ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
P.O. BOX 368 – SANTA ROSA, TEXAS 78593
WWW.SRTX.ORG

Santa Rosa

Independent School District

Santa Rosa, Texas

Annual Comprehensive Financial Report

For the Year Ended June 30, 2023

Prepared by the Business Office:

Mrs. Marisa Cuevas, Chief Financial Officer

Santa Rosa Independent School District
P.O. Box 368
Santa Rosa, Texas 78593
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

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

TABLE OF CONTENTS

Exhibit Number		Page Number
	INTRODUCTORY SECTION	
	Letter of Transmittal	1-7
	Principal Officials and Advisors	8
	Administrative Organization Chart	9
	Certificate of Board	11
	FINANCIAL SECTION	
	Independent Auditors' Report	13-16
	Management's Discussion and Analysis	18-30
	Basic Financial Statements	
	Government-Wide Financial Statements:	
A-1	Statement of Net Position	31
B-1	Statement of Activities	32
	Governmental Fund Financial Statements	
C-1	Balance Sheet	34
C-2	Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	37
C-3	Statement of Revenues, Expenditures, and Changes in Fund Balances	38
C-4	Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	40
	Fiduciary Fund Financial Statements:	
E-1	Statement of Fiduciary Assets and Liabilities	41
E-2	Statement of Changes in Fiduciary Fund Net Position	42
	Notes to the Basic Financial Statements	43-85

Required Supplementary Information

G-1	Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual General Fund	87
G-2	Schedule of the District's Proportionate Share of the Net Pension Liability – Teacher Retirement System of Texas	88-89
G-3	Schedule of the District's Contributions for Pensions – Teacher Retirement System of Texas	90-91
G-4	Schedule of the District's Proportionate Share of the Net OPEB Liability – Teacher Retirement System of Texas	92-93
G-5	Schedule of the District's OPEB Contributions – Teacher Retirement System of Texas	94-95
	Notes to the Required Supplementary Information	96-98

Other Supplementary Information - Combining Schedules

	Nonmajor Governmental Funds	
H-1	Combining Balance Sheet	100-102
H-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	104-106
	Nonmajor Proprietary Funds	
H-3	Combining Statement of Net Position	107
H-4	Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	108
H-5	Combining Statement of Cash Flows	109
	Nonmajor Fiduciary Funds	
H-6	Combining Statement of Changes in Assets and Liabilities – Agency Funds	110

Other Supplementary Information - Exhibits J-1 through J-5

J-1	Schedule of Delinquent Taxes Receivable	112-113
J-2	Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual- Debt Service Fund	114
J-3	Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund	115
J-4	State Compensatory Education and Bilingual Education Program Expenditures	116

STATISTICAL SECTION

Statistical Information

Financial Trends

Table 1	Net Position by Component	119
Table 2	Governmental Activities Expenses & Program Revenues	120
Table 3	General Revenues and Change in Net Position	121
Table 4	Fund Balances – Governmental Funds	122

Revenue and Expenditure Capacity

Table 5	Governmental Fund Revenues by Source	123
Table 6	Governmental Fund Expenditures by Function	124
Table 7	Governmental Funds Other Sources, Uses and Changes in Fund Balances	125
Table 8	Governmental Fund Expenditures by Function per Average Daily Attendance	126

Debt Capacity

Table 9	Assessed and Estimated Actual Value of Property	127
Table 10	Property Tax Levies and Collections	128
Table 11	Allocation of Property Tax Rates and Levies	129
Table 12	Property Tax Rates - Direct and Overlapping Governments	130
Table 13	Principal Property Taxpayers	131
Table 14	Outstanding Debt by Type	132
Table 15	Direct and Overlapping Debt – General Obligations Bonds	133
Table 16	Computation of Legal Debt Margin	134
Table 17	Ratio of Net General Obligations Bonded Debt to Estimated Actual Value and per Average Daily Membership	135
Table 18	Ratio of Annual Debt Service for General Bonded Debt to Total General Fund Expenditures	136

Demographic and Economic Information

Table 19	Demographic Information	137
Table 20	Principal Employers	138
Table 21	Construction and Property Values	139

Operating Information

Table 22	Workforce Composition by Employee Classification	140
Table 23	Schedule of Teacher Information	141
Table 24	Schedule of Attendance and Membership	142
Table 25	Operating Statistics	143
Table 26	Schedule of Student Information	144
Table 27	Schedule of School Building	145

FEDERAL AWARDS SECTION

	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*	147-148
	Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	150-152
	Schedule of Findings and Questioned Costs	153-155
K-1	Schedule of Expenditures of Federal Awards	157
	Notes to Schedule of Expenditures of Federal Awards	159

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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

"Once a Warrior, Always a Warrior"

November 16, 2023

Mrs. Kelly Ballin, President,
Members of the Board of Trustees, and
Citizens of the Santa Rosa Independent School District
Santa Rosa, Texas 78593

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

We are pleased to present the Santa Rosa Independent School District (the "District") Annual Comprehensive Financial Report (ACFR) for the 12 months ending June 30, 2023. 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 12 months ended June 30, 2023, 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 fiscal year ended June 30, 2023 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 findings and 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 the 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 12th 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 1,006 students for the 2022-2023 school year. Of these students, 98.81% are Hispanic, 0.99% are White, 0.10% are Black or African American, 87.77% of the students are economically disadvantaged, 61.2%of the students are At-Risk, 34.6% of all students are identified as English learners.

The breakdown of our student membership is as follows:

• Pre-K	91
• K-5	367
• 6-8	242
• 9-12	306
TOTAL	1,006

During the 2022-2023 school year, the district implemented a four-day school week for all students in the district. This was implemented to improve student attendance, to recruit and retain staff, and for other student benefits. Another change to the district was the start of the Pre-K 3 program. With these programs in place, the district had an increase in student enrollment and a slight increase in our average daily attendance. The district is anticipating an increase in both enrollment and ADA for the 2023-2024 school year.

Mission Statement

Santa Rosa Independent School District's mission is to furnish a safe haven where everyone is valued and respected. All staff members, in partnership with parents and families, are fully committed to successful student outcomes. We strive to prepare all students to be lifelong learners and responsible citizens ready to meet the challenges of the future.

Long Range District Goals

The long-range goal of Santa Rosa ISD is to create a transformative school district that ensures all students receive a high-quality education that results in every student's maximum individual achievement. We will recruit, support, and retain highly effective staff, educators, and administrators and afford them the resources and preparation needed to maximize efficiency and student achievement. We will maintain financial stability while continuing to improve academics,

technology, extracurricular programs, and facilities. We will maintain strong communication between teachers, parents, students, and business partners to meet student academic and social-emotional needs. We will create secure, safe, clean welcoming environments that provide students/staff with the social-emotional and mental health supports needed to create a positive work and learning environment.

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 June 30, 2022. The rating system was established during the 77th 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 14.9% annual growth from fiscal years 2019-23. The District's fiscal 2023 taxable assessed valuation (TAV) grew to $140.6 million.

Some of the major initiatives for FY2023 were a bond that was approved by the voters of this community for upgrades to facilities, the purchase of two new buses for the district, and a technology refresh program for the elementary campus where every computer was replaced.

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, 2023, the District had $13,420,000 of School Building Unlimited Tax Bonds and Refunding Bonds, with maturities extending into the year 2054. The District's Debt Service fund balance is $662,268 as of June 30, 2023.

Rating

In March 2023, the District's bonds have been rated "AAA" by Moody's Investors Services. Moody's 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 Moody's 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, 2023, total assets for student activity funds were $55,469.

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
Mrs. Yolanda Chapa, Superintendent
Mrs. Marisa Cuevas, Chief Financial Officer
Dr. Gregorio Camarillo, Curriculum & Instruction/Human Resources Director
Mr. Adrian Montemayor, High School Principal
Mrs. Laura Garza, Middle School Principal

Mrs. Cynthia Hernandez, Elementary School Principal
Mr. Enrique Betancourt, Police Chief
Ms. Michelle Barrera, Food Services Director

Business and Finance
Mrs. Angelica Rodriguez, Superintendent/HR Secretary
Mrs. Leticia Lopez, Accounts Payable Clerk
Ms. Elsa Garza, Payroll Clerk
Mr. Richard Lopez, Fixed Assets & Shipping/Receiving Clerk
Mrs. Annabel Villarreal, Maintenance, Transportation, & Athletics Secretary
Mrs. Dina P. Vela, Federal Programs Coordinator

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,

Marisa Cuevas

Mrs. Marisa Cuevas,
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 Year Ended June 30, 2023

ELECTED OFFICIALS

Board of Trustees	Length of Service	Term Expires	Occupation
Kelly Ballin, President	2 Year, 2 Months	May 2024	Business Owner
Juan Esparza, Vice-President	2 Year, 2 Months	May 2024	Business Owner
Alissa Perez, Secretary	1 Year, 2 Months	May 2025	President of Business
Mark Chairez, Trustee	2 Year, 8 Months	May 2026	Salesman
Rachel Olivarez, Trustee	2 Year, 8 Months	May 2026	Assistant Director
Juan Manuel Perez, Trustee	7 Years, 2 Months	May 2025	Respiratory Therapist
Lorenzo Ovalle, Trustee	2 Year, 2 Months	May 2024	Certified Pharmacy Technician

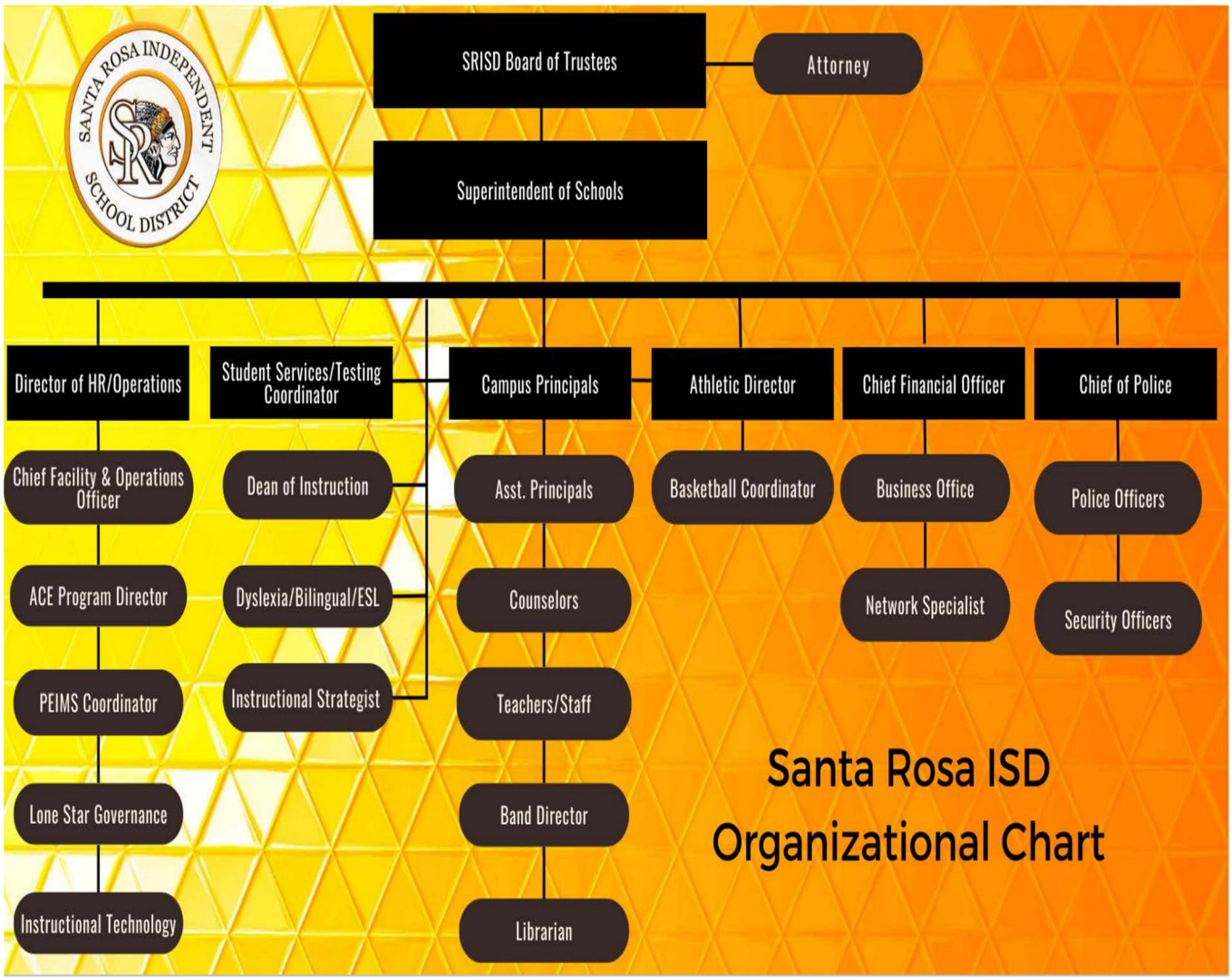
CONSULTANTS & ADVISORS

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 .....Cantu Harden LLP.
.....San Antonio, Texas


SRISD Board of Trustees
Attorney
Superintendent of Schools
Director of HR/Operations
Student Services/Testing Coordinator
Campus Principals
Athletic Director
Chief Financial Officer
Chief of Police
Chief Facility & Operations Officer
ACE Program Director
PEIMS Coordinator
Lone Star Governance
Instructional Technology
Dean of Instruction
Dyslexia/Bilingual/ESL
Instructional Strategist
Asst. Principals
Counselors
Teachers/Staff
Band Director
Librarian
Basketball Coordinator
Business Office
Network Specialist
Police Officers
Security Officers
Santa Rosa ISD
Organizational Chart

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CERTIFICATE OF BOARD

Santa Rosa Independent School District	**Cameron**	**031-914**
Name of School District	*County*	*County District Number*

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and _X_ approved ___ disapproved for the year ended June 30, 2023 at the meeting of the Board of Trustees of such school district on the 16th day of November, 2023.

Signature of Board Secretary

Signature of Board President

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FINANCIAL SECTION

"Warriors On the Move –

Education On the Rise"

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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 Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Santa Rosa Independent School District (the "District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In 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, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As described in Note 2 of the financial statements, in 2023, the District adopted new accounting guidance, GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing

an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information and schedules related to net pension and OPEB liabilities on pages 18-30 and 107-116 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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 accompanying combining nonmajor fund financial statements, Texas Education Agency required schedules, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and

reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, Texas Education Agency required schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Harlingen, Texas
November 16, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023
(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 fiscal year ended June 30, 2023. 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 were $13,692,907 at June 30, 2023.

- The District's Statement of Activities reflects an increase in net position for Governmental Activities in the amount of $718,917. This is a result of revenues of $19,346,032 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 $7,179,934. Approximately 93.4% of this total amount, $6,709,114, 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 $15,332,189, an increase of $7,545,141 in comparison with the prior year. This is primarily due to proceeds for a bond that was approved by the constituents for upgrades to facilities of the district.

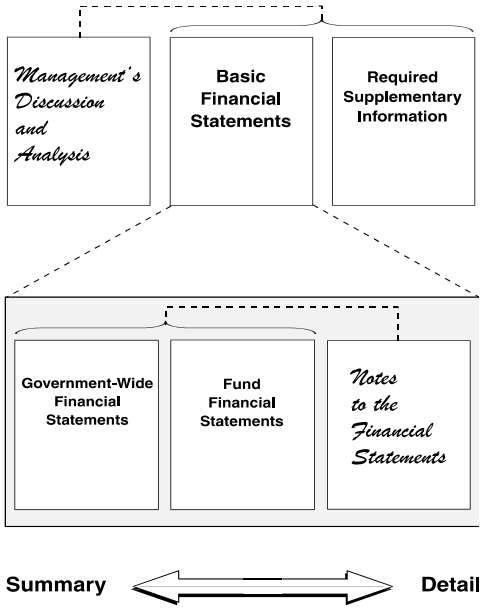
OVERVIEW OF THE FINANCIAL STATEMENTS

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

		Fund Statements		
Type of 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 • Statement of activities	• Balance sheet • Statement of revenues, expenditures & changes in fund balances	• Statement of net assets • Statement of revenues, expenses and changes in fund net assets • Statement of cash flows	• Statement of fiduciary net assets • 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's 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, budget to actual presentations for the Food Service Fund and the Debt Service Fund are 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 $13,692,907 at June 30, 2023 (See Table A-1). The government-wide increase in net position was $718,917, primarily due to an increase in total assets and total liabilities causing an increase in net position.

TABLE A-1

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL ACTIVITIES
NET POSITION

	FY 2023	FY 2022	Percentage Change
Current Assets and Other Assets	$17,262,991	$9,559,105	80.6%
Capital Assets	24,070,017	24,479,825	-1.7%
Total Assets	41,333,008	34,038,930	21.4%
Deferred Charge for Refunding	240,998	259,969	-7.3%
Deferred Outflow Related to TRS	4,459,905	2,508,554	77.8%
Total Deferred Outflows of Resources	4,700,903	2,768,523	69.8%
Current Liabilities	1,615,351	1,544,058	4.6%
Long-Term Liabilities	24,564,148	15,479,988	58.7%
Total Liabilities	26,179,499	17,024,046	53.8%
Deferred Inflow Related to TRS	6,161,505	6,809,417	-9.5%
Total Deferred Inflows of Resources	6,161,505	6,809,417	-9.5%
Net Position:			
Net Investment in Capital Assets and Right-to-Use Lease Assets	16,251,683	16,027,534	1.4%
Restricted for Federal and State Programs	468,248	327,020	43.2%
Restricted for Debt Service	603,095	800,414	-24.7%
Restricted for Capital Projects	0	490	-100.0%
Restricted for Other Purposes	3,297	55,584	-94.1%
Unrestricted	(3,633,416)	(4,237,052)	-14.2%
Total Net Position	13,692,907	12,973,990	5.5%

Approximately 93.8% of the District's largest liability is for the repayment of general obligation bonds and pension liabilities. Other liabilities, representing about 6.2% of the District's total liabilities, consist almost entirely of payables on accounts and salaries and benefits. The largest portion of the District's net position, $16,251,683, reflects its investment in capital assets (e.g.,

land, buildings, and equipment) and right-to-use lease assets 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 (7.8%) represents resources that are subject to external restrictions on how they may be used. Restricted net position decreased by $108,868 during the 12 month period ended June 30, 2023. The remaining balance of unrestricted net position is a deficit of $3,633,416 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 $17,262,991 were sufficient to cover current liabilities of $1,615,351. This represents a current ratio of 10.69, which means that for every dollar the District owes there is $10.69 available in current assets.

Governmental Activities

Governmental activities increased the District's total net position by $718,917, which increased the overall Net Position by 5.5%.

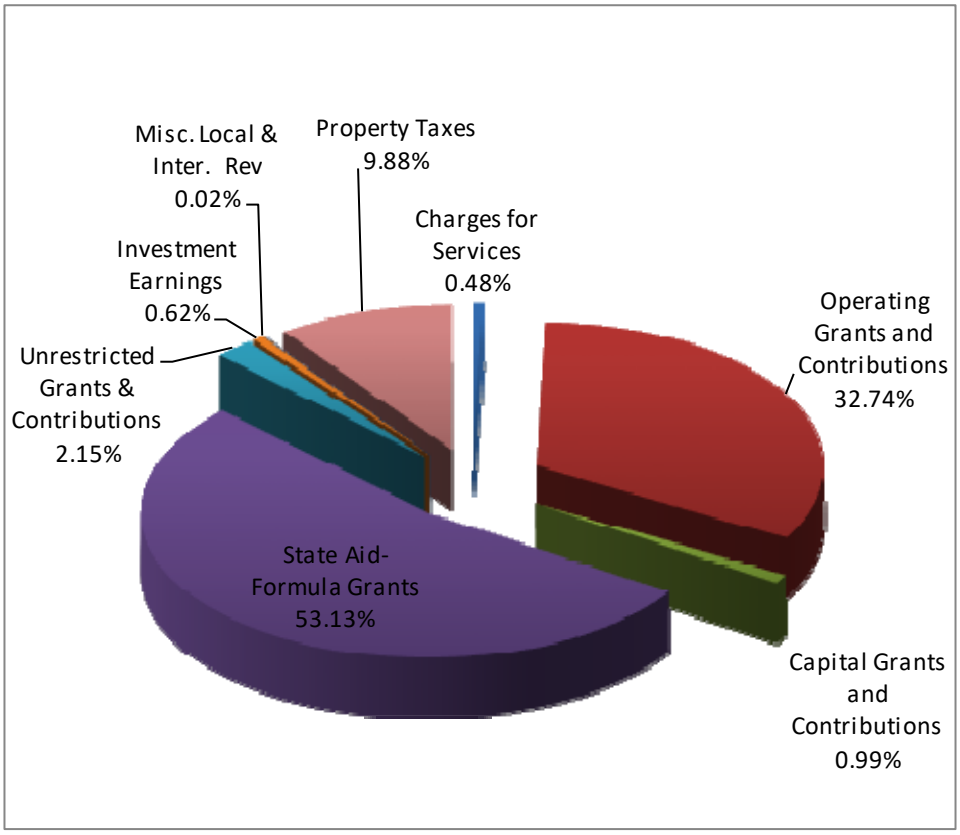
TABLE A-2

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL ACTIVITIES
CHANGES IN NET POSITION

Program Revenues:	**FY 2023**	**FY 2022**
Charges for Services	$93,890	$88,389
Operating Grants and Contributions	6,349,686	6,810,906
Capital Grants and Contributions	191,808	-
General Revenues:		
State Aid - Formula Grants	10,305,937	10,164,739
Grants and Contributions not Restricted	416,250	664,033
Investment Earnings	119,629	14,386
Miscellaneous Local and Intermediate Revenue	3,026	95,112
Property Taxes	1,916,182	1,647,501
Transfer In (Out)	(50,376)	0
Total Program and General Revenues	**19,346,032**	**19,485,066**
Expenses		
Instruction	9,199,350	8,252,578
Instructional Resources and Media Services	193,401	174,992
Curriculum and Staff Development	140,828	285,896
Instructional Leadership	241,783	169,989
School Leadership	855,923	806,635
Guidance, Counseling and Evaluation Services	403,230	342,712
Social Work Services	15,634	-
Health Services	246,641	265,537
Student (Pupil) Transportation	232,031	175,339
Food Services	951,746	848,010
Extracurricular Activities	885,770	844,552
General Administration	774,369	640,055
Facilities Maintenance and Operations	2,433,017	2,768,042
Security and Monitoring Services	323,537	277,947
Data Processing Services	410,943	359,697
Community Services	961	24,537
Debt Service - Interest on Long Term Debt	212,315	239,570
Debt Service - Bond Issuance Costs and Fees	247,386	750
Facilities Acquisition and Construction	0	2
Payments related to Shared Services Arrangements	833,976	853,317
Other Intergovernmental Charges	24,274	19,667
Total Expenses	**18,627,115**	**17,349,824**
Increase (Decrease) in Net Position	**718,917**	**2,135,242**
Net Position at Beginning of Year	**$12,973,990**	**$10,838,748**
Increase (Decrease) in Net Position	**718,917**	**2,135,242**
Prior Period Adjustment	**-**	**-**
Net Position at End of Year	**$13,692,907**	**$12,973,990**

The following chart highlights the District's revenues by funding source for the governmental activities. As you can see, State Aid comprises 53.3% of the total.

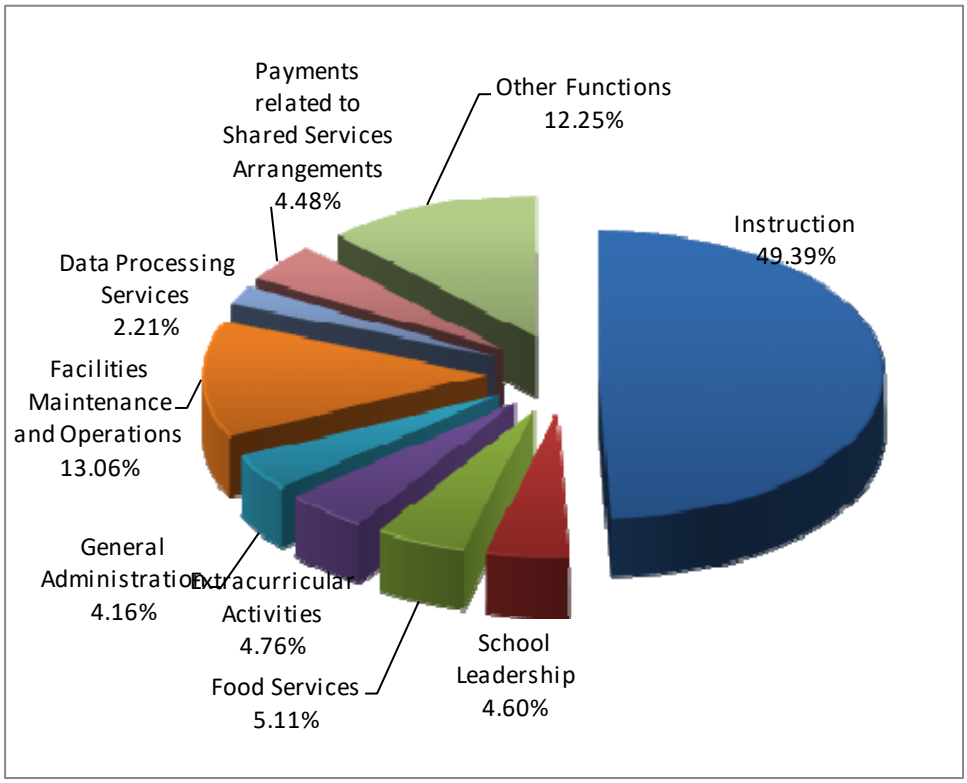
Figure A-3 District's Total Revenues



Total revenues were $19,346,032. Revenues for the District's governmental activities decreased 0.7% compared to prior year. The decrease was due to less funding from operating grants and contributions primarily pertaining to support from COVID 19 funding received.

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 $9,199,350 or 49.4%, followed by facilities maintenance & operations at $2,433,017 or 13.1%.

Figure A-4 District's Functional Expenses



Total expenses were $18,627,115. Total expenses increased by $1,277,291 or 7.4%. The increase in expenses is attributed to personnel that were hired and retained due to COVID-19 funding to bridge the learning gap along with the implantation of the Pre-K program. Other expenses increased for the district due to a technology refresh program where every computer at the elementary campus was replaced.

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 $15,332,189 an increase of $7,545,141 in comparison with the prior year. Approximately 43.8% or $6,709,114 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 $442,326, 2) Retirement of Long Term Debt $662,268, 3) Capital and other restrictions of $7,489,987, and 4) Nonspendable for inventories and prepayments of $25,922 and $2,572, respectively.

General Fund. The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General fund was $6,709,114 while total fund balance reached $7,179,934. 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 47.9% of total general fund expenditures, while total fund balance represents 55.1% of total general fund expenditures.

The $6,709,114 of unassigned fund balance gives the District a balance that is the equivalent of 174.11 days of expenditures. 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 $662,268, all of which was reserved for the payment of debt service. This amount was set aside to help repay bond issues. The decrease in fund balance in the current year of $122,189 was the result of reduced state program revenues received compared to the prior year.

District's Analysis of Debt Service Fund

	Debt Service Fund (599)		
	2023	2022	% Change
Revenues			
Property Taxes	$540,477	$341,374	58.3%
State Program Revenues	368,284	425,643	-13.5%
Total Revenues	908,761	767,017	18.5%
Expenditures by Function			
Principal Long Term Debt	760,000	725,000	4.8%
Interest on Long Term Debt	270,000	299,700	-9.9%
Other Fees	950	750	26.7%
Total Expenditures	1,030,950	1,025,450	0.5%
Net Change in Fund Balance	(122,189)	(258,433)	52.7%
Fund Balance, Beginning	784,457	1,042,890	-24.8%
Fund Balance, Ending	$662,268	$784,457	-15.6%

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 $19,901,626 a decrease of 1.4% over the preceding year. The decrease is mainly attributed to federal revenues, which decreased as a result of the number of grants received by the district and less funding for these grants received during the fiscal year.

General Fund Budgetary Highlights

The FY 2022-2023 budget was developed by balancing the challenges of operating a small district whose enrollment slightly increased but had a lower 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.

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 2023, the District had invested $24,070,017 in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-3.) This amount represents a decrease of $409,808 over last year. For readers interested in more detailed information please refer to Note 3 of the financials.

TABLE A-3

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL ACTIVITIES
SCHEDULE OF CAPITAL ASSETS

Capital Assets	FYE 2023	FYE 2022	Percentage Change
Land	$ 265,271	$ 265,271	0.0%
Buildings and Improvements	35,055,051	34,833,755	0.6%
Furniture & Equipment	7,040,295	6,794,108	3.6%
Lease assets	1,051,889	723,599	100.0%
SBITAs assets	25,266		
Construction in Progress	0	0	-100.0%
Totals at Historical Cost	43,437,772	42,616,733	1.9%
Less Accumulated Depreciation	(19,367,755)	(18,136,908)	6.8%
Net Capital Assets	$ 24,070,017	$ 24,479,825	-1.7%

At year end, the District has $24,775,414 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 3 to the financial statements.

LONG TERM DEBT

TABLE A-4

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

Governmental Activities:	FYE 2023	FYE 2022	Percentage Change
Bonds Payable	$14,609,264	$7,130,000	104.9%
Unamortized Bond Premium	1,148,267	540,579	112.4%
Compensated Absences	60,608	47,925	26.5%
Equipment financing arrangement	245,168	397,188	-38.3%
Leases	732,587	644,493	100.0%
SBITAs	22,003	-	
Net Pension Liability	5,865,766	2,060,562	184.7%
Net OPEB Liability	3,091,751	4,659,241	-33.6%
Totals	$25,775,414	$15,479,988	-39.9%

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 2023-2024 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 increase in fiscal year 2023-2024. The District's 2023-2024 ADA is projected to be 810 which reflects a 1.93% increase.

- The total budgeted tax rate is $1.2575 which is composed of $0.7575 compressed rate for maintenance and operations and $0.5000 for the payment of principal and interest on bonds. Based on SB2, the tax rate compression for the M&O rate and the increase to the I&S rate for the payment of principal and interest on bonds, the tax rate decreased $0.08592.

- The taxable value used for the 2023-2024 budget preparation is $169,184,813 from the previous year, which is an increase of 19.03%.

These indicators were taken into account when adopting the general fund budget for fiscal year 2023-2024. Amounts available for appropriation in the general fund budget for 2024 are $14,532,257, an increase of 1.1% versus the final 2023 budget of $14,365,319.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT DEPARTMENT

This annual 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, Chief Financial Officer, Business Office, Santa Rosa I.S.D., P.O. Box 368, Santa Rosa, Texas 78593, by calling (956) 636-9815, or by emailing cuevasm@srtx.org.



BASIC FINANCIAL STATEMENTS

"Warriors On the Move –

Education On the Rise"

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

Data Control Codes		Primary Government Governmental Activities
ASSETS		
1110	Cash and Cash Equivalents	$ 14,920,553
1220	Property Taxes - Delinquent	504,392
1230	Allowance for Uncollectible Taxes	(21,280)
1240	Due from Other Governments	1,775,682
1290	Other Receivables, Net	55,150
1300	Inventories	25,922
1410	Prepayments	2,572
	Capital Assets:	
1510	Land	265,271
1520	Buildings, Net	21,816,100
1530	Furniture and Equipment, Net	1,186,358
1550	Right-to-Use Leased Assets, Net	780,285
1553	SBITA Assets, Net	22,003
1000	Total Assets	41,333,008
DEFERRED OUTFLOWS OF RESOURCES		
1701	Deferred Charge for Refunding	240,998
1705	Deferred Outflow Related to TRS Pension	2,985,993
1706	Deferred Outflow Related to TRS OPEB	1,473,912
1700	Total Deferred Outflows of Resources	4,700,903
LIABILITIES		
2110	Accounts Payable	190,972
2140	Interest Payable	87,934
2150	Payroll Deductions and Withholdings	3,333
2160	Accrued Wages Payable	1,227,159
2180	Due to Other Governments	104,424
2190	Due to Student Groups	1,529
	Noncurrent Liabilities:	
2501	Due Within One Year: Loans, Note, Leases, etc.	997,367
	Due in More than One Year:	
2502	Bonds, Notes, Loans, Leases, etc.	14,609,264
2540	Net Pension Liability (District's Share)	5,865,766
2545	Net OPEB Liability (District's Share)	3,091,751
2000	Total Liabilities	26,179,499
DEFERRED INFLOWS OF RESOURCES		
2605	Deferred Inflow Related to TRS Pension	671,133
2606	Deferred Inflow Related to TRS OPEB	5,490,372
2600	Total Deferred Inflows of Resources	6,161,505
NET POSITION		
3200	Net Investment in Capital Assets and Right-to-Use Lease Assets	16,251,683
	Restricted:	
3820	Restricted for Federal and State Programs	468,248
3850	Restricted for Debt Service	603,095
3890	Restricted for Other Purposes	3,297
3900	Unrestricted	(3,633,416)
3000	Total Net Position	$ 13,692,907

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

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes		1	Program Revenues 3	4
		Expenses	Charges for Services	Operating Grants and Contributions
	Primary Government:			
	GOVERNMENTAL ACTIVITIES:			
11	Instruction	$ 9,199,350	$ -	$ 2,963,135
12	Instructional Resources and Media Services	193,401	-	98,539
13	Curriculum and Instructional Staff Development	140,828	-	71,838
21	Instructional Leadership	241,783	-	237,790
23	School Leadership	855,923	-	236,646
31	Guidance, Counseling, and Evaluation Services	403,230	-	357,556
32	Social Work Services	15,634	-	14,692
33	Health Services	246,641	-	230,259
34	Student (Pupil) Transportation	232,031	-	59,141
35	Food Services	951,746	59,418	1,016,805
36	Extracurricular Activities	885,770	34,472	44,892
41	General Administration	774,369	-	59,719
51	Facilities Maintenance and Operations	2,433,017	-	205,811
52	Security and Monitoring Services	323,537	-	89,233
53	Data Processing Services	410,943	-	50,642
61	Community Services	961	-	903
72	Debt Service - Interest on Long-Term Debt	212,315	-	-
73	Debt Service - Bond Issuance Cost and Fees	247,386	-	-
81	Capital Outlay	-	-	-
93	Payments Related to Shared Services Arrangements	833,976	-	612,085
99	Other Intergovernmental Charges	24,274	-	-
[TP]	TOTAL PRIMARY GOVERNMENT:	$ 18,627,115	$ 93,890	$ 6,349,686

Data Control Codes	
	General Revenues:
	Taxes:
MT	Property Taxes, Levied for General Purposes
DT	Property Taxes, Levied for Debt Service
SF	State Aid - Formula Grants
GC	Grants and Contributions not Restricted
IE	Investment Earnings
MI	Miscellaneous Local and Intermediate Revenue
FR	Transfers In (Out)
TR	Total General Revenues and Transfers
CN	Change in Net Position
NB	Net Position - Beginning
NE	Net Position - Ending

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

	Net (Expense) Revenue and Changes in Net Position
5 Capital Grants and Contributions	6 Governmental Activities
$ -	$ (6,236,215)
-	(94,862)
-	(68,990)
-	(3,993)
-	(619,277)
-	(45,674)
-	(942)
-	(16,382)
-	(172,890)
-	124,477
-	(806,406)
-	(714,650)
-	(2,227,206)
-	(234,304)
-	(360,301)
-	(58)
-	(212,315)
-	(247,386)
191,808	191,808
-	(221,891)
-	(24,274)
$ 191,808	(11,991,731)
	1,347,866
	568,316
	10,305,937
	416,250
	119,629
	3,026
	(50,376)
	12,710,648
	718,917
	12,973,990
	$ 13,692,907

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

Data Control Codes		10 General Fund	Major Special Revenue Fund	Major Special Revenue Fund
	ASSETS			
1110	Cash and Cash Equivalents	$ 6,736,006	$ -	$ -
1220	Property Taxes - Delinquent	380,612	-	-
1230	Allowance for Uncollectible Taxes	(15,090)	-	-
1240	Due from Other Governments	711,675	449,824	348,314
1260	Due from Other Funds	757,334	-	-
1290	Other Receivables	34,657	-	-
1300	Inventories	25,922	-	-
1410	Prepayments	2,572	-	-
1000	Total Assets	$ 8,633,688	$ 449,824	$ 348,314
	LIABILITIES			
2110	Accounts Payable	$ 117,126	$ 725	$ 61,707
2150	Payroll Deductions and Withholdings Payable	3,333	-	-
2160	Accrued Wages Payable	922,592	140,156	53,823
2170	Due to Other Funds	51,281	308,943	232,784
2180	Due to Other Governments	50,376	-	-
2190	Due to Student Groups	1,529	-	-
2000	Total Liabilities	1,146,237	449,824	348,314
	DEFERRED INFLOWS OF RESOURCES			
2601	Unavailable Revenue - Property Taxes	307,517	-	-
2600	Total Deferred Inflows of Resources	307,517	-	-
	FUND BALANCES			
	Nonspendable Fund Balance:			
3410	Inventories	25,922	-	-
3430	Prepaid Items	2,572	-	-
	Restricted Fund Balance:			
3450	Federal or State Funds Grant Restriction	442,326	-	-
3470	Capital Acquisition and Contractural	-	-	-
3480	Retirement of Long-Term Debt	-	-	-
3490	Other Restricted Fund Balance	-	-	-
3600	Unassigned Fund Balance	6,709,114	-	-
3000	Total Fund Balances	7,179,934	-	-
4000	Total Liabilities, Deferred Inflows & Fund Balances	$ 8,633,688	$ 449,824	$ 348,314

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

60 Capital Projects	Other Funds	Total Governmental Funds
$ 7,486,690	$ 697,857	$ 14,920,553
-	123,780	504,392
-	(6,190)	(21,280)
-	265,869	1,775,682
-	33	757,367
-	20,493	55,150
-	-	25,922
-	-	2,572
$ 7,486,690	$ 1,101,842	$ 18,020,358
$ -	$ 11,414	$ 190,972
-	-	3,333
-	110,588	1,227,159
-	164,359	757,367
-	54,048	104,424
-	-	1,529
-	340,409	2,284,784
-	95,868	403,385
-	95,868	403,385
-	-	25,922
-	-	2,572
-	-	442,326
7,486,690	-	7,486,690
-	662,268	662,268
-	3,297	3,297
-	-	6,709,114
7,486,690	665,565	15,332,189
$ 7,486,690	$ 1,101,842	$ 18,020,358

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SANTA ROSA INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

EXHIBIT C-2

	Total Fund Balances - Governmental Funds	$	15,332,189
1	Capital assets (including Right-to-Use Lease Assets and Right-to-Use SBITAs Assets) of $43,437,772 net of accumulated depreciation/amortization of ($19,367,756) are not financial resources and therefore are not reported in governmental funds. This results in an increase in net position.		24,070,017
2	Long-term liabilities, including bonds payable of (13,420,000),equipment financing arrangement of $245,168, premium on bonds of ($1,148,268), and lease liabilities of ($732,587) are not due and payable in the current period, and, therefore are not reported as liabilities in the governmental funds. In In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to decrease net position.		(15,606,631)
3	Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of $2,985,993 a deferred resource inflow in the amount of ($671,133), and a net position liability in the amount of ($5,865,766). This resulted in a decrease in net position.		(3,550,906)
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 $1,473,912, a deferred resource inflow in the amount of ($5,490,372), and a net position liability in the amount of ($3,091,751). This resulted in a decrease in net position.		(7,108,211)
5	Deferred outflows of resources for deferred charges for refundings are not financial resources $240,998 and therefore are not reported in governmental funds. Including the deferred charges for refunding bonds increases net position.		240,998
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 $403,385, and recognizing the liabilities associated with maturing long-term debt of accrued interest of ($87,934). The net effect of these reclassifications and recognitions is to increase net position.		315,451
19	**Net Position of Governmental Activities**	$	13,692,907

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

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes		10 General Fund	Major Special Revenue Fund	Major Special Revenue Fund
	REVENUES:			
5700	Total Local and Intermediate Sources	$ 1,525,104	$ -	$ -
5800	State Program Revenues	10,876,736	-	-
5900	Federal Program Revenues	1,552,484	1,739,847	1,393,140
5020	Total Revenues	13,954,324	1,739,847	1,393,140
	EXPENDITURES:			
	Current:			
0011	Instruction	6,343,355	1,235,623	590,686
0012	Instructional Resources and Media Services	98,084	13,239	-
0013	Curriculum and Instructional Staff Development	67,915	11,438	-
0021	Instructional Leadership	2,127	11,040	181,927
0023	School Leadership	675,346	41,393	-
0031	Guidance, Counseling, and Evaluation Services	47,371	24,656	-
0032	Social Work Services	-	4,692	-
0033	Health Services	15,435	169,938	-
0034	Student (Pupil) Transportation	370,115	36,891	2,043
0035	Food Services	874,560	24,900	-
0036	Extracurricular Activities	866,842	285	-
0041	General Administration	1,053,101	32,351	-
0051	Facilities Maintenance and Operations	2,255,048	93,230	910
0052	Security and Monitoring Services	253,949	15,753	5,489
0053	Data Processing Services	398,812	24,418	-
0061	Community Services	-	-	-
	Debt Service:			
0071	Principal on Long-Term Liabilities	392,216	-	-
0072	Interest on Long-Term Liabilities	38,380	-	-
0073	Bond Issuance Cost and Fees	-	-	-
	Capital Outlay:			
0081	Facilities Acquisition and Construction	-	-	-
	Intergovernmental:			
0093	Payments to Fiscal Agent/Member Districts of SSA	221,891	-	612,085
0099	Other Intergovernmental Charges	24,274	-	-
6030	Total Expenditures	13,998,821	1,739,847	1,393,140
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(44,497)	-	-
	OTHER FINANCING SOURCES (USES):			
7911	Capital Related Debt Issued	-	-	-
7913	Proceeds of Right-to-Use Lease	328,290	-	-
7915	Transfers In	712,103	-	-
7916	Premium or Discount on Issuance of Bonds	-	-	-
8911	Transfers Out (Use)	(712,103)	-	-
8949	Other (Uses)	(50,376)	-	-
7080	Total Other Financing Sources (Uses)	277,914	-	-
1200	Net Change in Fund Balances	233,417	-	-
0100	Fund Balance - September 1 (Beginning)	6,946,517	-	-
3000	Fund Balance - August 31 (Ending)	$ 7,179,934	$ -	$ -

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

60 Capital Projects	Other Funds	Total Governmental Funds
$ 5,983	$ 582,967	$ 2,114,054
-	456,556	11,333,292
-	1,768,809	6,454,280
5,983	2,808,332	19,901,626
-	862,559	9,032,223
-	80,489	191,812
-	57,522	136,875
-	44,018	239,112
-	149,926	866,665
-	328,096	400,123
-	10,000	14,692
-	58,380	243,753
-	4,384	413,433
-	49,350	948,810
-	15,354	882,481
-	-	1,085,452
19,783	37,547	2,406,518
-	49,948	325,139
-	11,574	434,804
-	903	903
-	760,000	1,152,216
-	270,000	308,380
246,436	950	247,386
-	191,808	191,808
-	-	833,976
-	-	24,274
266,219	2,982,808	20,380,835
(260,236)	(174,476)	(479,209)
7,050,000	-	7,050,000
-	-	328,290
-	-	712,103
696,436	-	696,436
-	-	(712,103)
-	-	(50,376)
7,746,436	-	8,024,350
7,486,200	(174,476)	7,545,141
490	840,041	7,787,048
$ 7,486,690	$ 665,565	$ 15,332,189

Total Net Change in Fund Balances - Governmental Funds	$	7,545,141
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 longterm debt in the government-wide financial statements. The net effect of removing the capital outlays of $497,324 and SBITA assets of $25,265 as shown in Note 3 "Capital Asset" and debt principal payments of $1,152,216 is to increase net position.		1,674,805
Depreciation and amortization of leases are not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.		(1,260,688)
Various other reclassifications and eliminations are necessary to convert from the modified accrual 100,437 basis of accounting to accrual basis of accounting. These include recognizing the decrease in accrued interest on long term debt of $26,289 recording amortization of bond premiums of $88,748, amortization of deferred charges on refunding of $18,971 and recognizing the increase in compensated absences of $12,683. The net effect of these reclassifications and recognitions is to increase net position.		83,383
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.		61,163
GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by $450,510. 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 ($351,800). 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 ($306,227). The net result is a decrease in the change in net position.		(207,517)
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 $104,383. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net OPEB liaibility. This caused a decrease in the change in net position totaling ($80,984). Finally, the proportionate share of the TRS OPEB expense on the plan as a whole had to be recorded. The net OPEB expense increased the change in net position by $545,667. The net result is an increase in the change in net position.		569,066
The issuance of bonds results in other financing sources that increase fund balance in governmental funds, but these amounts are recorded as long term debt and do not result in an increase in net position. The effect of removing the proceeds of the bond of $7,050,000 and premium of $696,436 is to reduce the change in net position.		(7,746,436)
Change in Net Position of Governmental Activities	$	718,917

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

EXHIBIT E-1

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023

	Private Purpose Trust Funds	Total Custodial Funds
ASSETS		
Cash and Cash Equivalents	$ 6,838	$ 55,469
Total Assets	6,838	$ 55,469
LIABILITIES		
Payable from Restricted Assets	5,340	-
Total Liabilities	5,340	-
NET POSITION		
Restricted for Scholarships	1,498	-
Restricted for Other Purposes	-	55,469
Total Net Position	$ 1,498	$ 55,469

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

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Private Purpose Trust Funds	Total Custodial Funds
ADDITIONS:		
Enterprising Services Revenue	$ -	$ 147,072
Total Additions	-	147,072
DEDUCTIONS:		
Other Deductions	-	149,724
Total Deductions	-	149,724
Change in Fiduciary Net Position	-	(2,652)
Total Net Position - JULY 1 (Beginning)	1,498	58,121
Total Net Position - JUNE 30 (Ending)	$ 1,498	$ 55,469

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

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.

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.

ESSER III. This fund is used to account for revenues and expenditures of the federal program Elementary and Secondary School Emergency Relief Fund (ESSER III) granted to the District through the American Rescue Plan Act of 2021.

SSA - 21st Century Community Learning Centers. This fund is used to account for revenues and expenditures of the federal program 21st Century granted to the District through July 31, 2023.

Construction. This fund is used to account for revenues and expenditures for construction activity mainly due to receipt of the 2023 bonds.

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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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.

Budgets

The official school budgets were prepared for adoption for the General Fund and Debt Service Fund by June 20, 2022. The budgets were formally adopted by the board of school trustees at a duly advertised public meeting prior to the expenditure of funds. No budget was formally adopted for ESSEER II and III. 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 I50: *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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
Interfund Activities and Transactions (Continued)

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.

Inventory

Inventory is valued at cost (average). The District accounts for the food inventory by using the consumption 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 purchase 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, 2023. 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 $2,572 of 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:

Assets Class	Estimated Useful Lives
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*,

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The District has three (3) 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 or net OPEB 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 assets 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 and OPEB will be recognized as a reduction to pension or OPEB 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

Lease contracts that provide the District with control of a non-financial asset, such as land, buildings, or equipment, for a period of time in excess of twelve months are reported as a leased asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The leased asset is recorded for the same amount as the related lease liability plus prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payments.

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) Liability

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Categories and Classification of Fund Equity (Continued)

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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, November 16, 2023. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Issued Accounting Pronouncements

In 2023, the District implemented Statement No. 96, Subscription-Based Information Technology Arrangements. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. See Note 2 for implications to the financial statements in the implementation of this standard.

Future accounting standards possibly applicable to the District that have been issued by the Governmental Accounting Standards Board are:

- Statement 100, *Accounting Changes and Error Corrections*
- Statement 101, *Compensated Absences*

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

Statement No. 100, establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023. The District is evaluating the requirements of GASB No. 100 and the impact on reporting for future years.

Statement No. 101, updates the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this statement are effective for fiscal years beginning after December 15, 2023. The District is evaluating the requirements of GASB No. 101 and the impact on reporting for future years.

Statement No. 101, requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2023. The District is evaluating the requirements of GASB No. 101 and the impact on reporting for future years.

NOTE 2: CHANGE IN ACCOUNTING PRINCIPLE

The District adopted GASB No. 96, *Subscription-Based Information Technology Arrangements* as of July 1, 2022. The District evaluated contracts that were formerly accounted for as right-to-use subscription assets as defined in GASB 96. At July 1, 2022, the District had right-to-use subscription assets beginning balance of $0. Due to the implementation of GASB 96 the District calculated and recognized additional right-to-use subscription assets of $22,003 and subscription liabilities of $0. There were no impacts to the beginning net position related to the adoption of GASB 96.

NOTE 3: 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

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments **(Continued)**

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

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, 2023, the District's carrying amount had a balance of $4,744,407 (cash, certificates of deposit, and interest-bearing savings accounts) and the bank balance was $5,036,215. In addition, the District maintains $10,238,454 in a government investment pool. The District's cash deposits and investments at June 30, 2023 and during the year ended June 30, 2023 were entirely covered by FDIC insurance or by pledged collateral held in the District's name by a bank other than the pledging bank.

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments **(Continued)**

The District's cash deposits at June 30, 2023 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 $13,518,872.
c. Largest cash, savings and time deposit combined account balance amounted to $12,690,155 and occurred during the month of June 2023.
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.

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:

Description	CUSIP	Amount	Maturity	Days
TexPool	N/A	$10,238,464	N/A	Daily

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:

Description	Minimum Legal Rating	Amount	Rating	Percentage
TexPool	AAA	$10,238,464	AAA	100%

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

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

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.

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

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)
***Property Tax* (Continued)**

and debt service based on rates adopted for the year of the levy. The District's 2022 tax rate was $0.942900 for maintenance and $0.400520 for debt service per $100 assessed valuation.

The 2022 assessed valuation was $140,644,560. 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, 2023 outstanding taxes in the general fund and debt service fund was $380,612 and $123,780 with a corresponding allowance for doubtful accounts of $15,090 and $6,190, respectively.

Due To and From Other Governments and Agencies

Amounts due to and from other governments and agencies at June 30, 2023 are as follows:

General Fund	Due To	Due From
Texas Education Agency:		
Available School Fund	$ 50,376	$ 698,976
Texas Department of Agriculture:		
School Breakfast Program	-	4,168
National School Lunch Program	-	8,532
Other Governmental Funds		
Texas Education Agency :		
ESEA Title I, Part A	-	91,374
Gear Up Grant	-	29,433
ESEA Title II, Part A	-	20,526
Title III, Part A	-	-
State Textbook Fund	-	-
Career and Technical - Quality Work Force	-	1,582
State Funded Special Revenue	-	19,086
ESSER II - School Emergency Relief	-	95,571
Other Federally Funded Special Revenue Funds	121	8,297
IAF Allotment	53,927	-
Major Special Revenue Fund		
ESSER III - ARP School Emergency Relief	-	449,824
Major Special Revenue Fund		
SSA - 21st Century Community Learning Centers	-	348,314
Major Special Revenue Fund		
Construction	-	-
Total due to/from other governments and agencies	$ 104,424	$ 1,775,682

Disaggregation of Receivables and Payables

Receivables at June 30, 2023, were as follows:

	Property Taxes	Due From Other Governments	Other Receivables	Accrued Interest	Due From Other Funds	Total Receivables
Governmental Activities:						
General Fund	$ 380,612	$ 711,676	$ 34,657	$ -	$ 757,334	$ 1,884,279
ESSER III Fund	-	449,824	-	-	-	449,824
SSA - 21st Century Community Learning Ce	-	348,314	-	-	-	348,314
Construction		-	-		-	
Nonmajor Governmental Funds	123,780	265,868	20,493	-	33	410,174
Gross receivables	504,392	1,775,682	55,150	-	757,367	3,092,591
Allowance for uncollectible amounts	(21,280)	-	-	-	-	(21,280)
Total Governmental Activities, net	$ 483,112	$ 1,775,682	$ 55,150	$ -	$ 757,367	$ 3,071,311
Amounts not scheduled for collection during the subsequent year	$ -	$ -	$ -	$ -	$ -	$ -

Payables at June 30, 2023, were as follows:

	Accounts Payable	Salaries, Benefits and Withholdings	Due to Other Governments	Due To Other Funds	Total Payables
Governmental Activities:					
General Fund	$ 117,125	$ 922,592	$ 50,376	$ 51,281	$ 1,141,374
ESSER III Fund	725	140,156	-	308,943	449,824
SSA - 21st Century Community Learning Ce	61,707	53,823	-	232,784	348,314
Construction	-	-	-	-	
Nonmajor Governmental Funds	11,415	110,588	54,048	164,360	340,411
Total Governmental Activities	$ 190,972	$ 1,227,159	$ 104,424	$ 757,367	$ 2,279,923
Amounts not scheduled for payment during the subsequent year	$ -	$ -	$ -	$ -	$ -

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets

Capital asset activity for year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Increase	Decrease	Transfers	Balance June 30, 2023
Governmental activities					
Capital assets not being depreciated:					
Land	$ 265,271	$ -	$ -	$ -	$ 265,271
Total capital assets not being depreciated	265,271	-	-	-	265,271
Capital assets being depreciated:					
Buildings and improvements	34,833,755	221,296	-	-	35,055,051
Furniture and equipment	6,794,108	276,028	(29,841)	-	7,040,295
Total capital assets being depreciated	41,627,863	497,324	(29,841)	-	42,095,346
Less accumulated depreciation:					
Building and improvements	(12,457,030)	(781,921)	-	-	(13,238,951)
Furniture and equipment	(5,597,203)	(286,575)	29,841	-	(5,853,937)
Total accumulated depreciation	(18,054,233)	(1,068,496)	29,841	-	(19,092,888)
Total capital assets being depreciated, net	23,573,630	(571,172)	-	-	23,002,458
Right-to-use lease assets being amortized					
Leased equipment	723,599	328,290	-	-	1,051,889
Less accumulated amortization	(82,675)	(188,929)	-	-	(271,604)
Total Right-to-use lease assets being amortized, net	640,924	139,361	-	-	780,285
Right-to-use subscription assets, SBITAs, being amortized					
Subscription-based information technology arrangements	-	25,266	-	-	25,266
Less accumulated amortization	-	(3,263)	-	-	(3,263)
Total right-to-use subscription assets, being amortized, net	-	22,003	-	-	22,003
Governmental activities capital assets, net	$ 24,479,825	$ (409,808)	$ -	$ -	$ 24,070,017

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (Continued)

Depreciation and amortization was charged to the following functions:

	Depreciation	Amortization
11 – Instruction	$ 554,472	$ 59,190
12 – Instructional Resources and Media Services	12,293	959
13 – Curriculum and Staff Development	8,772	2,786
21 – Instructional Leadership	15,324	-
23 – School Leadership	55,543	8,826
31 – Guidance, Counseling and Evaluation Services	25,643	1,353
32 – Social Work Services	942	-
33 – Health Services	15,621	-
34 – Student Transportation	5,151	649
35 – Food Services	55,957	1,094
36 – Cocurricular/Extracurricular Activities	54,800	1,200
41 – General Administration	69,442	8,879
51 – Plant Maintenance and Operations	148,967	105,320
52 – Security and Monitoring Services	20,838	340
53 – Data Processing Services	24,673	1,596
61 – Community Services	58	-
	$ 1,068,496	$ 192,192

The following summarizes the District's leased assets:

	Balance July 1, 2022	Increase	Decrease	Transfers	Balance June 30, 2023
Governmental activities					
Right to use assets					
Leased equipment	$ 723,599	$ 328,290	$ -	$ -	$ 1,051,889
Total right to use assets	723,599	328,290	-	-	1,051,889
Less accumulated amortization for					
Leased equipment	(82,675)	(188,929)	-	-	(271,604)
Total accumulated amortization	(82,675)	(188,929)	-	-	(271,604)
Right to use assets, net	$ 640,924	$ 139,361	$ -	$ -	$ 780,285

The following summarizes the District's SBITAs assets:

Right-to-use subscription assets, SBITAs	Balance July 1, 2022	Increase	Decrease	Transfers	Balance June 30, 2023
Subscription-based information technology arrangements	$ -	$ 25,266	$ -	$ -	$ 25,266
Total subscription assets, SBITAs	-	25,266	-	-	25,266
Less accumulated amortization for SBITAs	-	(3,263)	-	-	(3,263)
Total accumulated amortization	-	(3,263)	-	-	(3,263)
Right-to-use subscription assets being amortized, net	$ -	$ 22,003	$ -	$ -	$ 22,003

Long-term Obligations

Long–term obligations include bonds, leases and compensated absences. Changes in long-term obligations for the year ended June 30, 2023, are as follows:

Governmental Activities	Beginning Balance 7/1/2022	Increase	Decrease	Ending Balance 6/30/2023	Due Within One Year
General Obligation Bonds					
Bond Series 2016	$ 3,065,000	$ -	$ (130,000)	$ 2,935,000	$ 135,000
Bond Series 2017	4,065,000	-	(630,000)	3,435,000	350,000
Bond Series 2023	-	7,050,000	-	7,050,000	-
Total general obligation bonds	7,130,000	7,050,000	(760,000)	13,420,000	485,000
Premium on issuance – Refunding Bond Series 2016	296,794	-	(36,297)	260,497	33,878
Premium on issuance – Refunding Bond Series 2017	243,785	-	(52,451)	191,334	46,090
Premium on Issuance - Bond 2023	-	696,436	-	696,436	-
Equipment financing arrangement	397,188	-	(152,020)	245,168	161,071
Leases	644,493	328,290	(240,196)	732,587	218,760
Total general long term debt	$ 8,712,260	$ 8,074,726	$ (1,240,964)	$ 15,546,022	$ 944,799

General Obligation Bonds:

On December 1, 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, 2023, the refunded bonds had an amount outstanding of $2,935,000. 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. $ 2,935,000

On May 24, 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, 2023, the bonds have been redeemed in full and no remaining is outstanding.

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Long-term Obligations **(Continued)**

2023, 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.	3,435,000
On May 11, 2023 the District issued $7,050,000 in Unlimited Tax Refunding Bonds, Series 2023. The net proceeds of the 2023 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. At June 30, 2023, the bonds had an amount outstanding of $7,050,000. The 2023 bonds were issued with stated interest rates ranging from 4% to 5%, with interest payable semi-annually every year on February 15 and August 15 with final maturity on August 15, 2053.	7,050,000
Total general obligation bonds	$13,420,000

Equipment financing arrangement:

During the year ended August 31, 2011, the District entered into two equipment financing arrangement for an energy management system with TAC Americas, Inc. (TAC). The equipment financing arrangement are payable in 30 semi-annual installment payments. The equipment financing arrangement 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.	$245,168
Total equipment financing arrangement	$245,168

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Debt service requirements on bonds payable and equipment financing arrangement at June 30, 2023, are as follows:

Year Ending	Bonds Payable		Equipment Financing Arrangement		Total
June 30,	Principal	Interest	Principal	Interest	Requirement
2024	$ 485,000	497,903	161,071	12,058	1,156,032
2025	605,000	807,753	84,097	2,468	1,499,318
2026	630,000	858,900	-	-	1,488,900
2027	655,000	827,200	-	-	1,482,200
2028	675,000	720,200	-	-	1,395,200
2029-2033	2,965,000	1,055,200	-	-	4,020,200
2034-2038	2,010,000	2,820,575	-	-	4,830,575
2039-2043	1,450,000	2,146,800	-	-	3,596,800
2044-2048	1,550,000	1,472,125	-	-	3,022,125
2049-2053	1,955,000	665,200	-	-	2,620,200
2054	440,000	26,100	-	-	466,100
	$ 13,420,000	$ 11,897,956	$ 245,168	$ 14,526	$ 25,577,650

Leases:

In addition, the District has entered agreements to lease certain equipment, such as chillers, copiers and laptops. The lease agreements qualify as other than short-term leases under GASB No. 87, and therefore, have been recorded at the present value of the future minimum payments as of the date of their inception. There are no variable payment components of the leases. The lease liability is measured at a discount rate of 3%.

Subscription-Based Information Technology Arrangements:

Santa Rosa Independent School District has four existing arrangements subject to the requirements of GASB 96. These arrangements can be described in groups- those related to the provision of assisting students, those used for administrative purposes, those used for networking purposes, and those used for navigation purposes. The District makes annual payments and the agreements are for varying terms. The SBITA liability is the present value of these payments using the district's incremental borrowing rate. The liability is amortized providing the principal and interest components of the payments over the SBITA term. The SBITA Asset is measured as the SBITA Liability plus any capitalized expenditures/expenses incurred in the initial implementation stage. The SBITA asset is amortized using a straight-line amortization method over the term of the SBITA arrangement. Santa Rosa Independent School District set a materiality threshold on SBITA arrangements at $5,000. See Note 1 for capitalization thresholds. There were 67 arrangements below this capitalization threshold.

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Lease required payments are as follows:

Year Ending June 30,	Lease Liability Principal	Lease Liability Interest	Total Requirement
2024	218,760	32,532	251,292
2025	242,536	21,826	264,362
2026	243,289	10,471	253,760
2027	28,002	140	28,142
	$ 732,587	$ 64,969	$ 797,556

Other Long-term Liabilities

In addition to the long-term debt obligations noted above, Note 4 Defined Benefit Pension Plan and Note 5 Defined Other Post Employment Benefit Plans, the District has the following changes in other long-term liabilities for the year ended June 30, 2023 as follows:

Governmental Activities	Beginning Balance 7/1/2022	Increase	Decrease	Ending Balance 6/30/2023	Due Within One Year
Compensated Absences	$ 47,925	$ 41,700	$ (29,017)	$ 60,608	$ 25,000

Liabilities for compensated absences, pension, and OPEB are typically liquidated through the general fund.

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Interfund Receivables, Payables and Transfers

Interfund receivable and payable balances at June 30, 2023 were:

	Due to Fund:		
Due from Fund:	General Fund	Non Major Funds	Total
General Fund	$ 51,247	$ 33	$ 51,280
ESSER III	308,943	-	308,943
SSA - 21st Century Community Learning (	232,784		232,784
Construction	-	-	-
Non Major Funds	164,360	-	164,360
Total	$ 757,334	$ 33	$ 757,367

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 Fund	Total Nonmajor Funds	Total Gonvernmental Funds
Property taxes	$ 1,263,856	$ 523,468	$ 1,787,323
Food sales	59,419	-	59,419
Investment income	112,724	6,905	119,629
Penalties, interest and other tax-related income	51,609	16,087	67,696
Athletic activities	34,472	-	34,472
Other	41,728	42,490	84,218
Total governmental activities	$ 1,563,807	$ 588,949	$ 2,152,756

Deferred Outflows and Inflows of Resources

Unavailable revenues from property taxes in the general fund and the nonmajor governmental fund at June 30, 2022 were $307,517 and $95,868 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 $240,998. In addition, deferred outflows and inflows of resources related to TRS pension liability are $2,985,993 and $671,133 respectively. Deferred outflows and inflows of resources related to the TRS OPEB liability are $1,473,912 and $5,490,372, respectively.

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)
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 year ended June 30, 2023 from various federal sources as follows:

Programs or Source	Number	Amount
School Breakfast Program	10.553	$ 271,061
National School Lunch Program	10.555	524,144
USDA – Donated Commodities	10.555	67,946
USDA - Child and Adult Care Food Program	10.558	124,464
Indirect Costs	Various	193,191
E-rate	-	41,785
SHARS	-	326,757
		$ 1,549,349

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 $25,922 and prepayment of $2,572.

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.

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

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

Unassigned – the unassigned fund balance has no constraints.

Fund balances at June 30, 2023 are composed of the following amounts:

	General Fund	Total Nonmajor	Total Governmental Funds
Fund balances			
Nonspendable			
Inventories			
Food service	$ 25,922	$ -	$ 25,922
Prepaid items	2,572	-	2,572
Restricted			
Food service	321,318	-	321,318
Debt service	-	603,095	603,095
Capital projects	-	7,486,690	7,486,690
Other	-	55,584	55,584
Unassigned	6,709,114	-	6,709,114
	$ 7,058,926	$ 8,145,369	$ 15,204,295

Net Position at June 30, 2023 is composed of the following amounts:	Governmental Activities
Net investment in capital assets:	
Capital assets, net of accumulated depreciation	$ 24,070,017
Less related liabilities	(15,546,022)
Plus Unspent Bond proceeds (fund balance 618)	7,486,690
Plus unamortized charges - deferred outflows of resources	240,998
Total net investment in capital assets	16,251,683
Restricted net position consists of the following:	
Federal and state programs	468,248
Debt Service	603,095
Other Purposes	3,297
Total restricted net position	1,074,640
Unrestricted net position	(3,633,416)
Total net position	$ 13,692,907

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

The District has a negative unrestricted net position in the Governmental Activities of $3,633,416 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 4 and 5), the results of which are actuarially determined. The recognition of these significant long term liabilities has resulted in the negative unrestricted net position.

NOTE 4: 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.

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately- issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at http://www.trs.Texas.gov/TRS%20Documents/acfr-2021.pdf; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698.

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.

NOTE 4: RETIREMENT PLANS (Continued)
Benefits Provided (Continued)

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

Contributions

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 through 2025.

The following are the contribution rates for years 2022 and 2023:

	Contribution Rates	
	2022	2023
Member	8.00%	8.00%
Non-Employer Contributing Entity (State)	7.75%	8.00%
Employers	7.75%	8.00%

Current fiscal year employer contributions	$ 558,097
Current fiscal year member contributions	$ 765,401
2022 measurement year NECE on-behalf contributions	$ 384,401

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

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that

NOTE 4: RETIREMENT PLANS (Continued)

fiscal year reduced by the amounts described below which are paid by the employers. Employers including public 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 or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.

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

- All public schools, charter schools, and regional educational service centers must contribute 1.7 percent of the member's salary beginning in fiscal year 2021, gradually increasing to 2 percent in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions

The total pension liability in the August 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

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

Valuation Date	August 31, 2021, rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term expected Investment Rate of Return	7.00%
Municipal Bond Rate as of August 2022	3.91% - The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."
Last year ending August 31 in Projection Period (100 years)	2121
Inflation	2.30%
Salary Increases including inflation	2.95% to 8.95%
Ad hoc post-employment benefit changes	None

NOTE 4: RETIREMENT PLANS (Continued)

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, 2021. For a full description of these assumptions please see the actuarial valuation report dated November 12, 2022.

Discount Rate

A single discount rate of 7.00 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 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 7.00%. 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, 2021 are summarized below:

NOTE 4: RETIREMENT PLANS (Continued)

Asset Class	Target Allocation %**	Long-Term Expected Geometric Real Rate of Return ***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.0%	4.6%	1.12%
Non – U. S. developed	13.0%	4.9%	0.90%
Emerging Markets	9.0%	5.4%	0.75%
Private Equity	14.0%	7.7%	1.55%
Stable Value			
Government Bonds	16.0%	1.0%	0.22%
Absolute Return*	-	3.7%	-
Stable Value Hedge Funds	5.0%	3.4%	0.18%
Real Return			
Real Estate	15.0%	4.1%	0.94%
Energy, Natural Resources and Infrastructure	6.0%	5.1%	0.37%
Commodities	-	3.6%	-
Risk Parity			
Risk Parity	8.0%	4.6%	0.43%
Asset Allocation Leverage			
Cash	2.0%	3.00%	0.01%
Asset Allocation Leverage	-6.0%	3.60%	-0.05%
Inflation Expectation			2.70%
Volatility $Drag_3$			-0.91%
Expected Return	**100.0%**		**8.19%**

**Absolute Return includes Credit Sensitive Investments.*
***Target allocations are based on the FY2022 policy model.*
****Capital Market Assumptions come from Aon Hewitt (as of 8/31/2022).*
*****The volatility drag results from the conversion between arithmetic and geometric mean returns.*

NOTE 4: 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 (7.00%) in measuring the 2022 measurement year Net Pension Liability.

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
District's proportionate share of the net pension liability:	$ 9,124,907	$ 5,865,766	$ 3,224,078

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

At June 30, 2023, the District reported a liability of $5,865,766 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	$ 5,865,766
State's proportionate share that is associated with the District	4,890,575
Total	$ 10,756,341

The net pension liability was measured as of August 31, 2021 and rolled forward to August 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2021 thru August 31, 2022.

At August 31, 2022, the employer's proportion of the collective net pension liability was .0098804441%, which was an increase of 0.0017891677%, from its proportion measured as of August 31, 2021.

Changes since the Prior Actuarial Valuation

The actuarial assumptions and methods have been modified since the determination of the prior year's Net Pension Liability. These new assumptions were adopted in conjunction with an actuarial experience study. The primary assumption change was the lowering of the single discount rate from 7.25 percent to 7.00 percent.

NOTE 4: RETIREMENT PLANS (Continued)
Changes since the Prior Actuarial Valuation (Continued)

For the year ended June 30, 2023, the District recognized pension expense of $65,996 and revenue of $9,340 for support provided by the State.

At June 30, 2023, 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	$ 85,053	$ 127,885
Changes in actuarial assumptions	1,092,983	272,402
Differences between projected and actual investment earnings	579,518	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	777,929	270,846
Total as of August 31, 2021 measurement date	2,535,483	671,133
Contributions paid to TRS subsequent to the measurement date	450,510	-
Total as of fiscal year-end	$ 2,985,993	$ 671,133

Contributions of $450,510 paid to TRS subsequent to the measurement date are classified as deferred outflows of resources and will reduce pension liability in the next fiscal year. The remaining deferred inflows of resources and deferred outflows of resources related to pensions noted above will be amortized and recognized in pension expense in the government-wide financial statements as follows:

Fiscal Years ended June 30,	Pension Expense Amount
2024	$ 380,015
2025	$ 311,477
2026	$ 172,733
2027	$ 809,183
2028	$ 190,943
Thereafter	$ (1)

The net pension liability activity for the year ended June 30, 2023 were as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Net Pension Liability	$ 2,060,562	$ 4,266,255	$ 461,051	$ 5,865,766

NOTE 5: 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 TRS-Care program was established in 1986 by the Texas Legislature.

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

OPEB Plan Fiduciary Net Position. Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at http://www.trs.texas.gov/TRS%20Documents/acfr-2021.pdf; by writing to TRS at 1000 Red River Street, Austin, Texas 78701-2698; or by calling (512) 542-6592.

Benefits Provided. TRS-Care provides health insurance coverage to retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension system. Optional dependent coverage is available for an additional fee. Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for the average retirees with Medicare and without Medicare coverage:

	TRS-Care Plan Premium Rates	
	Medicare	Non-Medicare
Retiree or surviving spouse	$ 135	$ 200
Retiree and spouse	529	689
Retiree or surviving spouse and children	468	408
Retiree and family	1,020	999

Contributions. Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and 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 percent of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65 percent of salary. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75

NOTE 5: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

percent of the salary of each active employee of the employer. 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	
	2022	2023
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	$ 127,153
Current fiscal year member contributions	$ 62,244
2021 measurement year NECE on-behalf contributions	$ 129,370

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of $83 million in fiscal year 2022 from the Federal Rescue Plan Act (ARPA) to help defray Covid-19-related health care costs during fiscal year 2002.

Actuarial Assumptions. The actuarial valuation was performed as of August 31, 2021. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2022. The actuarial valuation was determined using the following actuarial assumptions: *Actuarial Assumptions can be found in the 2022 TRS ACFR, Note 9, page 77.*

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuations performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2021 TRS pension actuarial valuation that was rolled forward to August 31, 2022:

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

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 for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using the ultimate improvement rates from the mortality projection scale MP-2018.

NOTE 5: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	3.91% as of August 31, 2022
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% to 9.05%, including inflation
Ad-hoc Post Employment Benefit Changes	None

Discount Rate. A single discount rate of 3.91 percent was used to measure the Total OPEB Liability. There was a decrease of .38 percent in the discount rate since the previous year. 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 non-employer 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.

The source of the municipal bond rate is the Fidelity "20-year Municipal GO AA Index" as of August 31, 2021 using the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Sensitivity of the Net OPEB Liability:

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1 percentage less than and 1 percentage greater than the discount rate that was used (3.91%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (2.91%)	Discount Rate (3.91%)	1% Increase in Discount Rate (4.91%)
District's proportionate share of the net OPEB liability:	$ 3,645,420	$ 3,091,751	$ 2,643,209

NOTE 5: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

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:	$ 2,547,617	$ 3,091,751	$ 3,797,151

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At June 30, 2023, the District reported a liability of $3,091,751 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	$ 3,091,751
State's proportionate share that is associated with the District	3,771,451
Total	$ 6,863,202

The Net OPEB Liability was measured as of August 31, 2021 and rolled forward to August 31, 2022 and the total OPEB liability used to calculate the Net OPEB liability was determined by an actuarial valuation as of that date. The employer's proportion of the Net OPEB liability was based on the employer's contributions to OPEB relative to the contributions of all employers to the plan for the period September 1, 2021 through August 31, 2022.

At August 31, 2022, the employer's proportion of the collective net OPEB liability was 0.0129124228% which was a decrease of (0.0008338610%) from its proportion measured as of August 31, 2021.

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 (TOL) since the prior measurement period.

- The discount rate changed from 1.95 percent as of August 31, 2021 to 3.91 percent as of August 31, 2022. This change decreased the total OPEB liability.

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

For the year ended June 30, 2023, the District recognized OPEB expense of ($999,882) and revenue of ($535,199) for support provided by the State.

NOTE 5: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

At June 30, 2023, 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	$ 171,890	$ 2,575,706
Changes in actuarial assumptions	470,935	2,147,965
Differences between projected and actual investment earnings	9,210	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	717,494	766,701
Total as of August 31, 2021 measurement date	1,369,529	5,490,372
Contributions paid to TRS subsequent to the measurement date	104,383	-
Total as of fiscal year-end	$ 1,473,912	$ 5,490,372

Contributions of $104,383 paid to TRS subsequent to the measurement date are classified as deferred outflows of resources and will reduce OPEB liability in the next fiscal year. 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
2024	$ (791,826)
2025	$ (791,794)
2026	$ (660,685)
2027	$ (483,182)
2028	$ (477,030)
Thereafter	$ (916,325)

The Net OPEB liability activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Net OPEB Liability	$ 4,659,241	$ (1,461,435)	$ 106,055	$ 3,091,751

NOTE 6: 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 year ended June 30, 2023, 2022, and 2021, the subsidy payments received by TRS-Care on behalf of the District are as follows:

Fiscal Year	Medicare Part D
2023	$ 46,505
2022	33,920
2021	33,493

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 7: 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 year ended June 30, 2023, 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 year ended June 30, 2023, 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.

NOTE 7: 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, 2023, 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, 2023, 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, 2023, are available at the TASB offices and have been filed with the Texas State Board of Insurance in Austin.

NOTE 8: 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, 2023 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. 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 9: JOINT VENTURE - SHARED SERVICE ARRANGEMENTS

The District participates in a shared service arrangement ("SSA") with the Regional Service Center ("Region One"). The program provided through the shared services include gaining early awareness and readiness for undergraduate programs (GEAR UP). 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 21st 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 year ended June 30, 2023, the District spent $1,377,952. Of this amount $624,664 was provided for assistance to other member Districts.

NOTE 9: JOINT VENTURE - SHARED SERVICE ARRANGEMENTS (Continued)

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

		GEAR UP	21st Century
Revenues			
5929	Federal revenue distributed by TEA	$ -	$ 781,055
5952	SSA - Federal revenues from fiscal agent	79,673	612,085
	Total revenue	$ 79,673	$ 1,393,140
Expenditures			
6100	Payroll costs	$ 73,250	$ 639,526
6200	Purchased and contracted services	441	22,615
6300	Supplies and materials	1,999	75,364
6400	Miscellaneous operating expenses	3,983	655,635
	Total expenditures	$ 79,673	$ 1,393,140

NOTE 10: 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 11: CHAPTER 313 AGREEMENTS

The District entered into a tax abatement agreement with Monte Alto Windpower, LLC, ("Monte Alto") on May 25, 2022, pursuant to Chapter 313 of the Texas Tax Code. The agreement is for Monte Alto to invest capital of $40,954,467 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 2023, there is currently no investment by Monte Alto that is taxable.

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REQUIRED SUPPLEMENTARY INFORMATION

"Warriors On the Move –

Education On the Rise"

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

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	$ 1,547,929	$ 1,565,723	$ 1,525,104	$ (40,619)
5800	State Program Revenues	10,044,058	10,481,086	10,876,736	395,650
5900	Federal Program Revenues	468,000	1,543,994	1,552,484	8,490
5020	Total Revenues	12,059,987	13,590,803	13,954,324	363,521
	EXPENDITURES:				
	Current:				
0011	Instruction	6,049,381	6,389,992	6,343,355	46,637
0012	Instructional Resources and Media Services	103,207	98,507	98,084	423
0013	Curriculum and Instructional Staff Development	62,592	70,092	67,915	2,177
0021	Instructional Leadership	-	2,218	2,127	91
0023	School Leadership	697,216	677,110	675,346	1,764
0031	Guidance, Counseling, and Evaluation Services	64,337	48,337	47,371	966
0033	Health Services	9,160	15,947	15,435	512
0034	Student (Pupil) Transportation	407,798	467,796	370,115	97,681
0035	Food Services	-	1,032,486	874,560	157,926
0036	Extracurricular Activities	918,218	876,427	866,842	9,585
0041	General Administration	1,007,346	1,064,827	1,053,101	11,726
0051	Facilities Maintenance and Operations	1,892,369	2,289,265	2,255,048	34,217
0052	Security and Monitoring Services	232,721	254,397	253,949	448
0053	Data Processing Services	414,003	401,149	398,812	2,337
	Debt Service:				
0071	Principal on Long-Term Liabilities	173,132	392,220	392,216	4
0072	Interest on Long-Term Liabilities	-	38,383	38,380	3
	Intergovernmental:				
0093	Payments to Fiscal Agent/Member Districts of SSA	221,892	221,892	221,891	1
0095	Payments to Juvenile Justice Alternative Ed. Prg.	14,000	-	-	-
0099	Other Intergovernmental Charges	22,615	24,274	24,274	-
6030	Total Expenditures	12,289,987	14,365,319	13,998,821	366,498
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(230,000)	(774,516)	(44,497)	730,019
	OTHER FINANCING SOURCES (USES):				
7913	Proceeds of Right-to-Use Lease	-	368,821	328,290	(40,531)
7915	Transfers In	688,450	720,106	712,103	(8,003)
8911	Transfers Out (Use)	688,450	(720,106)	(712,103)	8,003
8949	Other (Uses)	-	-	(50,376)	(50,376)
7080	Total Other Financing Sources (Uses)	1,376,900	368,821	277,914	(90,907)
1200	Net Change in Fund Balances	1,146,900	(405,695)	233,417	639,112
0100	Fund Balance - JULY 1 (Beginning)	6,946,517	6,946,517	6,946,517	-
3000	Fund Balance - JUNE 30 (Ending)	$ 8,093,417	$ 6,540,822	$ 7,179,934	$ 639,112

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2023

	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020
District's Proportion of the Net Pension Liability (Asset)	0.009880444%	0.008091276%	0.007849948%
District's Proportionate Share of Net Pension Liability (Asset)	$ 5,865,766	$ 2,060,562	$ 4,204,272
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	4,890,575	2,336,337	5,809,380
Total	$ 10,756,341	$ 4,396,899	$ 10,013,652
District's Covered Payroll	$ 8,827,315	$ 8,193,698	$ 8,545,265
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	66.45%	25.15%	49.20%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.62%	88.79%	75.54%

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, 2022 for year 2023, August 31, 2021 for year 2022, August 31, 2020 for year 2021, August 31, 2019 for year 2020, August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, 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.

FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
0.008440681%	0.008202612%	0.008423647%	0.011021659%	0.0083336%	0.006251%
$ 4,387,730	$ 4,417,809	$ 2,693,429	$ 4,164,921	$ 2,945,817	$ 1,669,728
5,919,107	6,581,608	3,819,041	3,440,818	4,392,726	3,816,143
$ 10,306,837	$ 10,999,417	$ 6,512,470	$ 7,605,739	$ 7,338,543	$ 5,485,871
$ 8,422,035	$ 7,985,759	$ 7,985,759	$ 7,601,546	$ 7,346,222	$ 7,385,729
52.10%	55.32%	33.73%	54.79%	40.10%	22.61%
75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2023

	2023	2022	2021
Contractually Required Contribution	$ 558,097	$ 445,224	$ 309,797
Contribution in Relation to the Contractually Required Contribution	(558,097)	(445,224)	(309,797)
Contribution Deficiency (Excess)	$ -	$ -	$ -
District's Covered Payroll	$ 9,665,381	$ 8,866,674	$ 7,867,755
Contributions as a Percentage of Covered Payroll	5.77%	5.02%	3.94%

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.

2020	2019	2018	2017	2016	2015
$ 317,654	$ 287,632	$ 278,013	$ 276,078	$ 273,907	$ 238,509
(317,654)	(287,632)	(278,013)	(276,078)	(273,907)	(238,509)
$ -	$ -	$ -	$ -	$ -	$ -
$ 8,530,216	$ 8,422,035	$ 8,218,118	$ 7,985,759	$ 7,601,546	$ 7,346,222
3.72%	3.42%	3.38%	3.46%	3.60%	3.25%

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2023

	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.129124228%	0.012785618%	0.012358338%
District's Proportionate Share of Net OPEB Liability (Asset)	$ 3,091,751	$ 4,659,241	$ 4,697,962
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	3,771,451	6,242,345	6,312,935
Total	$ 6,863,202	$ 10,901,586	$ 11,010,897
District's Covered Payroll	$ 8,827,315	$ 8,193,698	$ 8,545,265
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	35.02%	56.86%	54.98%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	11.52%	6.18%	4.99%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. The amounts for FY 2023 are for the measurement date of August 31, 2022. The amounts reported for FY 2022 are for measurement date August 31, 2021. The amounts reported for FY 2021 are for the measurement date of August 31, 2020. The amounts for FY 2020 are for the measurement date 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.

FY 2019 Plan Year 2018	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
0.013248264%	0.012452869%	0.013338639%
$ 6,265,265	$ 6,217,832	$ 5,821,240
8,325,137	6,503,504	5,575,579
$ 14,590,402	$ 12,721,336	$ 11,396,819
$ 8,422,035	$ 7,985,759	$ 7,985,759
74.39%	77.86%	72.90%
2.66%	1.57%	0.91%

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2023

	2023	2022	2021
Contractually Required Contribution	$ 127,153	$ 99,480	$ 89,322
Contribution in Relation to the Contractually Required Contribution	(127,153)	(99,480)	(89,322)
Contribution Deficiency (Excess)	$ -	$ -	$ -
District's Covered Payroll	$ 9,665,381	$ 8,866,674	$ 7,867,755
Contributions as a Percentage of Covered Payroll	1.32%	1.12%	1.14%

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.

2020	2019	2018
$ 94,671	$ 92,194	$ 87,738
(94,671)	(92,194)	(87,738)
$ -	$ -	$ -
$ 8,530,216	$ 8,422,035	$ 8,218,118
1.11%	1.09%	1.07%

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. The general fund budget and actual is presented as required supplementary while debt service budget and actual is presented as TEA required schedule. The Education Stabilization Fund (ESSER II and ESSER III) are major special revenue funds, however, because the District is not required to legally adopt a budget for this grant fund, presentation of budgetary comparison information is not required.

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

- Prior to June 20 for a fiscal year start date of July 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 June 30th for a fiscal year start date of July 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.

Expenditures exceeded appropriated amounts by $78,093 for function 41 and $387,028 for function 51 due to inclusion of right to use assets as part of GASB 87 implementation. Other financing sources that were recorded as part of that implementation offset the amounts that were over budget in those functions. Expenditures also exceeded appropriated amounts by $79,104 for function 71 and $9,708 for function 72 due to recording of lease payments in function 71 and 72 due to implementation of GASB 87 Leases. The amounts over budget in those functions were previously budgeted in other functions; thus the District did not expend any fund resources beyond what was originally budgeted and approved for lease payments.

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.

I. Budgetary Information (Continued)

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.

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 – There have been no changes to the actuarial assumptions and methods since the prior valuation period.

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 2.33 percent as of August 31, 2020 to 1.95 percent as of August 31, 2021. This change increased the total OPEB liability (TOL).

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



OTHER SUPPLEMENTARY INFORMATION

"Warriors On the Move –

Education On the Rise"



COMBINING STATEMENTS

"Warriors On the Move –

Education On the Rise"

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SANTA ROSA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

Data Control Codes		211 ESEA I, A Improving Basic Program	244 Career and Technical - Basic Grant	251 Career and Technical - Work Force	255 ESEA II,A Training and Recruiting
	ASSETS				
1110	Cash and Cash Equivalents	$ -	$ -	$ -	$ -
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-	-
1240	Due from Other Governments	91,374	1,388	194	20,526
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	-	-	-
1000	Total Assets	$ 91,374	$ 1,388	$ 194	$ 20,526
	LIABILITIES				
2110	Accounts Payable	$ -	$ 1,388	$ -	$ -
2160	Accrued Wages Payable	47,487	-	-	-
2170	Due to Other Funds	43,887	-	194	20,526
2180	Due to Other Governments	-	-	-	-
2000	Total Liabilities	91,374	1,388	194	20,526
	DEFERRED INFLOWS OF RESOURCES				
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	Total Deferred Inflows of Resources	-	-	-	-
	FUND BALANCES				
	Restricted Fund Balance:				
3480	Retirement of Long-Term Debt	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	-
3000	Total Fund Balances	-	-	-	-
4000	Total Liabilities, Deferred Inflows & Fund Balances	$ 91,374	$ 1,388	$ 194	$ 20,526

266 ESSER 1 - Emergency Sch Relief Fund	274 GEAR UP	279 ESSER III TCLAS ARP Act	281 ESSER II CRRSA Act Supplemental	289 Other Federal Special Revenue Funds	410 State Instructional Materials	429 Other State Special Revenue Funds	498 Musk Foundation
$ -	$ -	$ -	$ -	$ 121	$ -	$ -	$ 3,297
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	29,433	-	95,571	8,298	-	19,085	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
$ -	$ 29,433	$ -	$ 95,571	$ 8,419	$ -	$ 19,085	$ 3,297
$ -	$ -	$ -	$ 10,027	$ -	$ -	$ -	$ -
-	11,474	-	37,130	2,411	-	10,205	-
-	17,959	-	48,414	5,887	-	8,880	-
-	-	-	-	121	-	-	-
-	29,433	-	95,571	8,419	-	19,085	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	3,297
-	-	-	-	-	-	-	3,297
$ -	$ 29,433	$ -	$ 95,571	$ 8,419	$ -	$ 19,085	$ 3,297

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

Data Control Codes		499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	599 Debt Service Funds	Total Nonmajor Governmental Funds
	ASSETS				
1110	Cash and Cash Equivalents	$ -	$ 3,418	$ 694,439	$ 697,857
1220	Property Taxes - Delinquent	-	-	123,780	123,780
1230	Allowance for Uncollectible Taxes	-	-	(6,190)	(6,190)
1240	Due from Other Governments	-	265,869	-	265,869
1260	Due from Other Funds	-	-	33	33
1290	Other Receivables	20,493	20,493	-	20,493
1000	Total Assets	$ 20,493	$ 289,780	$ 812,062	$ 1,101,842
	LIABILITIES				
2110	Accounts Payable	$ -	$ 11,415	$ (1)	$ 11,414
2160	Accrued Wages Payable	1,881	110,588	-	110,588
2170	Due to Other Funds	18,612	164,359	-	164,359
2180	Due to Other Governments	-	121	53,927	54,048
2000	Total Liabilities	20,493	286,483	53,926	340,409
	DEFERRED INFLOWS OF RESOURCES				
2601	Unavailable Revenue - Property Taxes	-	-	95,868	95,868
2600	Total Deferred Inflows of Resources	-	-	95,868	95,868
	FUND BALANCES				
	Restricted Fund Balance:				
3480	Retirement of Long-Term Debt	-	-	662,268	662,268
3490	Other Restricted Fund Balance	-	3,297	-	3,297
3000	Total Fund Balances	-	3,297	662,268	665,565
4000	Total Liabilities, Deferred Inflows & Fund Balances	$ 20,493	$ 289,780	$ 812,062	$ 1,101,842

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SANTA ROSA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes		211 ESEA I, A Improving Basic Program	244 Career and Technical - Basic Grant	251 Career and Technical - Work Force	255 ESEA II,A Training and Recruiting
	REVENUES:				
5700	Total Local and Intermediate Sources	$ -	$ -	$ -	$ -
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	568,108	12,121	56,533	57,522
5020	Total Revenues	568,108	12,121	56,533	57,522
	EXPENDITURES:				
	Current:				
0011	Instruction	415,477	12,121	56,533	-
0012	Instructional Resources and Media Services	73,641	-	-	-
0013	Curriculum and Instructional Staff Development	-	-	-	57,522
0021	Instructional Leadership	44,018	-	-	-
0023	School Leadership	-	-	-	-
0031	Guidance, Counseling, and Evaluation Services	-	-	-	-
0032	Social Work Services	-	-	-	-
0033	Health Services	34,972	-	-	-
0034	Student (Pupil) Transportation	-	-	-	-
0035	Food Services	-	-	-	-
0036	Extracurricular Activities	-	-	-	-
0051	Facilities Maintenance and Operations	-	-	-	-
0052	Security and Monitoring Services	-	-	-	-
0053	Data Processing Services	-	-	-	-
0061	Community Services	-	-	-	-
	Debt Service:				
0071	Principal on Long-Term Liabilities	-	-	-	-
0072	Interest on Long-Term Liabilities	-	-	-	-
0073	Bond Issuance Cost and Fees	-	-	-	-
	Capital Outlay:				
0081	Facilities Acquisition and Construction	-	-	-	-
6030	Total Expenditures	568,108	12,121	56,533	57,522
1200	Net Change in Fund Balance	-	-	-	-
0100	Fund Balance - JULY 1 (Beginning)	-	-	-	-
3000	Fund Balance - JUNE 30 (Ending)	$ -	$ -	$ -	$ -

266 ESSER 1 - Emergency Sch Relief Fund	274 GEAR UP	279 ESSER III TCLAS ARP Act	281 ESSER II CRRSA Act Supplemental	289 Other Federal Special Revenue Funds	410 State Instructional Materials	429 Other State Special Revenue Funds	498 Musk Foundation
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	88,272	-
138	79,673	-	912,396	82,318	-	-	-
138	79,673	-	912,396	82,318	-	88,272	-
-	11,772	-	224,111	14,483	-	38,572	52,287
-	-	-	6,848	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	149,926	-	-	-	-
-	67,901	-	227,695	-	-	32,500	-
-	-	-	10,000	-	-	-	-
-	-	-	-	23,408	-	-	-
-	-	-	-	-	-	-	-
-	-	-	49,350	-	-	-	-
-	-	-	15,354	-	-	-	-
138	-	-	32,541	4,868	-	-	-
-	-	-	4,763	27,985	-	17,200	-
-	-	-	-	11,574	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	191,808	-	-	-	-
138	79,673	-	912,396	82,318	-	88,272	52,287
-	-	-	-	-	-	-	(52,287)
-	-	-	-	-	-	-	55,584
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,297

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes		499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	599 Debt Service Funds	Total Nonmajor Governmental Funds
	REVENUES:				
5700	Total Local and Intermediate Sources	$ 42,490	$ 42,490	$ 540,477	$ 582,967
5800	State Program Revenues	-	88,272	368,284	456,556
5900	Federal Program Revenues	-	1,768,809	-	1,768,809
5020	Total Revenues	42,490	1,899,571	908,761	2,808,332
	EXPENDITURES:				
	Current:				
0011	Instruction	37,203	862,559	-	862,559
0012	Instructional Resources and Media Services	-	80,489	-	80,489
0013	Curriculum and Instructional Staff Development	-	57,522	-	57,522
0021	Instructional Leadership	-	44,018	-	44,018
0023	School Leadership	-	149,926	-	149,926
0031	Guidance, Counseling, and Evaluation Services	-	328,096	-	328,096
0032	Social Work Services	-	10,000	-	10,000
0033	Health Services	-	58,380	-	58,380
0034	Student (Pupil) Transportation	4,384	4,384	-	4,384
0035	Food Services	-	49,350	-	49,350
0036	Extracurricular Activities	-	15,354	-	15,354
0051	Facilities Maintenance and Operations	-	37,547	-	37,547
0052	Security and Monitoring Services	-	49,948	-	49,948
0053	Data Processing Services	-	11,574	-	11,574
0061	Community Services	903	903	-	903
	Debt Service:				
0071	Principal on Long-Term Liabilities	-	-	760,000	760,000
0072	Interest on Long-Term Liabilities	-	-	270,000	270,000
0073	Bond Issuance Cost and Fees	-	-	950	950
	Capital Outlay:				
0081	Facilities Acquisition and Construction	-	191,808	-	191,808
6030	Total Expenditures	42,490	1,951,858	1,030,950	2,982,808
1200	Net Change in Fund Balance	-	(52,287)	(122,189)	(174,476)
0100	Fund Balance - JULY 1 (Beginning)	-	55,584	784,457	840,041
3000	Fund Balance - JUNE 30 (Ending)	$ -	$ 3,297	$ 662,268	$ 665,565

EXHIBIT H-3

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2023

	865 Custodial Fund Student Activity Acct	876 Middle School Student Activity Acct	877 Elementary School Student Activity Acct	Total Custodial Funds
ASSETS				
Cash and Cash Equivalents	$ 35,355	$ 10,523	$ 9,591	$ 55,469
Total Assets	35,355	10,523	9,591	55,469
NET POSITION				
Restricted for Other Purposes	35,355	10,523	9,591	55,469
Total Net Position	$ 35,355	$ 10,523	$ 9,591	$ 55,469

EXHIBIT H-4

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR FISCAL YEAR 2023

	865 Custodial Fund Student Activity Acct	876 Middle School Student Activity Acct	877 Elementary School Student Activity Acct	Total Total Custodial Funds
ADDITIONS:				
Enterprising Services Revenue	$ 93,161	$ 26,217	$ 27,694	$ 147,072
Total Additions	93,161	26,217	27,694	147,072
DEDUCTIONS:				
Other Deductions	89,991	30,625	29,108	149,724
Total Deductions	89,991	30,625	29,108	149,724
Change in Net Position	3,170	(4,408)	(1,414)	(2,652)
Net Position - JULY 1 (Beginning)	32,184	14,931	11,006	58,121
Net Position - JUNE 30 (Ending)	$ 35,354	$ 10,523	$ 9,592	$ 55,469

EXHIBIT H-5

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
JUNE 30, 2023

	806 Board and District Scholarship	807 Lou Ann Richardson Scholarship	Total Private Purpose Trust Funds
ASSETS			
Cash and Cash Equivalents	$ 5,345	$ 1,493	$ 6,838
Total Assets	5,345	1,493	6,838
LIABILITIES			
Payable from Restricted Assets	5,340	-	5,340
Total Liabilities	5,340	-	5,340
NET POSITION			
Restricted for Scholarships	5	1,493	1,498
Total Net Position	$ 5	$ 1,493	$ 1,498

EXHIBIT H-6

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	806 Board and Distrcit Scholarship	807 Lou Ann Richardson Scholarship	Total Private Purpose Trust Funds
Change in Net Position	-	-	-
Net Position - JULY 1 (Beginning)	5	1,493	1,498
Net Position - JUNE 30 (Ending)	$ 5	$ 1,493	$ 1,498



T.E.A. REQUIRED SCHEDULES

"Warriors On the Move –

Education On the Rise"

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SANTA ROSA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED JUNE 30, 2023

Last 10 Years Ended		(1) Tax Rates	(2)	(3) Assessed/Appraised Value for School Tax Purposes
		Maintenance	Debt Service	
2014	and prior years	Various	Various	$ Various
2015		1.170000	0.202200	71,342,643
2016		1.170000	0.296600	78,476,041
2017		1.170000	0.276970	77,986,041
2018		1.170000	0.276970	85,762,543
2019		1.170000	0.276970	87,770,268
2020		1.068350	0.276970	98,142,681
2021		1.063900	0.280290	103,014,431
2022		0.992000	0.260730	125,514,050
2023	(School year under audit)	0.942900	0.400520	140,644,560
1000	TOTALS			

(10) Beginning Balance 7/1/2022	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2023
$ 50,059	$ -	$ 121	$ 52	$ (4,325)	$ 45,561
7,153	-	37	6	(334)	6,776
10,915	-	764	194	(357)	9,600
12,467	-	1,355	321	(351)	10,440
16,118	-	1,391	329	(351)	14,047
26,632	-	4,561	1,080	171	21,162
39,462	-	13,260	3,438	1,022	23,786
83,954	-	26,869	7,079	(62)	49,944
157,545	-	64,995	17,083	(2,215)	73,252
-	1,949,275	1,173,733	498,572	(27,146)	249,824
$ 404,305	$ 1,949,275	$ 1,287,086	$ 528,154	$ (33,948)	$ 504,392

EXHIBIT J-2

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
FOR THE YEAR ENDED JUNE 30, 2023

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	$ 50,800	$ 80,457	$ 80,102	$ (355)
5800	State Program Revenues	3,000	3,052	3,052	-
5900	Federal Program Revenues	769,000	920,108	939,503	19,395
5020	Total Revenues	822,800	1,003,617	1,022,657	19,040
	EXPENDITURES:				
	Current:				
0035	Food Services	822,800	1,032,486	873,393	159,093
	Debt Service:				
0071	Principal on Long-Term Liabilities	-	1,053	2,105	(1,052)
0072	Interest on Long-Term Liabilities	-	115	230	(115)
6030	Total Expenditures	822,800	1,033,654	875,728	157,926
1200	Net Change in Fund Balances	-	(30,037)	146,929	176,966
0100	Fund Balance - JULY 1 (Beginning)	-	-	321,318	321,318
3000	Fund Balance - JUNE 30 (Ending)	$ -	$ (30,037)	$ 468,247	$ 498,284

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2023

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	$ 405,391	$ 405,391	$ 540,477	$ 135,086
5800	State Program Revenues	455,394	455,394	368,284	(87,110)
5900	Federal Program Revenues	860,785	-	-	-
5020	Total Revenues	1,721,570	860,785	908,761	47,976
	EXPENDITURES:				
	Debt Service:				
0071	Principal on Long-Term Liabilities	1,030,800	760,000	760,000	-
0072	Interest on Long-Term Liabilities	-	270,000	270,000	-
0073	Bond Issuance Cost and Fees	-	800	950	(150)
6030	Total Expenditures	1,030,800	1,030,800	1,030,950	(150)
1200	Net Change in Fund Balances	690,770	(170,015)	(122,189)	47,826
0100	Fund Balance - JULY 1 (Beginning)	-	784,457	784,457	-
3000	Fund Balance - JUNE 30 (Ending)	$ 690,770	$ 614,442	$ 662,268	$ 47,826

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2023

Section A: Compensatory Education Programs

AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	$ 1,327,172
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year.	$ 784,039

Section B: Bilingual Education Programs

AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	$ 103,387
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25,35)	$ 85,581

STATISTICAL SECTION OVERVIEW

(Unaudited)

The Statistical Section of the District's Annual Comprehensive 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.

CONTENTS **PAGE**

Financial Trends Information **119**

Compiles information reported in the Annual Comprehensive 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.

Revenue and Expenditure Capacity **123**

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.

Debt Capacity Information **127**

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.

Demographic and Economic Information **137**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and thee changes to those groups over the past ten years, if possible.

Operating Information **140**

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.

SOURCES

Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year. The District implemented GASB Statement No. 34 in 2002; schedules presenting government-wide information include information beginning in that 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			
Fiscal Year	**Net Investment in Capital Assets**	**Restricted**	**Unrestricted**	**Total Net Position**
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
2021	15,369,675	1,135,075	(5,666,002)	10,838,748
2022	16,027,534	1,183,508	(4,237,052)	12,973,990
2023	16,251,683	1,074,640	(3,633,416)	13,692,907

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

SCHEDULE 2

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
VERNMENTAL ACTIVITIES EXPENSES & PROGRAM REVENU
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

(Unaudited)

	Fiscal Year									
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Expenses										
Governmental Activities:										
Instruction	$ 7,008,732	$ 6,761,544	$ 7,396,103	$ 7,395,194	$ 5,113,612	$ 8,467,325	$ 7,904,055	$ 7,759,031	$ 8,266,523	$ 9,199,350
Instructional Resources and Media Services	143,158	148,536	175,998	164,003	124,945	180,336	181,112	172,395	175,180	193,401
Curriculum and Staff Development	133,298	148,956	149,803	95,468	65,369	134,122	179,432	220,308	286,115	140,828
Instructional Leadership	250,915	229,197	224,677	219,536	161,399	332,983	294,891	147,121	169,990	241,783
School Leadership	523,307	548,404	602,516	640,547	450,869	706,063	645,895	646,520	808,965	855,923
Guidance, Counseling, & Evaluation Services	403,669	415,363	442,925	448,206	246,301	452,071	419,205	421,104	343,376	403,230
Social Work Services	8,094	-	72,157	113,856	65,630	105,415	56,980	69,260	(23,268)	15,634
Health Services	177,994	181,441	192,732	191,292	131,147	217,182	215,338	214,264	265,923	246,641
Student Transportation	214,152	269,810	227,510	262,799	160,946	294,165	154,537	181,439	175,888	232,031
Food Service	916,660	865,877	957,602	935,409	695,466	907,412	739,368	667,280	848,017	951,746
Cocurricular/Extracurricular Activities	956,011	976,749	1,099,488	1,120,053	954,428	1,060,644	863,459	583,502	845,476	885,770
General Administration	666,644	702,870	905,921	823,576	766,948	1,255,007	838,133	913,702	1,164,351	774,369
Plant Maintenance and Operations	2,047,499	2,000,166	2,003,002	2,052,265	1,909,322	2,207,755	1,810,709	2,432,481	2,246,613	2,433,017
Security and Monitoring Services	132,966	198,635	201,359	210,953	160,369	254,572	279,528	261,442	278,565	323,537
Data Processing Services	246,958	227,830	311,194	265,715	552,121	572,571	287,596	642,373	360,267	410,943
Community Services	150,156	38,933	43,675	44,224	28,771	49,070	22,498	22,702	24,537	961
Interest on Long Term Debt	702,287	604,487	583,379	348,785	304,008	283,512	201,930	251,035	239,570	212,315
Bond Issuance Cost and Fees	-	-	-	341,304	1,856	-	700	750	750	247,386
Capital Outlay	-	-	-	-	-	-	-	-	2	-
Payments Related to Shared Services Arrangements	57,758	86,542	80,507	76,838	71,171	625,408	733,936	826,924	853,317	833,976
Payments to Juvenile Justice Alternative Ed. Prg.	1,198	995	-	-	-	-	-	-	-	-
Other Intergovernmental Charges	8,089	14,584	9,846	12,959	17,747	16,154	12,067	16,996	19,667	24,274
Total Governmental Activities	14,749,545	14,420,919	15,680,394	15,762,982	11,982,425	18,121,767	15,841,369	16,450,629	17,349,824	18,627,115
Program Revenues										
Charges for Services										
Instruction	725	-	-	-	-	-	-	-	-	-
Instructional Resources and Media Services	-	-	-	-	-	-	-	-	-	-
Curriculum and Staff Development	-	-	-	-	-	-	-	-	-	-
Instructional Leadership	-	-	-	-	-	-	-	-	-	-
School Leadership	-	-	-	-	-	-	-	-	-	-
Guidance, Counseling, & Evaluation Services	89,244	82,478	66,710	58,202	-	-	-	-	-	-
Social Work Services	-	-	-	-	-	-	-	-	-	-
Health Services	-	-	-	-	-	-	-	-	-	-
Student Transportation	-	-	-	-	-	-	-	-	-	-
Food Service	105,291	85,171	98,365	79,606	75,943	79,421	59,565	38,599	58,453	59,418
Cocurricular/Extracurricular Activities	29,443	31,878	33,526	46,261	39,553	35,241	32,758	3,193	29,936	34,472
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	3,059,613	2,444,033	2,844,710	2,679,302	883,462	4,521,361	3,026,959	4,537,307	6,808,937	6,541,494
Total Governmental Activities Program Revenues	3,284,316	2,643,560	3,043,311	2,863,371	998,958	4,636,023	3,119,282	4,579,099	6,897,326	6,635,384
Net Governmental Activities Revenue/(Expense)	$ (11,465,229)	$ (11,777,359)	$ (12,637,083)	$ (12,899,611)	$ (10,983,467)	$ (13,485,744)	$ (12,722,087)	$ (11,871,530)	$ (10,452,498)	$ (11,991,731)

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

SCHEDULE 3

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

(Unaudited)

	Fiscal Year									
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Net Governmental Activities										
Revenue /(Expense)	(11,465,229)	(11,777,359)	(12,637,083)	(12,899,611)	(10,983,467)	(13,485,744)	(12,722,087)	(11,871,530)	(10,452,498)	(11,991,731)
General Revenues and Changes in Net Position:										
Property Taxes, Levied for General Purposes	728,096	870,588	871,689	904,839	953,001	1,037,282	1,014,444	1,126,550	1,305,159	1,347,866
Property Taxes - Debt Service	124,705	150,502	221,972	214,976	225,842	245,737	262,382	295,478	342,342	568,316
State Aid	9,682,347	10,098,466	10,534,837	9,867,780	10,699,072	10,745,321	10,075,512	11,015,838	10,164,739	10,305,937
Grants & Contributions not Restricted	1,140,560	1,147,579	1,219,350	1,031,796	1,090,346	1,091,665	1,598,552	916,371	666,002	416,250
Investment Earnings	15,270	17,768	23,376	36,298	64,173	78,938	42,098	18,115	14,386	119,629
Transfer In (Out)	-	-	-	-	-	-	-	-	-	(50,376)
Miscellaneous Local and Intermediate Revenue	148,388	69,090	72,834	506,430	91,543	213,449	59,014	80,941	95,112	3,026
Total General Revenues	11,839,366	12,353,993	12,944,058	12,562,119	13,123,977	13,412,392	13,052,002	13,453,293	12,587,740	12,710,648
Change in Net Position	$ 374,137	$ 576,634	$ 306,975	$ (337,492)	$ 2,140,510	$ (73,352)	$ 329,915	$ 1,581,763	$ 2,135,242	$ 718,917

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

SCHEDULE 4

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

(Unaudited)

	Fiscal Year									
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
General Fund										
PRE GASB 54										
Reserved Fund Balances:										
Investments in Inventory	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Prepaid Items										
Reserve for Food Service										
Designated Fund Balance:										
Construction	-	-	-	-	-	-	-	-	-	-
Unreserved and Undesignated:										
Reported in the General Fund	-	-	-	-	-	-	-	-	-	-
POST GASB 54										
Nonspendable:										
Investments in Inventory	2,018	24,150	9,202	22,367	25,581	25,581	26,627	24,298	17,348	25,922
Prepaid Items			94,035	70	-	-	450	2,100	5,702	2,572
Restricted:										
Restricted - Federal or State Funds Grant Restriction	78,050	109,133	103,800	5,221	30,898	30,897	72,350	4,250	303,970	265,359
Assigned:										
Assigned for Construction	-	-	-	-	-	-	-	-	-	-
Unassigned:										
Reported in the General Fund	5,292,712	5,758,789	5,431,527	5,306,398	4,808,046	4,676,674	4,580,430	5,843,364	6,619,497	6,886,081
Total General Fund Balance	5,372,780	5,892,072	5,638,564	5,334,056	4,864,525	4,733,152	4,679,857	5,874,012	6,946,517	7,179,934
All Other Governmental Funds										
PRE GASB 54										
Reserved, Reported In:										
Debt Service										
Food Service										
Designated Fund Balance:										
Construction	-	-	-	-	-	-	-	-	-	-
Unreserved and Undesignated:										
Reported in Special Revenue funds	-	-	-	-	-	-	-	-	-	-
Reported in Permanent Funds	-	-	-	-	-	-	-	-	-	-
Reported in Capital Projects Funds										
POST GASB 54										
Special Revenues										
Unassigned:										
Federal or State Funds Grant Restriction	-	-	-	-	-	-	-	-	-	-
Debt Service										
Restricted:										
Retirement of Long-Term Debt	7,828	31,290	35,309	10,909	178,720	198,157	1,020,938	1,042,890	784,457	662,268
Other Funds										
Restricted:										
Restricted - Federal or State Funds Grant Restriction	-	-	-	-	-	-	-	-	-	-
Capital Projects										
Restricted:										
Other Purposes	1,207	2,435	3,583	423,155	305,383	-	-	55,902	56,074	7,489,987
Assigned:										
Other Assigned Fund Balance	-	-	-	-	-	-	-	-	-	-
Unassigned:										
Other Unassigned Fund Balance	-	-	-	-	-	(122,536)	-	-	-	-
Total All Other Governmental Fund Balance	9,035	33,725	38,892	434,064	484,104	75,621	1,020,938	1,098,792	840,531	8,152,255
Total Government Funds -- Fund Balance	$ 5,381,815	$ 5,925,797	$ 5,677,456	$ 5,768,120	$ 5,348,629	$ 4,808,773	$ 5,700,795	$ 6,972,804	$ 7,787,048	##########
Governmental Funds										
Beginning Fund Balance	$ 5,379,825	$ 5,381,815	$ 5,925,797	$ 5,677,456	$ 5,768,120	$ 5,348,629	$ 4,808,773	$ 5,700,795	$ 6,972,804	$ 7,787,048
Net Change in Fund Balance	1,990	543,982	(248,341)	90,664	(419,492)	(539,856)	892,022	1,272,009	814,244	7,545,141
Ending Balance	$ 5,381,815	$ 5,925,797	$ 5,677,456	$ 5,768,120	$ 5,348,629	$ 4,808,773	$ 5,700,795	$ 6,972,804	$ 7,787,048	##########

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

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)

Fiscal Year	Local and Intermediate Sources	State Program Revenues	Federal Programs Revenues	Total
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
2021	1,585,581	12,450,457	3,844,591	17,880,629
2022	1,962,821	11,509,277	6,715,816	20,187,914
2023	2,114,054	11,333,292	6,454,280	19,901,626

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)

	Fiscal Year									
Function	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Instruction	$ 6,640,054	$ 6,480,074	$ 6,563,727	$ 6,658,228	$ 7,155,299	$ 7,561,406	$ 6,713,653	$ 7,251,030	$ 8,853,693	$ 9,032,223
Instructional Resources and Media Services	132,764	137,202	157,574	146,974	162,609	160,626	152,225	158,101	199,133	191,812
Curriculum and Staff Development	123,609	137,040	137,120	88,119	64,314	123,697	156,438	203,412	285,916	136,875
Instructional Leadership	232,676	213,199	199,369	191,510	244,323	298,350	239,968	134,784	176,205	239,112
School Leadership	492,477	506,258	532,886	582,529	606,787	628,130	546,834	590,832	863,038	866,665
Guidance, Counseling, & Evaluation Services	374,389	384,525	392,689	403,610	349,654	401,642	356,366	385,580	362,118	400,123
Social Work Services	7,506	-	64,236	97,759	103,961	93,823	46,791	63,711	(1,969)	14,692
Health Services	165,076	168,078	170,451	170,604	188,516	192,470	181,041	195,716	273,520	243,753
Student Transportation	352,335	249,607	285,248	239,524	649,680	257,136	123,814	166,667	189,653	413,433
Food Service	870,729	804,896	862,077	890,708	836,992	839,293	646,825	618,830	829,070	948,810
Cocurricular/Extracurricular Activities	886,588	900,119	1,004,240	1,059,833	1,046,807	962,577	761,237	537,786	841,927	882,481
General Administration	640,094	648,426	813,961	752,840	880,582	1,145,172	742,325	844,956	1,886,720	1,085,452
Plant Maintenance and Operations	1,931,944	1,841,603	1,824,616	1,916,981	2,070,371	2,056,429	1,650,224	2,285,560	2,232,442	2,406,518
Security and Monitoring Services	123,322	183,613	177,661	252,593	214,070	225,092	246,523	304,111	289,016	325,139
Data Processing Services	434,297	276,672	295,266	344,531	579,431	560,739	369,455	597,157	508,825	434,804
Community Services	139,241	36,366	38,945	37,988	42,243	43,717	18,620	21,225	23,125	903
Principal on Long Term Debt	741,175	829,192	930,289	1,038,058	832,854	803,954	141,878	845,270	947,583	1,152,216
Interest on Long Term Debt	633,840	614,390	586,230	401,353	458,252	421,447	217,723	366,430	339,063	308,380
Bond Issuance Cost and Fees	-	-	-	341,304	1,856	-	700	750	750	247,386
Capital Outlay	309,418	154,434	609,932	28,800	63,465	827,189	568,415	192,792	124,457	191,808
Payments Related to Shared Services Arrangements	57,758	86,542	80,507	76,838	71,171	625,408	733,936	826,924	853,317	833,976
Payments to Juvenile Justice Alternative Ed. Prg.	1,198	995	-	-	-	-	-	-	-	-
Other Intergovernmental Charges	8,089	14,584	9,846	12,959	17,747	16,154	12,067	16,996	19,667	24,274
Total Expenditures	15,298,579	14,667,815	15,736,870	15,733,643	16,640,984	18,244,451	14,627,058	16,608,620	20,097,269	20,380,835
Ratio of Debt Service to Noncapital Expenditures	9.2%	9.9%	10.0%	11.3%	7.8%	7.0%	2.6%	7.4%	6.4%	8.5%
Ratio of Capital Outlay to Operating Expenditures	2.3%	1.2%	4.5%	0.2%	0.4%	5.1%	4.1%	1.3%	0.7%	1.0%

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.

SCHEDULE 7

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

(Unaudited)

	Fiscal Year									
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Excess of Revenues Over (Under) Expenditures	$ (183,717)	$ 356,972	$ (46,429)	$ (709,125)	$ (419,492)	$ (606,302)	$ 892,022	$ 1,272,009	$ 90,645	$ (479,209)
Other Financing Sources (Uses)										
Refunding Bonds Issued	-	-	-	9,900,000	-	-	-	-	-	-
Capital-Related Debt Issued	-	-	-	-	-	-	-	-	-	7,050,000
Proceeds of Right-to-Use Lease	185,707	187,010	-	-	-	-	-	-		328,290
Prepaid Interest	-	-	-	-	-	-	-		-	-
Sale of Real and Personal Property	-	-	-	-	-	66,446	-	-	-	-
Non-Current Loans	-	-	-	-	-	-	-		-	-
Transfers In	743,193	785,927	792,082	100,000	-	-	372,365	498,321	694,638	712,103
Insurance Recovery	-	-	-	420,000	-	-	-	-	-	-
Premium or Discount on Issuance of Bonds	-	-	-	1,276,927	-	-	-	-	-	696,436
Other Resources	-	-	-	-	-	-	-		-	-
Transfers Out	(743,193)	(785,927)	(792,082)	(100,000)	-	-	(372,365)	(498,321)	(694,638)	(712,103)
Payment to Bond Refuding Escrow Agent	-	-	-	(10,797,138)	-	-	-	-	-	-
Right-to-Use Leases	-	-	-	-	-	-	-	-	723,599	-
Other Uses	-	-	-	-	-	-	-	-	-	(50,376)
Total Other Financing Sources (Uses)	185,707	187,010	-	799,789	-	66,446	-	-	723,599	8,024,350
Prior Period Adjustment	-	-	(201,912)	-	-	-	-	-	-	-
Net Change in Fund Balances	$ 1,990	$ 543,982	$ (248,341)	$ 90,664	$ (419,492)	$ (539,856)	$ 892,022	$ 1,272,009	$ 814,244	$ 7,545,141

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

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)

	Fiscal Year									
Function	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Instruction	$ 6,075	$ 6,085	$ 6,210	$ 6,410	$ 6,927	$ 7,363	$ 7,906	$ 8,377	$ 11,226	$ 11,360
Instructional Resources and Media Services	$ 121	$ 129	$ 149	$ 141	$ 157	$ 156	$ 179	$ 183	$ 252	$ 241
Curriculum and Staff Development	$ 113	$ 129	$ 130	$ 85	$ 62	$ 120	$ 184	$ 235	$ 363	$ 172
Instructional Leadership	$ 213	$ 200	$ 189	$ 184	$ 237	$ 291	$ 283	$ 156	$ 223	$ 301
School Leadership	$ 451	$ 475	$ 504	$ 561	$ 587	$ 612	$ 644	$ 683	$ 1,094	$ 1,090
Guidance, Counseling, & Evaluation Services	$ 343	$ 361	$ 372	$ 389	$ 338	$ 391	$ 420	$ 445	$ 459	$ 503
Social Work Services	$ 7	$ -	$ 61	$ 94	$ 101	$ 91	$ 55	$ 74	$ (2)	$ 18
Health Services	$ 151	$ 158	$ 161	$ 164	$ 182	$ 187	$ 213	$ 226	$ 347	$ 307
Student Transportation	$ 322	$ 234	$ 270	$ 231	$ 629	$ 250	$ 146	$ 193	$ 240	$ 520
Food Service	$ 797	$ 756	$ 816	$ 857	$ 810	$ 817	$ 762	$ 715	$ 1,051	$ 1,193
Cocurricular/Extracurricular Activities	$ 811	$ 845	$ 950	$ 1,020	$ 1,013	$ 937	$ 896	$ 621	$ 1,068	$ 1,110
General Administration	$ 586	$ 609	$ 770	$ 725	$ 852	$ 1,115	$ 874	$ 976	$ 2,392	$ 1,365
Plant Maintenance and Operations	$ 1,768	$ 1,729	$ 1,726	$ 1,845	$ 2,004	$ 2,002	$ 1,943	$ 2,641	$ 2,831	$ 3,027
Security and Monitoring Services	$ 113	$ 172	$ 168	$ 243	$ 207	$ 219	$ 290	$ 351	$ 366	$ 409
Data Processing Services	$ 397	$ 260	$ 279	$ 332	$ 561	$ 546	$ 435	$ 690	$ 645	$ 547
Community Services	$ 127	$ 34	$ 37	$ 37	$ 41	$ 43	$ 22	$ 25	$ 29	$ 1
Principal on Long Term Debt	$ 678	$ 779	$ 880	$ 999	$ 806	$ 783	$ 167	$ 977	$ 1,202	$ 1,449
Interest on Long Term Debt	$ 580	$ 577	$ 555	$ 386	$ 444	$ 410	$ 256	$ 423	$ 430	$ 388
Bond Issuance Cost and Fees	$ -	$ -	$ -	$ 329	$ 2	$ -	$ 1	$ 1	$ 1	$ 311
Capital Outlay	$ 283	$ 145	$ 577	$ 28	$ 61	$ 805	$ 669	$ 223	$ 158	$ 241
Payments Related to Shared Services Arrangements	$ 53	$ 81	$ 76	$ 74	$ 69	$ 609	$ 864	$ 955	$ 1,082	$ 1,049
Payments to Juvenile Justice Alternative Ed. Prg.	$ 1	$ 1	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Intergovernmental Charges	$ 7	$ 14	$ 9	$ 12	$ 17	$ 16	$ 14	$ 20	$ 25	$ 31
Total Expenditures	$ 13,997	$ 13,773	$ 14,888	$ 15,147	$ 16,109	$ 17,765	$ 17,225	$ 19,188	$ 25,483	$ 25,632
Average Daily Attendance	1,093	1,065	1,057	1,039	1,033	1,027	849	866	789	795

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

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)

Fiscal Year	Assessed Taxable Value			Estimated Actual Market Value	Ratio of Total Assessed To Total Estimated Actual Value	*Total Direct Tax Rate
	Real Property	Personal Property	Total			
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
2021	84,503,543	11,850,936	96,354,479	179,511,450	53.68%	1.344190
2022	107,667,935	15,752,947	123,420,882	209,945,664	58.79%	1.252731
2023	103,914,557	36,730,003	140,644,560	252,849,553	55.62%	1.343420

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)

				Collected Within the Fiscal Year of the Levy			Total Collections to Date	
Fiscal Year	**Original Tax Levy**	**Adjustments**	**Adjusted Tax Levy**	**Taxes Collected**	**Percent of Adjusted Tax Levy**	**Collections in Subsequent Years**	**Total Taxes Collected**	**Total Collected as Percent of Current Tax Levy**
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%
2021	1,348,014	12,479	1,360,493	1,192,037	88.43%	-	1,192,037	88.43%
2022	1,628,523	(12,909)	1,615,614	1,458,070	89.53%	-	1,458,070	89.53%
2023	1,949,275	(27,146)	1,922,129	1,672,305	85.79%	-	1,672,305	85.79%

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)

	Tax Rates (Per $100 of Assessed Value)			Tax Levies		
Fiscal Year	General Fund	Debt Service Fund	Total	General Fund	Debt Service Fund	Original Levy Total
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
2021	1.063900	0.280290	1.344190	1,066,927	281,087	1,348,014
2022	0.992000	0.260731	1.252731	1,289,578	338,945	1,628,523
2023	0.942900	0.400520	1.343420	1,368,129	581,146	1,949,275

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

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

SCHEDULE 12

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

(Unaudited)

		Direct Tax Rate	Overlapping Tax Rates			
Fiscal Year	Tax Year	Santa Rosa Independent School District	South Texas ISD	City of Santa Rosa	Cameron County	Total Direct and Overlapping Tax Rate
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
2021	2020	1.344190	0.049200	0.750000	0.436893	2.580283
2022	2021	1.252731	0.049200	0.736092	0.436893	2.474916
2023	2022	1.343420	0.049200	0.820000	0.436893	2.649513

Source: Cameron County Tax Assessor-Collector

SCHEDULE 13

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

(Unaudited)

		Fiscal Year 2023			Fiscal Year 2014		
Taxpayer	**Nature of Property**	**Tax Year 2022 Assessed Valuation**	**Rank**	**Percentage of Total Assessed Valuation**	**Tax Year 2013 Assessed Valuation**	**Rank**	**Percentage of Total Assessed Valuation**
East RaymondWind Farm LLC	Wind Turbines	$ 17,934,000	1	12.75%			
AEP Texas Inc	Utility	3,975,400	2	2.83%	1,927,330	1	2.88%
Union Pacific RR Co	Railroad	3,112,670	3	2.21%	1,653,250	2	2.47%
South Texas District Council of the Assemblies of God	Religious	-		0.00%	387,170	9	0.58%
Magic Valley Elec Coop	Electric Cooperative	1,755,290	5	1.25%	892,550	3	1.33%
Linetec Services LLC	Utility	861,055	9	0.61%			0.00%
Nationwide DG Weslaco Inc	Retail - Commercial	-		0.00%	408,679	7	0.61%
Garcia Grain Trading Corp	Agriculture	-		0.00%	649,931	4	0.97%
VOA Texas Santa Rosa Village LP	Apartments	1,175,402	7	0.84%	525,470	6	0.79%
Yutaka DG LLC	Retail - Commercial	760,723	10	0.54%			0.00%
Huttonco Development LP	Retail - Commercial	-		0.00%	527,796	5	0.79%
Casitas Azucar LP	Apartments	911,811	8	0.65%			0.00%
OS Enterprises Inc	Business-Personal	1,909,449	4	1.36%			0.00%
Guerra Guadalupe & Amelia	Residential	-		0.00%	370,588	10	0.55%
Trans Lease Inc	Business-Personal	1,404,228	6	1.00%			0.00%
Verizon Southwest	Utility	-		0.00%	402,490	8	0.60%
Totals		$ 33,800,028		24.03%	$ 7,745,254		11.58%

Source: Cameron County Appraisal District

SCHEDULE 14

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

(Unaudited)

Fiscal Year	Bonds Payable	Net Pension Liability	Net OPEB Liability	Lease Payable	Unamortized Bond Premium	Compensated Absences	Accreeted Interest	Deferred Issuance/Loss	Total Debt	* Total Debt as % of Personal Income	* Total Debt Per Capita Income	* Ratio of Total Debt to Estimated Actual Property Value	* Total Debt Per Average Daily Membership
2014	12,320,000	-	-	1,780,149	497,621	57,495	-	-	14,655,265	0.14%	567.37	10.96%	12,526
2015	11,735,000	1,669,728	-	1,722,967	468,582	50,670	-	-	15,646,947	0.14%	588.14	11.28%	13,677
2016	11,120,000	2,945,817	-	1,407,679	439,543	54,360	-	-	15,967,399	0.14%	590.88	10.70%	14,118
2017	9,860,000	4,164,921	-	1,159,620	1,218,694	57,772	-	-	16,461,007	0.14%	600.18	10.63%	14,803
2018	9,220,000	2,693,429	5,821,240	966,766	1,054,752	49,124	-	-	19,805,311	0.16%	688.74	12.52%	17,972
2019	8,550,000	4,417,809	6,217,832	832,813	903,765	47,032	-	-	20,969,251	0.17%	700.66	12.23%	18,942
2020	8,550,000	4,387,730	6,265,265	690,935	766,538	56,519	-	-	20,716,987	0.14%	614.93	11.92%	20,759
2021	7,855,000	4,204,272	4,697,962	540,665	645,440	48,870	-	-	17,992,209	112.34%	475.22	10.02%	19,243
2022	7,130,000	2,060,562	4,659,241	397,188	540,579	47,925	-	-	14,835,495	90.10%	417.52	7.07%	17,474
2023	14,609,264	5,865,766	3,091,751	245,168	1,148,267	60,608	-	-	25,020,824	147.83%	625.35	9.90%	27,345

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.

SCHEDULE 15

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

As of June 30, 2023

(Unaudited)

Political Subdivision	Net Debt Amounts		As of	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Cameron County	$ 200,945,000	A	06/30/23	0.68%	$ 1,366,426
Cameron Co DD# 6	3,085,000		06/30/23	14.65%	451,953
					$ 1,818,379
Santa Rosa ISD Direct Debt		B	06/30/23	100.00%	$ 13,420,000
Total Direct and Overlapping Debt					$ 15,238,379

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

ANTA ROSA INDEPENDENT SCHOOL DISTRIC
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

(Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Assessed Valuation	$ 66,876,675	$ 71,372,511	$ 73,729,426	$ 76,851,666	$ 80,595,451	$ 87,087,405	$ 91,086,785	$ 96,354,479	$ 123,420,882	$ 140,644,560
Debt Limit - 20% of Assessed Valuation	$ 13,375,335	$ 14,274,502	$ 14,745,885	$ 15,370,333	$ 16,119,090	$ 17,417,481	$ 18,217,357	$ 19,270,896	$ 24,684,176	$ 28,128,912
General Obligation Bonds	12,320,000	11,735,000	11,120,000	9,860,000	9,220,000	8,550,000	8,550,000	7,855,000	7,130,000	13,420,000
Deduct Amount Available in Debt Service Fund	7,828	31,290	35,309	10,909	178,720	198,157	1,020,938	1,042,890	784,457	662,268
Legal Debt Margin	$ 1,063,163	$ 2,570,792	$ 3,661,194	$ 5,521,242	$ 7,077,811	$ 9,065,638	$ 10,688,295	$ 12,458,786	$ 18,338,633	$ 15,371,180
Debt Margin as a Percentage of the Debt Limit	7.95%	18.01%	24.83%	35.92%	43.91%	52.05%	58.67%	64.65%	74.29%	54.65%

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.

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)

Fiscal Year	Average Daily Membership	Estimated Actual Value	Total Bonded Debt	Debt Service Fund Balance	Net Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt Per Average Daily Membership
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
2021	935	179,511,450	8,500,440	1,042,890	7,457,550	4.15%	7,975.99
2022	849	209,945,664	7,670,579	784,457	6,886,122	3.28%	8,110.86
2023	915	252,849,553	15,757,531	662,268	15,095,263	5.97%	16,497.56

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)

Fiscal Year	Principal	Interest*	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service To General Fund Expenditures
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%
2021	845,270	366,430	1,211,700	12,366,639	9.80%
2022	947,583	339,063	1,286,646	13,489,719	9.54%
2023	1,152,216	308,380	1,460,596	13,998,821	10.43%

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

Note: * Excludes Other Fees

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)

Calendar Year	Population *	Personal Income *	Per Capita Income*	Average Daily Attendance	Unemployment Rate **
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	423,163	12,664,258,000	29,928	1,027	5.3%
2020	424,180	14,290,654,000	33,690	849	11.2%
2021	423,029	16,016,476	37,861	866	9.7%
2022***	423,452	16,464,937	38,921	789	6.9%
2023***	423,875	16,925,956	40,011	795	5.9%

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)

	2023*			2014**		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
Santa Rosa ISD	213	1	53.38%	196	1	83.05%
Fedex	100	2	25.06%			
Diamond Eight	20	3	5.01%	5	4	2.12%
Stripes/Valero Gas Station	20	4	5.01%	15	3	6.36%
City of Santa Rosa	15	5	3.76%	15	2	6.36%
Family Dollar	7	6	1.75%			0.00%
Su Clinica	7	7	1.75%			0.00%
Oldies Restaurant	6	8	1.50%			0.00%
Taco Loco	6	9	1.50%			0.00%
Dollar General	5	10	1.25%	5	5	2.12%
Total	399		100.00%	236		100.00%

Source:
Note: *City of Santa Rosa information.
** Many of current 2023 employers did not exist in 2014

SCHEDULE 21

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

(Unaudited)

Fiscal Year	Single-Family Construction Permits	Average Construction Value	Estimated Actual Market Value
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
2021	0	-	179,511,450
2022	0	-	209,945,664
2023	0	-	252,849,553

Source: City-data.com

OPERATING INFORMATION

"Warriors On the Move –

Education On the Rise"

SCHEDULE 22

NTA ROSA INDEPENDENT SCHOOL DISTRI
RCE COMPOSITION BY EMPLOYEE CLASSIF
LAST TEN FISCAL YEARS

(Unaudited)

Classification	Fiscal Year 2014	2015	Fiscal Year 2016	2017	Fiscal Year 2018	2019	Fiscal Year 2020	2021	Fiscal Year 2022	2023
Number of Employees										
Teachers	85.80	86.30	86.54	83.00	86.01	86.72	83.65	77.02	76.12	88.08
Professional Support	21.60	17.40	17.60	21.59	19.97	25.53	24.45	22.63	24.22	17.88
Campus Administration	3.00	2.80	3.00	3.00	3.00	3.00	3.00	3.00	4	7
Central Administration	3.10	3.90	2.40	2.76	2.76	2.00	1.00	1.00	0.9	3.5
Educational Aides	19.90	20.80	17.92	18.79	19.95	20.53	22.62	24.00	21.6	21.22
Auxiliary Staff	63.00	65.90	70.97	70.41	70.51	75.69	71.01	59.44	56.14	61.78
Total Employees	196.40	197.10	198.43	199.55	202.20	213.47	205.73	187.09	182.98	199.46
Percent of Total										
Teachers	43.69%	43.78%	43.61%	41.59%	42.54%	40.62%	40.66%	41.17%	41.60%	44.16%
Professional Support	11.00%	8.83%	8.87%	10.82%	9.88%	11.96%	11.88%	12.10%	13.24%	8.96%
Campus Administration	1.53%	1.42%	1.51%	1.50%	1.48%	1.41%	1.46%	1.60%	2.19%	3.51%
Central Administration	1.58%	1.98%	1.21%	1.38%	1.36%	0.94%	0.49%	0.53%	0.49%	1.75%
Educational Aides	10.13%	10.55%	9.03%	9.42%	9.87%	9.62%	10.99%	12.83%	11.80%	10.64%
Auxiliary Staff	32.08%	33.43%	35.77%	35.28%	34.87%	35.46%	34.52%	31.77%	30.68%	30.97%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Texas Education Agency PEIMS Standard Reports

SCHEDULE 23

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

(Unaudited)

Fiscal Year	Average Minimum	Average Maximum	Average Teacher Salary	Statewide Average Teacher Salary	Average Years of Experience	Bachelor's Education	Master's Education
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%
2021	48,198	61,743	51,239	57,641	12.0	90.9%	9.1%
2022	47,446	63,110	51,960	58,887	10.3	89.7%	8.9%
2023*	51,151	62,784	54,777	60,716	11.0	78.4%	19.3%

Source: Texas Academic Performance Reports (TAPR) FY 2013-2023 &
Academic Excellence Indicator System (AEIS) FY 2010-2012

*TAPR was not available at time of printing. PEIMS data was reported.

SCHEDULE 24

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

(Unaudited)

Fiscal Year	Average Daily Attendance *	Average Daily Membership	Percent of Attendance
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%
2021	866	935	92.57%
2022	789	849	92.89%
2023	795	915	86.90%

Source: Texas Academic Performance Reports (TAPR) FY 2013-2023 &
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)

Fiscal Year	Average Daily Attendance	Governmental Operating Expenditures	Cost per Pupil	Percent Change	Government Wide Operating Expenses	Cost per Pupil	Percent Change
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%	15,638,739	18,417	6.03%
2021	866	15,203,378	17,565	8.89%	16,198,844	18,715	1.62%
2022	789	18,685,416	23,693	34.89%	17,109,502	21,695	15.92%
2023	795	18,481,045	23,243	-1.90%	18,167,414	22,849	5.32%

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)

Fiscal Year	Student/ Teacher Ratio	No. of Economically Disadvantaged Students	Percentage of Economically Disadvantaged Students
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%
2021	12.1	829	88.7%
2022*	11.2	757	89.1%
2023	12.0	883	87.8%

Source: Texas Academic Performance Reports (TAPR) FY 2013-2023 &
Academic Excellence Indicator System (AEIS) FY 2010-2012

*TAPR was not available at time of printing. PEIMS data was reported.

SCHEDULE 27

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

(Unaudited)

	Estimated Square Footage	Recommended Capacity	Enrollment
HIGH SCHOOLS			
SANTA ROSA HIGH SCHOOL (2006)	122,377	750	289
MIDDLE SCHOOLS			
JO NELSON MIDDLE SCHOOL (2003)	33,649	360	224
ELEMENTARY SCHOOLS			
ELMA E. BARRERA ELEMENTARY SCHOOL (1999)	102,852	800	402
GRAND TOTAL	258,878	1,910	915

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

FEDERAL AWARDS SECTION

"Warriors On the Move –

Education On the Rise"

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CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
402 East Tyler Avenue
Harlingen, TX 78550-9122

(956) 423-3765
(956) 428-7520 (fax)
CRIcpa.com

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

To the Board of Trustees
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 year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Santa Rosa Independent School District's basic financial statements and have issued our report thereon dated November 16, 2023.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2023-001.

Santa Rosa Independent School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Santa Rosa Independent School District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Santa Rosa Independent School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

November 16, 2023

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CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
402 East Tyler Avenue
Harlingen, TX 78550-9122

(956) 423-3765
(956) 428-7520 (fax)
CRIcpa.com

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

Opinion on Each Major Federal Program

We have audited the Santa Rosa Independent School District's (the "District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

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

Harlingen, Texas
November 16, 2023

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness (es) identified? _____ Yes __X__ No
- Significant deficiency (ies) identified that are not considered to be material weaknesses? __X__ Yes _____ None reported

Noncompliance material to financial statements noted? _____ Yes __X__ No

Federal Awards

Internal control over major programs:

- Material weakness (es) identified? _____ Yes __X__ No
- Significant deficiency (ies) identified that are not considered to be material weaknesses? _____ Yes __X__ None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? _____ Yes __X__ No

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

Identification of major programs:

Assistance Listing Number(s)		Name of Federal Program or Cluster
84.425	COVID-19	Education Stabilization Fund – ESSER
10.553, 10.555		Child Nutrition Cluster

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

Auditee qualified as low-risk auditee? __X__ yes ____ no

Section II – Financial Statement Findings

2023-001	Significant Deficiency I/C and Noncompliance – IDEA-B – Maintenance of Effort
Criteria:	Santa Rosa ISD does not receive funds directly from TEA for IDEA B for funding programs for individuals with disabilities, but participates with another entity and pays that entity for its share of the costs. Santa Rosa ISD is therefore required to comply with certain maintenance of effort (MOE) requirements for the program. As described by 34 CFR §300.203, Local Education Agencies (LEAs) who receive federal grants awarded under the Individuals with Disabilities Education Act, Part B (IDEA-B) are required to spend at least the same amount of local and/or state funds to provide services for students with disabilities spent in the previous fiscal year.
Condition:	The final calculation of the MOE compliance using 2021 - 2022 fiscal year end shows that the Santa Rosa ISD will not pass all four compliance tests to comply with MOE. TEA provided a report indicating the IDEA-B LEA MOE findings for Santa Rosa ISD identified by TEA's FFCR Division, which includes questioned costs. As a result, TEA is now requiring the non-compliance resolution actions including a submitting a refund of the disallowed costs for $50,376. Furthermore, a preliminary review of the 2022-2023 data on MOE for IDEA-B indicate the District may not comply for the 2023 fiscal year end.
Cause:	The District did not monitor the MOE in order to assure compliance with the required state and local fund spending amount.
Effect:	Noncompliance with MOE could result in an event of TEA can withhold cash payments pending correction of the deficiency, disallow all or part of the costs of an activity or action not in compliance, wholly or partly suspend or terminate the federal award, without further federal awards for the project or program or take other remedies that may be legally available. The District in this case is required to pay TEA $50,376.
Recommendation:	The District should implement a monitoring and quarterly review process of actual expenditures compared to budget during the year to ensure compliance with maintenance of effort for IDEA-B.
Management Response:	Management concurs with auditors' finding and recommendation.

Section III - Federal Award Findings and Questioned Cost

None noted.

Section IV – Summary of Prior Year Findings

Finding 2022-001 – Significant Deficiency in Internal Controls over Financial Reporting – State Funding Revenue - Resolved

November 15, 2023

Program Description	**Corrective Action Plan**
Finding Reference No: 2023-001	Significant Deficiency I/C and Noncompliance-IDEA-B-Maintenance of Effort
Corrective Action Plan:	The district will monitor and review the expenditures throughout the year and compare to the last year the district was in compliance by utilizing the IDEA-B LEA MOE Calculation Tool that is provided by the Texas Education Agency.

SRISD Board of Trustees
Kelly Ballin, President Juan Esparza, Vice President Alissa Perez, Secretary
Mark Chairez, Trustee Juan Manuel Perez, Trustee Rachel Olivarez, Trustee Lorenzo Ovalle, Trustee

Our mission is to furnish a safe haven where everyone is valued and respected. All staff members, in partnership with parents and families, are fully committed to successful student outcomes. We strive to prepare all students to be lifelong learners and responsible citizens ready to meet the challenges of the future.

"Once A Warrior, Always A Warrior"

EXHIBIT K-1

SANTA ROSA INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2023

Federal Agency Pass-Through Grantor Program Title	Federal AL Number	Contract/Grant Number	Expenditures($)	Payments to Subrecipients
United States Department of Agriculture				
Passed through Texas Department of Agriculture				
Child Nutrition Cluster				
*School Breakfast Program	10.553	TQ8GFMFNE5U3	$ 271,061	$ -
Total Assistance Listing Number 10.553			271,061	
*National School Lunch Program	10.555	TQ8GFMFNE5U3	524,144	-
*National School Lunch Program	10.555	TQ8GFMFNE5U3	67,946	-
*National School Lunch Program	10.555	TQ8GFMFNE5U3	45,124	-
Total Assistance Listing Number 10.555			637,214	-
Total Child Nutrition Cluster			908,275	-
Child and Adult Care Food Program	10.558	TQ8GFMFNE5U3	79,340	-
Total Assistance Listing Number 10.558			79,340	-
Pandemic EBT Administrative Costs	10.649	TQ8GFMFNE5U3	3,135	-
Total Assistance Listing Number 10.649			3,135	
Total United States Department of Agriculture			990,750	-
United States Department of Education				
Passed through Texas Education Agency				
Title I Grants to Local Educational Agencies	84.010	22610101031914	104,093	-
Title I Grants to Local Educational Agencies	84.010	23610101031914	468,110	-
Total Assistance Listing Number 84.010			572,203	-
Twenty-First Century Community Learning Centers	84.287	226950267110043	146,590	-
Twenty-First Century Community Learning Centers	84.287	236950267110043	1,267,750	-
Total Assistance Listing Number 84.287			1,414,340	-
Supporting Effective Instruction State Grants	84.367	22694501031914	6,037	-
Supporting Effective Instruction State Grants	84.367	23694501031914	53,072	-
Total Assistance Listing Number 84.367			59,109	
COVID-19 Education and Stabilization Fund (ESSER III)	84.425	21528001031914	1,846,018	-
COVID-19 Education and Stabilization Fund (ESSER II)	84.425	21521001031914	966,956	-
COVID-19 Education and Stabilization Fund (ESSER I)	84.425	20521001031914	138	-
Total Assistance Listing Number 84.425			2,813,112	-
Student Support and Academic Enrichment Program	84.424	22680101031914	10,228	-
Student Support and Academic Enrichment Program	84.424	23680101031914	44,927	-
Total Assistance Listing Number 84.424			55,155	-
Career and Technical Education -- Basic Grants to States	84.048	22420006031914	1,621	-
Career and Technical Education -- Basic Grants to States	84.048	23420006031914	10,799	-
Total Passed Through Texas Education Agency			4,926,339	-
Passed through La Feria ISD				
Career and Technical Education -- Basic Grants to States	84.048	224200287110003	58,418	-
Total Passed through La Feria ISD			58,418	-
Total Assistance Listing Number 84.048			70,838	-
Passed through Region One ESC				
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	P334A180024	3,922	-
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	P334A180024	77,892	-
Total Assistance Listing Number 84.334			81,814	-
Total Passed through Region One ESC			81,814	-
Department of Health and Human Services				
Passed through Texas Education Agency				
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	2735714	4,950	-
Total Passed through Texas Education Agency			4,950	-
Passed through Region One				
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response.	93.354	HHS001101500001	23,326	-
Total Passed through Region One			23,326	-

SANTA ROSA INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2023

Total United States Department of Education	5,094,847	-
Total Expenditures of Federal Awards	$ 6,085,597	$ 0

*Clustered programs

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS FOR THE YEAR ENDED JUNE 30, 2023

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying schedule of expenditures of federal awards includes the federal spending of the Santa Rosa Independent School District (the "District") and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not represent the financial position of the District.

Note 2: INDIRECT COST RATE

The Uniform Guidance allows an organization to elect a 10% de minimis indirect cost rate. For the year ended June 30, 2023, the District did not elect to use this rate.

Note 3: PROGRAM REPORTING

SHARS and $244,438 of indirect costs 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	$ 6,454,279
Less amounts not considered to be federal awards, excluded on the Schedule of Expenditures of Federal Awards:	
School Health and Related Service Program (SHARS)	(326,757)
ERATE	(41,785)
Total expenditures of federal awards, per the Schedule of Expenditures of Federal Awards (Exhibit K-1)	$ 6,085,737

Note 4: LOAN / LOAN GUARANTEE OUTSTANDING BALANCES

The District did not have any federal loans or loan guarantees outstanding during the year ended June 30, 2023.

Note 5: NONCASH ASSISTANCE AND OTHER

The District did not receive any federally funded insurance during the year ended June 30, 2023.

Noncash awards:

For the year ended June 30, 2023, the district received $67,946 as non-cash assistance under the National School Lunch Program (Assistance Listing Number 10.555).

Note 6: CONTINGENCIES

Grant monies received and disbursed by the District are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon experience, the District does not believe that such disallowance, if any, would have a material effect on the financial position of the District.

Note 7: FEDERAL PASS-THROUGH FUNDS

The District is also the sub-recipient of federal funds that have been subjected to testing and are reported as expenditures and listed as federal pass-through funds. Federal awards other than those indicated as pass-through are considered to be direct.

To the Board of Trustees of
Santa Rosa Independent School District

In planning and performing our audit of the 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 year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we considered to be material weaknesses.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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.

During our audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. We included the accompanying chart of internal control recommendations for management's consideration. This letter does not affect our report, dated, November 16, 2023, on the financial statements of Santa Rosa Independent School District.

This communication is intended solely for the information and use of the Board of Trustees and management, and is not intended to be, and should not be, used by anyone other than these specified parties.

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

Harlingen, Texas
November 16, 2023

The following legend should be used in conjunction with reviewing the "Rating" of each of the identified internal control items:

IP = Improvement Point	D = Control Deficiency	SD = Significant Deficiency	MW = Material Weakness

*Finding 2023-001 (SD) presented in the Schedule of Findings and Questions Costs in the Santa Rosa's Audit report and is not included below.

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
2023-002	CD	Mandated Programs	The District did not spend the required percentage of allotment for the Dyslexia Allotment Program, Gifted and Talented Program, and the Career & Technology Program.	The District should monitor spending in all mandated programs to ensure State Compliance and plan to spend the deficiencies in future years.	Management concurs with the assessment of this issue and will implement the suggestion.
2023-003	CD	Accounts Receivables	The District had to write off an old receivable of $40,603 due from the State for State instruction material as the amounts were from several years back. Based on follow up with TEA, the amounts were no longer recoverable.	The District should implement procedures to monitor pending collection items and outstanding reimbursement claims and adjust year end balances accordingly.	Management concurs with the assessment of this issue and will implement the suggestion.

SCHOOLS FIRST QUESTIONNAIRE

Santa Rosa Independent School District

Fiscal Year 2023

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