosa Independent School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U. S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements.

The District does not utilize the de minimus 10% indirect cost rate. Indirect costs, where applicable, are negotiated with the agency providing the award.

**NOTE 2 - PROGRAM REPORTING**

SHARS and \$129,030 of indirect cost are accounted for in the general fund. The Child Nutrition Cluster Program and Child and Adult Care Food Program are accounted for in the General Fund. Expenditures are not specifically attributable to these revenues and are shown on this schedule in an amount equal to revenue for balancing purposes only.

**Reconciliation**

Amount of federal revenues Exhibit C-3	\$2,691,439
Less amounts not considered to be federal awards, excluded on the Schedule of Expenditures of Federal Awards:	
School Health and Related Service Program (SHARS)	<u>(235,857)</u>
Total expenditures of federal awards, per the Schedule of Expenditures of Federal Awards (Exhibit K-1)	<u>\$2,455,582</u>

**NOTE 3 – FEDERAL LOANS AND LOAN GUARANTEES**

During the 10 month period ended ended June 30, 2020, the District had no outstanding federal loans payable on loan guarantees.

**NOTE 4 – FEDERALLY FUNDED INSURANCE**

During the 10 month period ended June 30, 2020, the District had no federally funded insurance.

**NOTE 5 – NON-CASH AWARDS**

During the 10 month period ended June 30, 2020, the District received \$2,109 of non-cash assistance.

**NOTE 6 – SUB-RECIPIENTS**

During the 10 month period ended June 30, 2020, the District had no sub-recipients as part of its federal award programs.