ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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, 2021

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, 2021

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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 15, 2021

Ms. Rachel Olivarez, President,
Members of the Board of Trustees, and
Citizens of the Santa Rosa Independent School District
Santa Rosa, Texas 78593

Dear Ms. Olivarez, 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 fiscal year ending June 30, 2021. 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 the fiscal year ending June 30, 2021, 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, 2021 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

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

GOVERNING BODY

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

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

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

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

Budgetary Controls

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

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

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

The District evaluates the existing system of internal controls annually through self-evaluation and the annual independent financial and compliance audit. Internal controls are designed to provide reasonable, but not absolute, assurance regarding: 1) the safeguarding of assets against loss from authorized use or disposition; and 2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance

recognizes that: 1) the cost of controls should not exceed benefits expected to be derived; and 2) the evaluation of costs and benefits requires estimates and judgments by management.

Services Provided

The District provides a safe and learning environment that ensures a quality education for grade levels Pre-kindergarten through the 12th grade. Beginning in the one elementary school, one middle school, 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 935 students for the 2020-2021 school year. Of these students, 98.7% are Hispanic, 1.3% White, 88.66% of the students are economically disadvantaged, 68.98% of the students are At-Risk, 18.1% of all students are identified as English learners.

The breakdown of our student membership is as follows:

• Pre-K	31
• K-5	375
• 6-8	206
• 9-12	323
TOTAL	935

Due to flooding in the area the past couple of years and the COVID-19 pandemic, we had a dramatic decrease in 2020-2021 in our average daily attendance. ADA is expected to continue to decline due to the COVID-19 pandemic. Projected membership for school year 2021-2022 is expected to reach 928.

Mission Statement

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

Long Range District Goals

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

Achievements

The District received a Superior rating on the School FIRST (Financial Integrity Rating System of Texas) financial accountability system for the fiscal year ending June 30, 2020. 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 which 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 5.24% annual growth from fiscal years 2017-21. The District's fiscal 2021 taxable assessed valuation (TAV) grew to $96.3 million.

Some of the major initiatives for FY2021 were the roof repairs that were done at the middle school and the technology refresh program at the high school campus where every computer and laptop 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, 2021, the District had $7,855,000 of School Building Unlimited Tax Bonds and Refunding Bonds, with maturities extending into the year 2038. The District's Debt Service fund balance is $1,042,890 as of June 30, 2021.

Rating

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

Fiduciary Operations

The District maintains the fiduciary responsibility of monitoring the individual campus' student activity funds. The District ensures that proper control over cash is maintained and that all procedures are in accordance with TEA's Financial Accountability Systems Resource Guide. As of June 30, 2021, total assets for student activity funds were $44,375.

Acknowledgments

The preparation of the Annual Comprehensive 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, Interim Superintendent of Schools
Mrs. Marisa Cuevas, Chief Financial Officer
Mrs. Melissa Salinas, Curriculum & Instruction Director
Ms. Rocio Ramos, High School Principal
Mr. Jacinto Sauceda, Middle School Principal
Mr. Gregorio Camarillo, Elementary School Principal
Mr. Enrique Betancourt, Police Chief
Ms. Michelle Barrera, Food Services Director

Business and Finance
Mrs. Irma Grijalva, Superintendent/HR Secretary
Mrs. Leticia Lopez, Accounts Payable Clerk
Mrs. Dina P. Vela, Payroll Clerk
Mrs. Annabel Villarreal, Fixed Assets & Shipping/Receiving Clerk
Mrs. Dalia Anes, Maintenance, Transportation, & Athletics Secretary

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

Respectfully Submitted,

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, 2021

ELECTED OFFICIALS

Board of Trustees	Length of Service	Term Expires	Occupation
Rachel Olivarez, President	8 Months	May 2023	Licensed Sales Producer
Mark Chairez, Vice-President	8 Months	May 2023	Salesman
Kelly Ballin, Secretary	2 Months	May 2024	Draftsman
Juan Esparza, Trustee	2 Months	May 2024	Business Owner
Rogelio Guerra, Jr., Trustee	2 Years, 2 Months	May 2022	Teacher
Juan Manuel Perez, Trustee	5 Years, 2 Months	May 2022	Respiratory Therapist
Lorenzo Ovalle, Trustee	2 Months	May 2024	Certified Pharmacy Technician

CONSULTANTS & ADVISORS

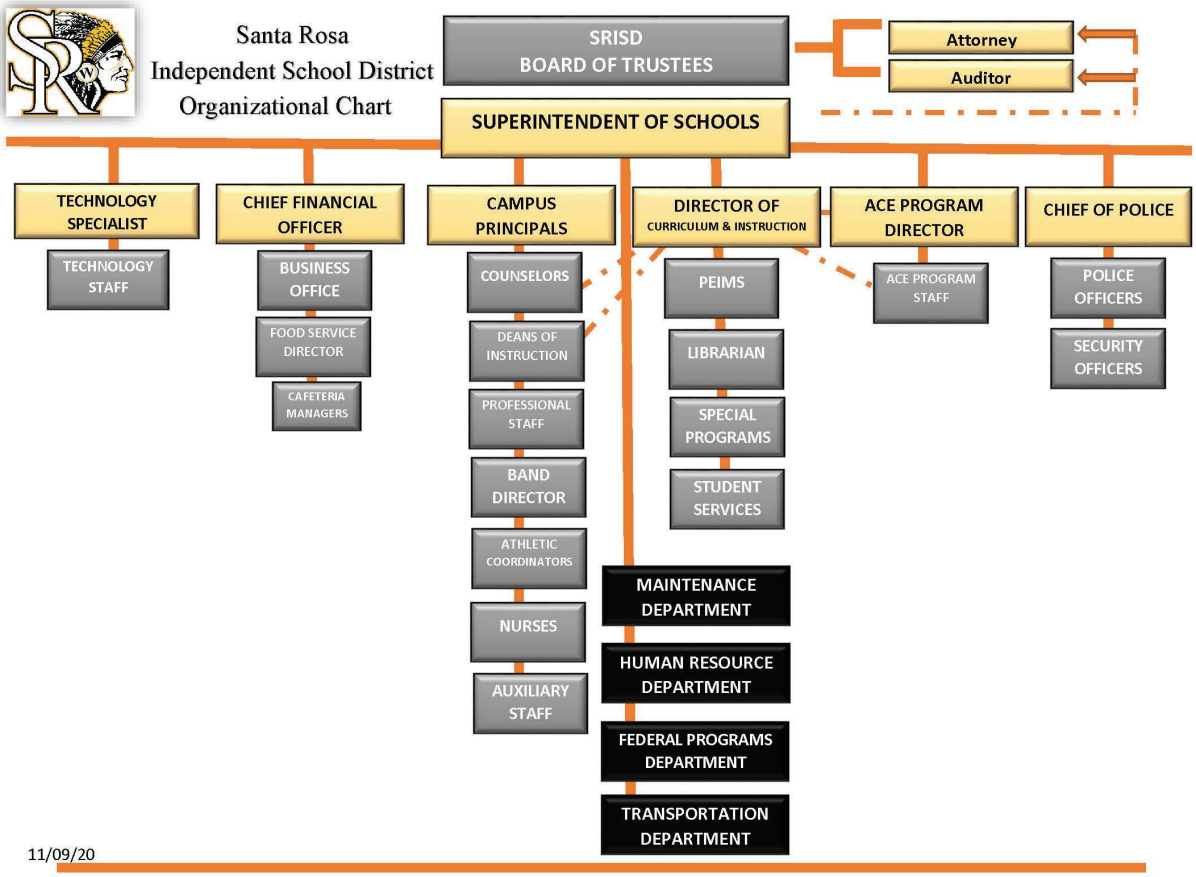
Financial Advisors ..... Estrada-Hinojosa & Company, Inc.
..... Dallas and San Antonio, Texas

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

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

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

Santa Rosa Independent School District
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, 2021 at the meeting of the Board of Trustees of such school district on the _15th_ day of November, 2021.

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 Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Santa Rosa Independent School District (the "District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Santa Rosa Independent School District as of June 30, 2021, 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.

Emphasis of Matter

As described in Note 1 to the financial statements, the prior year financial statements have been restated in the amount of $54,407 in the custodial funds related to the implementation of GASB Statement No. 84, Fiduciary Activities. Our opinion is not modified with respect to this matter.

Other Matters

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 19-32 and 82-91 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2021, on our consideration of the Santa Rosa Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Santa Rosa Independent School District's internal control over financial reporting and compliance.

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

Harlingen, Texas
November 15, 2021

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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
(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, 2021. 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 $10,838,748 at June 30, 2021.

- The District's Statement of Activities reflects an increase in net position for Governmental Activities in the amount of $1,581,763. This is a result of revenues of $18,032,392 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 $5,874,012. Approximately 99.5% of this total amount, $5,843,364, 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 $6,972,804, an increase of $1,272,009 in comparison with the prior year. This is primarily due to modest increases in property tax revenue collections combined with federal grant revenues received related to COVID-19 offsetting more operating costs than in prior years.

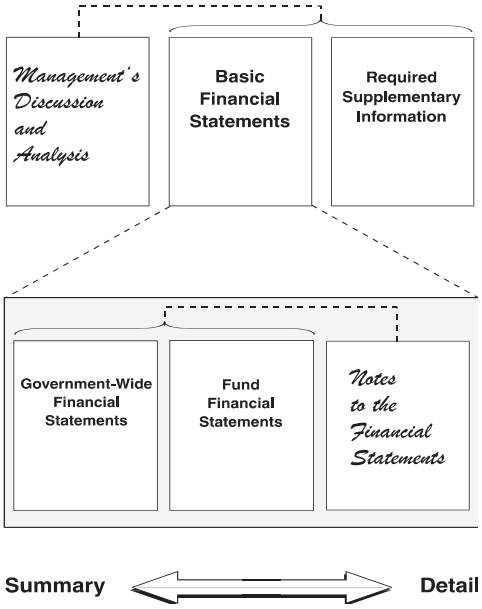
OVERVIEW OF THE FINANCIAL STATEMENTS

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 $10,838,748 at June 30, 2021 (See Table A-1). The government-wide increase in net position was $1,581,763, primarily due to current year changes in net pension and net OPEB liabilities causing an increase in net position.

TABLE A-1

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL ACTIVITIES
NET POSITION

	FY 2021	FY 2020	Percentage Change
Current Assets and Other Assets	$8,562,304	$7,749,364	10.5%
Capital Assets	24,131,840	24,694,466	-2.3%
Total Assets	32,694,144	32,443,830	0.8%
Deferred Charge for Refunding	278,940	297,911	-6.4%
Deferred Outflow Related to TRS	2,759,518	3,562,426	-22.5%
Total Deferred Outflows of Resources	3,038,458	3,860,337	-21.3%
Current Liabilities	1,382,345	1,851,977	-25.4%
Long-Term Liabilities	17,992,209	20,716,987	-13.2%
Total Liabilities	19,374,554	22,568,964	-14.2%
Deferred Inflow Related to TRS	5,519,300	4,478,217	23.2%
Total Deferred Inflows of Resources	5,519,300	4,478,217	23.2%
Net Position:			
Net Investment in Capital Assets	15,369,675	14,984,904	2.6%
Restricted for Federal and State Programs	30,648	99,427	-69.2%
Restricted for Debt Service	1,057,600	933,186	13.3%
Restricted for Capital Projects	318	-	n/a
Restricted for Other Purposes	55,584	-	n/a
Unrestricted	(5,675,077)	(6,760,532)	-16.1%
Total Net Position	10,838,748	9,256,985	17.1%

Approximately 92.9% of the District's largest liability is for the repayment of general obligation bonds and pension liabilities. Other liabilities, representing about 7.1% 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, $15,369,675, reflects its investment in capital assets (e.g., land, buildings, and equipment) less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes and state aid), since the capital assets themselves cannot be used to liquidate these liabilities.

The smallest portion of the District's net position (10.6%) represents resources that are subject to external restrictions on how they may be used. Restricted net position increased by $111,537 during the year ended June 30, 2021, primarily due to an increase in the amount restricted for debt service plus restricted contributions received. The remaining balance of unrestricted net position is a deficit of $5,675,077 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 $8,562,304 were sufficient to cover current liabilities of $1,382,345. This represents a current ratio of 6.19, which means that for every dollar the District owes there is $6.19 available in current assets.

Governmental Activities

Governmental activities increased the District's total net position by $1,581,763, which increased the overall Net Position by 17.1%. See Table A-2 on the following page.

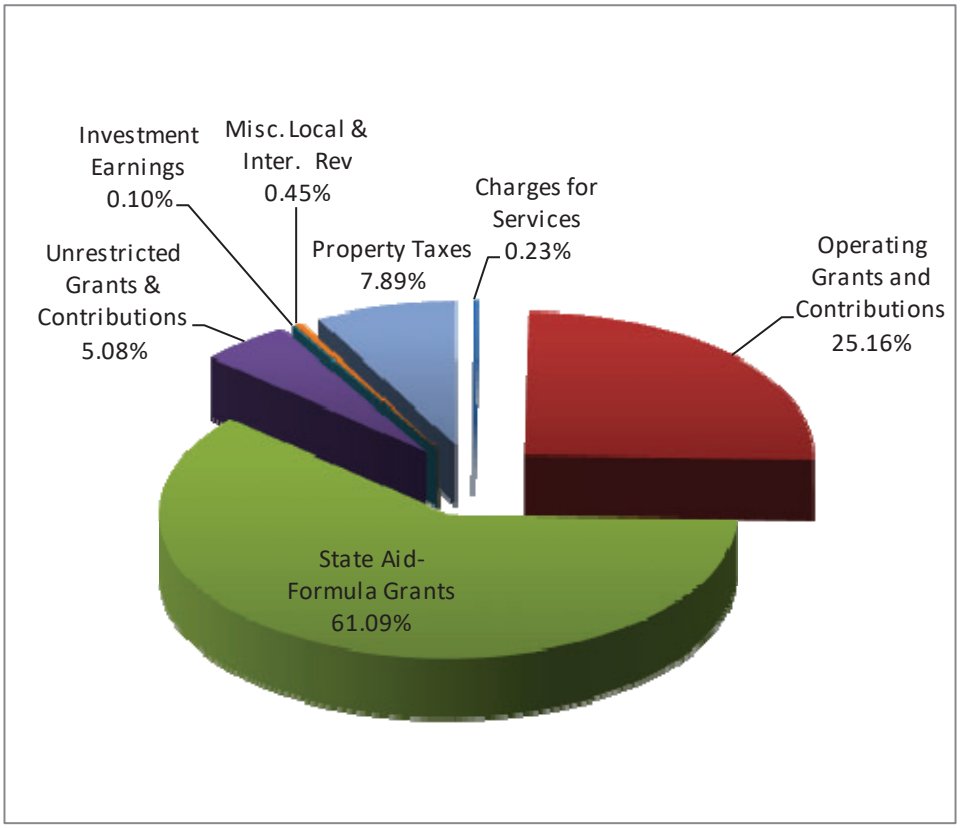
TABLE A-2

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL ACTIVITIES
CHANGES IN NET POSITION

Program Revenues:	**FY 2021**	**FY 2020**
Charges for Services	$41,792	$92,323
Operating Grants and Contributions	4,537,307	3,026,959
General Revenues:		
State Aid - Formula Grants	11,015,838	10,075,512
Grants and Contributions not Restricted	916,371	1,598,552
Investment Earnings	18,115	42,098
Miscellaneous Local and Intermediate Revenue	80,941	59,014
Property Taxes	1,422,028	1,276,826
Total Program and General Revenues	**18,032,392**	**16,171,284**
Expenditures		
Instruction	7,759,031	7,904,055
Instructional Resources and Media Services	172,395	181,112
Curriculum and Staff Development	220,308	179,432
Instructional Leadership	147,121	294,891
School Leadership	646,520	645,895
Guidance, Counseling and Evaluation Services	421,104	419,205
Social Work Services	69,260	56,980
Health Services	214,264	215,338
Student (Pupil) Transportation	181,439	154,537
Food Services	667,280	739,368
Extracurricular Activities	583,502	863,459
General Administration	913,702	838,133
Facilities Maintenance and Operations	2,432,481	1,810,709
Security and Monitoring Services	261,442	279,528
Data Processing Services	642,373	287,596
Community Services	22,702	22,498
Debt Service - Interest on Long Term Debt	251,035	201,930
Debt Service - Bond Issuance Costs and Fees	750	700
Payments related to Shared Services Arrangements	826,924	733,936
Other Intergovernmental Charges	16,996	12,067
Total Expenditures	**16,450,629**	**15,841,369**
Increase (Decrease) in Net Position	**1,581,763**	**329,915**
Net Position at Beginning of Year	**$9,256,985**	**8,927,070**
Increase (Decrease) in Net Position	**1,581,763**	**329,915**
Net Position at End of Year	**$10,838,748**	**$9,256,985**

The following chart highlights the District's revenues by funding source for the governmental activities. As you can see, State Aid comprises 61.09% of the total.

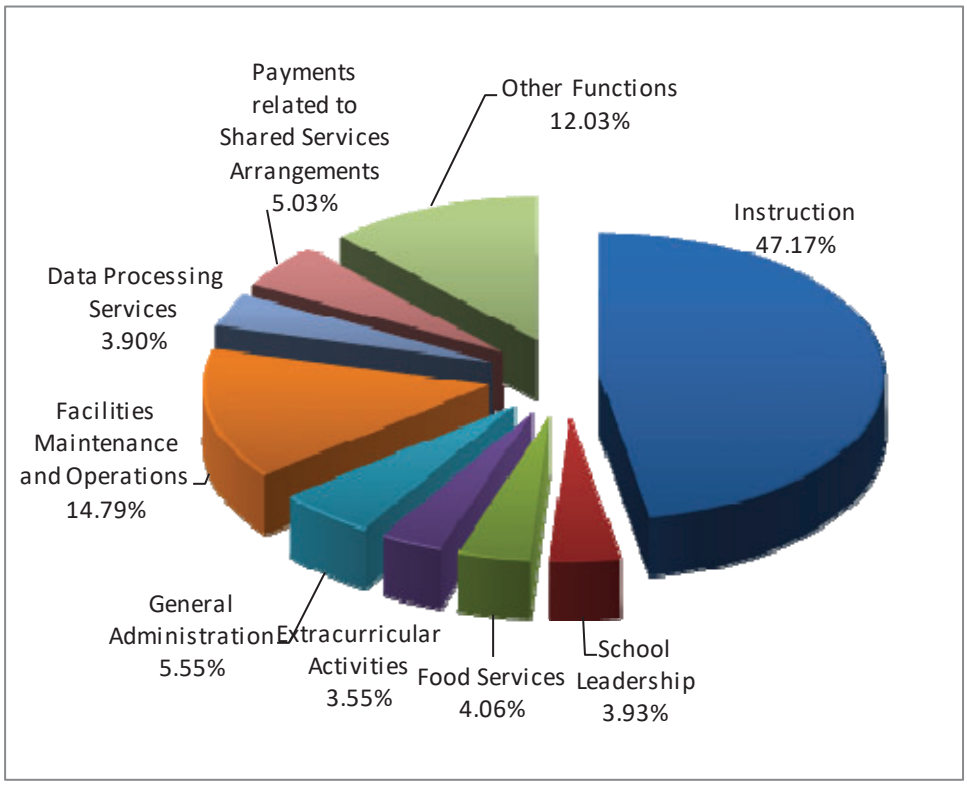
Figure A-3 District's Total Revenues



Total revenues were $18,032,392. Revenues for the District's governmental activities increased 11.5% compared to prior year. The increase was due to increased funding from grants and state aid primarily pertaining to support from COVID-19 funding received, as well as a modest increase in property tax revenues.

The next chart presents the cost of each of the District's largest functions. Of the total expenses, instructional services represent the largest dollar expense at $7,759,031 or 47.2%, followed by facilities maintenance & operations at $2,432,481 or 14.8%.

Figure A-4 District's Functional Expenses



Total expenses were $16,450,629. Total expenses increased by $609,260 or 3.7%. While there was a drop in instructional and food service related costs due to COVID-19, other expenses increased such as for data processing services, interest on long term debt, and facilities maintenance. This is in part due to the nature of budgeted projects during the year as well as the fact that the 2020 fiscal year was only 10 months and so incurred less costs in these areas. The combined impact was to increase overall expenses

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 $6,972,804, an increase of $1,272,009 in comparison with the prior year. Approximately 83.8% or $5,843,364 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 $4,250, 2) Retirement of Long Term Debt $1,042,890, 3) Capital and other restrictions of $55,902, and 3) Nonspendable for inventories and prepayments of $24,298 and $2,100, 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 $5,843,364, while total fund balance reached $5,874,012. 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 47.25% of total general fund expenditures, while total fund balance represents 47.5% of total general fund expenditures.

The $5,843,364 of unassigned fund balance gives the District a balance that is the equivalent of 172.47 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 $1,042,890, all of which was reserved for the payment of debt service. This amount was set aside to help repay bond issues. The increase in fund balance in the current year of $21,952 was the result of collecting more in property taxes or local sources compared to prior year.

District's Analysis of Debt Service Fund

	Debt Service Fund (599)		
	2021	2020	% Change
Revenues			
Property Taxes	$ 296,899	$ 260,224	14.1%
State Program Revenues	748,903	734,257	2.0%
Total Revenues	1,045,802	994,481	5.2%
Expenditures by Function			
Principal Long Term Debt	695,000	-	100.0%
Interest on Long Term Debt	328,100	171,000	91.9%
Other Fees	750	700	7.1%
Total Expenditures	1,023,850	171,700	496.3%
Net Change in Fund Balance	21,952	822,781	-97.3%
Fund Balance, Beginning	1,020,938	198,157	415.2%
Fund Balance, Ending	$ 1,042,890	$ 1,020,938	2.2%

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 $17,880,629 an increase of 15.1% over the preceding year. The increase is mainly attributed to federal and state revenues, which increased as a result of the number of grants running concurrently and the amount of grants the district received during the fiscal year.

General Fund Budgetary Highlights

The FY 2020-2021 budget was developed by balancing the challenges of operating a small district whose enrollment has been declining while maintaining the same property tax rate. The most significant fund for the District is the General Fund, funded primarily through state aid and property tax revenue. Over the course of the year, the District revised its budget several times.

The original budget was amended to budget for a decrease in fund balance of $134,615 (Exhibit G-1) as of the final amended budget. This change was to cover certain additional costs pertaining to legal matters.

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 2021, the District had invested $24,131,840 in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-3.) This amount represents a decrease of $562,626 over last year. For readers interested in more detailed information please refer to Note 2 of the financials in the section titled "Capital Assets."

TABLE A-3

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL ACTIVITIES
SCHEDULE OF CAPITAL ASSETS

Capital Assets	FYE 2021	FYE 2020	Percentage Change
Land	$ 265,271	$ 265,271	0.0%
Buildings and Improvements	34,660,007	34,483,095	0.5%
Furniture & Equipment	6,248,430	6,187,421	1.0%
Totals at Historical Cost	41,173,708	40,935,787	0.6%
Less Accumulated Depreciation	(17,041,868)	(16,241,321)	4.9%
Net Capital Assets	$ 24,131,840	$ 24,694,466	-2.3%

LONG TERM DEBT

At year end, the District has $17,992,199 in bonds, premium, compensated absences, capital leases, net pension liability and net OPEB liability outstanding as shown in Table A-4. More detailed information about the District's debt is presented in Note 2 to the financial statements in the section titled "Long-term Obligations."

TABLE A-4

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

Governmental Activities:	FYE 2021	FYE 2020	Percentage Change
Bonds Payable	$7,855,000	$8,550,000	-8.1%
Unamortized Bond Premium	645,440	766,538	-15.8%
Compensated Absences	48,870	56,519	-13.5%
Capital Lease Payable	540,655	690,935	-21.8%
Net Pension Liability	4,204,272	4,387,730	-4.2%
Net OPEB Liability	4,697,962	6,265,265	-25.0%
Totals	$17,992,199	$20,716,987	15.1%

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 2021-2022 budget and tax rates. Some of these factors were the district needs, the campus needs, appraised values, and the Santa Rosa economy. The following factors are highlights of the budget:

- The Average Daily Attendance (ADA) is projected to decrease in fiscal year 2021-2022. The District's 2020-2021 ADA is projected to be 928 which reflects a 2% decrease.

- The total budgeted tax rate is $1.252731 which is composed of $0.992000 compressed rate for maintenance and operations and $0.260731 for the payment of principal and interest on bonds. Based on HB3, second year of tax rate compression, the tax rate reduced another $0.091459.

- The taxable value used for the 2021-2022 budget preparation is $106,918,425 from the previous year, which is an increase of 13.1%

These indicators were taken into account when adopting the general fund budget for fiscal year 2021-2022. Amounts available for appropriation in the general fund budget for 2022 are $13,332,901, a decrease of 3.7% versus the final 2021 budget of $13,831,430.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT DEPARTMENT

This comprehensive financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Mrs. Marisa Cuevas, 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.

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BASIC FINANCIAL STATEMENTS

"Warriors On the Move –

Education On the Rise"

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

Data Control Codes		Primary Government Governmental Activities
ASSETS		
1110	Cash and Cash Equivalents	$ 7,318,429
1220	Property Taxes - Delinquent	389,662
1230	Allowance for Uncollectible Taxes	(15,091)
1240	Due from Other Governments	747,712
1290	Other Receivables, Net	95,194
1300	Inventories	24,298
1410	Prepayments	2,100
	Capital Assets:	
1510	Land	265,271
1520	Buildings, Net	22,974,052
1530	Furniture and Equipment, Net	892,517
1000	Total Assets	32,694,144
DEFERRED OUTFLOWS OF RESOURCES		
1701	Deferred Charge for Refunding	278,940
1705	Deferred Outflow Related to TRS Pension	1,762,584
1706	Deferred Outflow Related to TRS OPEB	996,934
1700	Total Deferred Outflows of Resources	3,038,458
LIABILITIES		
2110	Accounts Payable	113,546
2140	Interest Payable	127,825
2150	Payroll Deductions and Withholdings	1,109
2160	Accrued Wages Payable	995,284
2180	Due to Other Governments	143,482
2190	Due to Student Groups	1,099
	Noncurrent Liabilities:	
2501	Due Within One Year: Loans, Note, Leases, etc.	998,340
	Due in More than One Year:	
2502	Bonds, Notes, Leases, etc.	8,091,635
2540	Net Pension Liability (District's Share)	4,204,272
2545	Net OPEB Liability (District's Share)	4,697,962
2000	Total Liabilities	19,374,554
DEFERRED INFLOWS OF RESOURCES		
2605	Deferred Inflow Related to TRS Pension	1,196,845
2606	Deferred Inflow Related to TRS OPEB	4,322,455
2600	Total Deferred Inflows of Resources	5,519,300
NET POSITION		
3200	Net Investment in Capital Assets	15,369,675
	Restricted:	
3820	Restricted for Federal and State Programs	30,648
3850	Restricted for Debt Service	1,057,600
3860	Restricted for Capital Projects	318
3890	Restricted for Other Purposes	55,584
3900	Unrestricted	(5,675,077)
3000	Total Net Position	$ 10,838,748

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, 2021

Data Control Codes		1	Program Revenues 3	Program Revenues 4	Net (Expense) Revenue and Changes in Net Position 6
		Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities
Primary Government:					
	GOVERNMENTAL ACTIVITIES:				
11	Instruction	$ 7,759,031	$ -	$ 1,959,343	$ (5,799,688)
12	Instructional Resources and Media Services	172,395	-	71,930	(100,465)
13	Curriculum and Instructional Staff Development	220,308	-	81,191	(139,117)
21	Instructional Leadership	147,121	-	134,784	(12,337)
23	School Leadership	646,520	-	50,163	(596,357)
31	Guidance, Counseling, and Evaluation Services	421,104	-	91,200	(329,904)
32	Social Work Services	69,260	-	63,711	(5,549)
33	Health Services	214,264	-	59,328	(154,936)
34	Student (Pupil) Transportation	181,439	-	38,071	(143,368)
35	Food Services	667,280	38,599	484,063	(144,618)
36	Extracurricular Activities	583,502	3,193	30,559	(549,750)
41	General Administration	913,702	-	135,609	(778,093)
51	Facilities Maintenance and Operations	2,432,481	-	433,761	(1,998,720)
52	Security and Monitoring Services	261,442	-	100,758	(160,684)
53	Data Processing Services	642,373	-	159,223	(483,150)
61	Community Services	22,702	-	21,225	(1,477)
72	Debt Service - Interest on Long-Term Debt	251,035	-	-	(251,035)
73	Debt Service - Bond Issuance Cost and Fees	750	-	-	(750)
93	Payments Related to Shared Services Arrangements	826,924	-	622,388	(204,536)
99	Other Intergovernmental Charges	16,996	-	-	(16,996)
[TP]	TOTAL PRIMARY GOVERNMENT:	$ 16,450,629	$ 41,792	$ 4,537,307	(11,871,530)

Data Control Codes	General Revenues:	
	Taxes:	
MT	Property Taxes, Levied for General Purposes	1,126,550
DT	Property Taxes, Levied for Debt Service	295,478
SF	State Aid - Formula Grants	11,015,838
GC	Grants and Contributions not Restricted	916,371
IE	Investment Earnings	18,115
MI	Miscellaneous Local and Intermediate Revenue	80,941
TR	Total General Revenues	13,453,293
CN	Change in Net Position	1,581,763
NB	Net Position - Beginning	9,256,985
NE	Net Position - Ending	$ 10,838,748

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

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

Data Control Codes		10 General Fund	50 Debt Service Fund	Other Funds	Total Governmental Funds
	ASSETS				
1110	Cash and Cash Equivalents	$ 6,141,676	$ 1,034,682	$ 142,071	$ 7,318,429
1220	Property Taxes - Delinquent	313,574	76,088	-	389,662
1230	Allowance for Uncollectible Taxes	(11,957)	(3,134)	-	(15,091)
1240	Due from Other Governments	196,116	-	551,596	747,712
1260	Due from Other Funds	652,061	6	-	652,067
1290	Other Receivables	54,562	-	40,632	95,194
1300	Inventories	24,298	-	-	24,298
1410	Prepayments	2,100	-	-	2,100
1000	Total Assets	$ 7,372,430	$ 1,107,642	$ 734,299	$ 9,214,371
	LIABILITIES				
2110	Accounts Payable	$ 43,686	$ -	$ 69,860	$ 113,546
2150	Payroll Deductions and Withholdings Payable	1,109	-	-	1,109
2160	Accrued Wages Payable	885,704	-	109,580	995,284
2170	Due to Other Funds	153,110	-	498,957	652,067
2180	Due to Other Governments	143,482	-	-	143,482
2190	Due to Student Groups	1,099	-	-	1,099
2000	Total Liabilities	1,228,190	-	678,397	1,906,587
	DEFERRED INFLOWS OF RESOURCES				
2601	Unavailable Revenue - Property Taxes	270,228	64,752	-	334,980
2600	Total Deferred Inflows of Resources	270,228	64,752	-	334,980
	FUND BALANCES				
	Nonspendable Fund Balance:				
3410	Inventories	24,298	-	-	24,298
3430	Prepaid Items	2,100	-	-	2,100
	Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	4,250	-	-	4,250
3470	Capital Acquisition and Contractural Obligation	-	-	318	318
3480	Retirement of Long-Term Debt	-	1,042,890	-	1,042,890
3490	Other Restricted Fund Balance	-	-	55,584	55,584
3600	Unassigned Fund Balance	5,843,364	-	-	5,843,364
3000	Total Fund Balances	5,874,012	1,042,890	55,902	6,972,804
4000	Total Liabilities, Deferred Inflows & Fund Balances	$ 7,372,430	$ 1,107,642	$ 734,299	$ 9,214,371

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

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

EXHIBIT C-2

	Total Fund Balances - Governmental Funds	$	6,972,804
1	Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the end of the year, the cost of these assets was $41,173,708 and the accumulated depreciation was ($17,041,868). The net effect of including the balances for capital assets (net of depreciation) is to increase net position.		24,131,840
2	Long term liabilities are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Liabilities at year end include bonds payable of $7,855,000, capital leases of $540,665, and unamortized bond premium of $645,440. In addition, other long term liabilities of compensated absences for $48,870 are recorded in governmental activities but not in the funds. The net effect of including the long term liabilities in governmental activities is to decrease net position.		(9,089,975)
3	Included in the items related to debt is the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of $1,762,584, a deferred resource inflow in the amount of ($1,196,845), and a net pension liability in the amount of ($4,204,272). This resulted in a decrease in net position.		(3,638,533)
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 $996,934, a deferred resource inflow in the amount of ($4,322,455), and a net OPEB liability in the amount of ($4,697,962). This resulted in a decrease in net position.		(8,023,483)
5	Deferred outflows of resources for deferred charges for refundings are not financial resources and therefore are not reported in governmental funds. Including the deferred charges for refunding bonds increases net position.		278,940
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 $334,980, and recognizing the liabilities associated with maturing long-term debt of accrued interest ($127,825). The net effect of these reclassifications and recognitions is to increase net position.		207,155
19	**Net Position of Governmental Activities**	$	10,838,748

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, 2021

Data Control Codes		10 General Fund	50 Debt Service Fund	Other Funds	Total Governmental Funds
	REVENUES:				
5700	Total Local and Intermediate Sources	$ 1,228,770	$ 296,899	$ 59,912	$ 1,585,581
5800	State Program Revenues	11,571,156	748,903	130,398	12,450,457
5900	Federal Program Revenues	760,868	-	3,083,723	3,844,591
5020	Total Revenues	13,560,794	1,045,802	3,274,033	17,880,629
	EXPENDITURES:				
	Current:				
0011	Instruction	5,764,052	-	1,486,978	7,251,030
0012	Instructional Resources and Media Services	92,734	-	65,367	158,101
0013	Curriculum and Instructional Staff Development	130,080	-	73,332	203,412
0021	Instructional Leadership	-	-	134,784	134,784
0023	School Leadership	590,512	-	320	590,832
0031	Guidance, Counseling, and Evaluation Services	316,973	-	68,607	385,580
0032	Social Work Services	-	-	63,711	63,711
0033	Health Services	149,577	-	46,139	195,716
0034	Student (Pupil) Transportation	140,580	-	26,087	166,667
0035	Food Services	618,830	-	-	618,830
0036	Extracurricular Activities	531,198	-	6,588	537,786
0041	General Administration	841,610	-	3,346	844,956
0051	Facilities Maintenance and Operations	1,911,634	-	373,926	2,285,560
0052	Security and Monitoring Services	224,381	-	79,730	304,111
0053	Data Processing Services	451,554	-	145,603	597,157
0061	Community Services	-	-	21,225	21,225
	Debt Service:				
0071	Principal on Long-Term Debt	150,270	695,000	-	845,270
0072	Interest on Long-Term Debt	38,330	328,100	-	366,430
0073	Bond Issuance Cost and Fees	-	750	-	750
	Capital Outlay:				
0081	Facilities Acquisition and Construction	192,792	-	-	192,792
	Intergovernmental:				
0093	Payments to Fiscal Agent/Member Districts of SSA	204,536	-	622,388	826,924
0099	Other Intergovernmental Charges	16,996	-	-	16,996
6030	Total Expenditures	12,366,639	1,023,850	3,218,131	16,608,620
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	1,194,155	21,952	55,902	1,272,009
	OTHER FINANCING SOURCES (USES):				
7915	Transfers In	498,321	-	-	498,321
8911	Transfers Out (Use)	(498,321)	-	-	(498,321)
7080	Total Other Financing Sources (Uses)	-	-	-	-
1200	Net Change in Fund Balances	1,194,155	21,952	55,902	1,272,009
0100	Fund Balance - July 1 (Beginning)	4,679,857	1,020,938	-	5,700,795
3000	Fund Balance - June 30 (Ending)	$ 5,874,012	$ 1,042,890	$ 55,902	$ 6,972,804

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

Total Net Change in Fund Balances - Governmental Funds	$	1,272,009
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the capital outlays of $419,751 and debt principal payments of $845,270 is to increase net position.		1,265,021
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.		(982,377)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing the decrease in accrued interest on long term debt of $13,268, recording amortization of bond premiums of $121,098, amortization of deferred charges on refunding of ($18,971), and recognizing the decrease in compensated absences of $7,650. The net effect of these reclassifications and recognitions is to increase net position.		123,045
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 decrease to the change in net position.		(2,705)
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 $253,178. 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 ($269,107). 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 ($301,877). The net result is a decrease in the change in net position.		(317,806)
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 $74,314. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net OPEB liability. This caused a decrease in the change in net position totaling ($79,994). 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 $230,256. The net result is an increase in the change in net position.		224,576
Change in Net Position of Governmental Activities	$	1,581,763

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, 2021

	Private Purpose Trust Funds	Total Custodial Funds
ASSETS		
Cash and Cash Equivalents	$ 5,162	$ 44,375
Total Assets	5,162	$ 44,375
LIABILITIES		
Payable from Restricted Assets	3,664	-
Total Liabilities	3,664	-
NET POSITION		
Restricted for Scholarships	1,498	-
Restricted for Other Purposes	-	44,375
Total Net Position	$ 1,498	$ 44,375

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

EXHIBIT E-2

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Private Purpose Trust Funds	Total Custodial Funds
ADDITIONS:		
Enterprising Services Revenue	$ -	$ 44,448
Total Additions	-	44,448
DEDUCTIONS:		
Other Deductions	-	54,480
Total Deductions	-	54,480
Change in Fiduciary Net Position	-	(10,032)
Total Net Position - July 1 (Beginning)	1,498	-
Prior Period Adjustment	-	54,407
Total Net Position - June 30 (Ending)	$ 1,498	$ 44,375

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 compromise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to, and accounted for the purpose of, carrying on specific activities in accordance with laws, regulations, or other appropriate requirements. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The District reports the following major governmental funds:

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

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

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

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

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

Fiduciary Funds

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

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets

The official school budgets were prepared for adoption for the General Fund and Debt Service Fund, and certain non-major special revenue funds by June 30, 2020. The budgets were formally adopted by the board of school trustees at a duly advertised public meeting prior to the expenditure of funds. The budgets were amended by the board of school trustees throughout the year. Expenditures may not legally exceed budgeted appropriations at the function level.

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

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

Cash and Cash Equivalents

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

Investments

Money market investments which are short-term, highly liquid debt instruments including commercial paper, banker's acceptances and U.S. Treasury and agency obligations that have a remaining maturity at time of purchase of one year or less are reported at amortized cost. Investment pools have met the criteria established under GASB codification section 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 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory

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

Prepayments

Prepayments are expenditures that will benefit periods beyond June 30, 2021. 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 $2,100 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*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Compensated Absences

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term Obligations

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

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

Pensions

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

Other Post-Employment Benefits (OPEB)

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

Categories and Classification of Fund Equity

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses

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

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

Encumbrances

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

Accounting System

In accordance with the Resource Guide, the District has adopted and installed an accounting system which meets at least the minimum requirements prescribed by the State Board of Education and approved by the State Auditor. Specifically, the District's accounting system uses codes and the code structure prescribed by TEA in the Resource Guide. Mandatory codes are recorded in the order provided in that section.

Data Control Codes

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

Net Position

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

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

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, November 15, 2021. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Issued Accounting Pronouncements

In fiscal year 2021 the District implemented GASB Statement No. 84, *Fiduciary Activities,* effective for fiscal years beginning after December 15, 2018, extended by Statement No. 95 to fiscal years beginning after December 15, 2019. This Statement seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The impact of the implementation was a restatement of the beginning net position of the custodial fund of $54,407.

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

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

GASB Statement No. 96*, Subscriptions-Based Information Technology Arrangements*, 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. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

NOTE 2: DETAILED NOTES ON ALL FUNDS

Deposits and Investments

Investment Accounting Policy

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

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

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

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

Custodial Credit Risk

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

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments **(Continued)**

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

Cash Deposits

At June 30, 2021, the District's carrying amount had a balance of $4,743,202 (cash, certificates of deposit, and interest-bearing savings accounts) and the bank balance was $5,132,398. In addition, the District maintains $2,624,765 in a government investment pool. The District's cash deposits and investments at June 30, 2021 and during the year ended June 30, 2021 were entirely covered by FDIC insurance or by pledged collateral held in the District's name by a bank other than the pledging bank.

The District's cash deposits at June 30, 2021 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 $6,955,580.
c. Largest cash, savings and time deposit combined account balance amounted to $5,614,092 and occurred during the month of March 2021.
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.

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments **(Continued)**

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

Description	CUSIP	Amount	Maturity	Days
TexPool	N/A	$2,624,765	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	$2,624,765	AAA	100%

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.

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments **(Continued)**

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

Property Tax

Property taxes are levied by October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period and those expected to be collected during a 60 day period after the close of the school fiscal year. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. The District's 2020 tax rate was $1.06390 for maintenance and $0.280290 for debt service per $100 assessed valuation.

The 2020 assessed valuation was $103,014,431. 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, 2021 outstanding taxes in the general fund and debt service fund was $313,574 and $76,088 with a corresponding allowance for doubtful accounts of $11,957 and $3,134.

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Due To and From Other Governments and Agencies

Amounts due to and from other governments and agencies at June 30, 2021 are as follows:

General Fund	Due To	Due From
Texas Education Agency:		
Foundation Revenues	$ 143,482	$ -
Available School Fund	-	67,547
Texas Department of Agriculture:		
School Breakfast Program		10,794
National School Lunch Program		117,776
Other Governmental Funds		
Texas Education Agency :		
ESEA Title I, Part A	-	148,112
ESEA Title I, Part C	-	12,565
Gear Up Grant	-	19,029
ESEA Title II, Part A	-	8,000
Title III, Part A	-	180
ESSER - School Emergency Relief	-	30,166
ESSER III - School Emergency Relief	-	4,797
State Textbook Fund	-	40,603
Title IV, Part A, Subpart 1		495
Career and Technical - Quality Work Force		18,559
Coronavirus Relief Fund	-	-
State Funded Special Revenue	-	2,698
SSA - 21st Century Community Learning Centers	-	266,391
Total due to/from other governments and agencies	$ 143,482	$ 747,712

Disaggregation of Receivables and Payables

Receivables at June 30, 2021, were as follows:

	Property Taxes	Other Governments	Other Receivables	Accrued Interest	Due From Other Funds	Total Receivables
Governmental Activities:						
General Fund	$ 313,574	$ 196,116	$ 54,562	$ -	$ 652,061	$ 1,216,313
Debt Service Fund	76,088	-	-	-	6	76,094
Nonmajor Governmental Funds	-	551,596	40,632	-	-	592,228
Gross receivables	389,662	747,712	95,194	-	652,067	1,884,635
Allowance for uncollectible amounts	(15,091)	-	-	-	-	(15,091)
Total Governmental Activities, net	$ 374,571	$ 747,712	$ 95,194	$ -	$ 652,067	$ 1,869,544
Amounts not scheduled for collection during the subsequent year	$ -	$ -	$ -	$ -	$ -	$ -

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

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

Payables at June 30, 2021, were as follows:

	Accounts Payable	Salaries, Benefits and Withholdings	Other Governments	Due To Other Funds	Total Payables
Governmental Activities:					
General Fund	$ 43,686	$ 885,704	$ 143,482	$ 153,110	$ 1,225,982
Nonmajor Governmental Funds	69,860	109,580	-	498,957	678,397
Total Governmental Activities	$ 113,546	$ 995,284	$ 143,482	$ 652,067	$ 1,904,379
Amounts not scheduled for payment during the subsequent year	$ -	$ -	$ -	$ -	$ -

Capital Assets

Capital asset activity for year ended June 30, 2021, was as follows:

	Balance July 1, 2020	Increase	Decrease	Transfers	Balance June 30, 2021
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	34,483,095	176,912	-	-	34,660,007
Furniture and equipment	6,187,421	242,839	(181,830)	-	6,248,430
Total capital assets being depreciated	40,670,516	419,751	(181,830)	-	40,908,437
Less accumulated depreciation:					
Building and improvements	10,994,913	691,042	-	-	11,685,955
Furniture and equipment	5,246,408	291,335	(181,830)	-	5,355,913
Total accumulated depreciation	16,241,321	982,377	(181,830)	-	17,041,868
Total capital assets being depreciated, net	24,429,195	(562,626)	-	-	23,866,569
Governmental activities capital assets, net	$ 24,694,466	$ (562,626)	$ -	$ -	$ 24,131,840

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

***Capital Assets* (Continued)**

Depreciation was charged to the following functions:

Government Activities:	
11 – Instruction	$ 494,616
12 – Instructional Resources and Media Services	10,990
13 – Curriculum and Staff Development	14,140
21 – Instructional Leadership	9,369
23 – School Leadership	41,070
31 – Guidance, Counseling and Evaluation Services	26,802
32 – Social Work Services	4,429
33 – Health Services	13,605
34 – Student Transportation	11,585
35 – Food Services	43,016
36 – Cocurricular/Extracurricular Activities	37,383
41 – General Administration	58,735
51 – Plant Maintenance and Operations	157,028
52 – Security and Monitoring Services	16,625
53 – Data Processing Services	41,509
61 – Community Services	1,475
	$ 982,377

Long-term Obligations

Long–term obligations include bonds, capital leases and compensated absences. Changes in long-term obligations for the year ended June 30, 2021, are as follows:

Governmental Activities	Beginning Balance 7/1/2020	Increase	Decrease	Ending Balance 6/30/2021	Due Within One Year
General Obligation Bonds					
Bond Series 2016	$ 3,310,000	$ -	$ (120,000)	$ 3,190,000	$ 125,000
Bond Series 2017	5,240,000	-	(575,000)	4,665,000	600,000
Total general obligation bonds	8,550,000	-	(695,000)	7,855,000	725,000
Premium on issuance – Refunding Bond Series 2016	376,559	-	(41,069)	335,490	38,696
Premium on issuance – Refunding Bond Series 2017	389,979	-	(80,029)	309,950	66,165
Capital leases	690,935	-	(150,270)	540,665	143,479
Total general long term debt	10,007,473	-	(966,368)	9,041,105	973,340
Total governmental activities	$ 10,007,473	$ -	$ (966,368)	$ 9,041,105	$ 973,340

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-term Obligations **(Continued)**

General Obligation Bonds:

On November of 2016, the District issued $3,500,000 in Unlimited Tax Refunding Bonds, Series 2016, in order to advance refund $3,575,000 of the remaining bonds outstanding on the Unlimited Tax School Building Bonds, Series 2008 ("refunded bonds"). The net proceeds of the 2016 refunding bonds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds, and to pay costs of issuance. As a result, $3,575,000 of the refunded bonds are considered defeased, and have been removed from the balance of long-term debt of the District. At June 30, 2021, the refunded bonds had an amount outstanding of $3,575,000. The refunding resulted in a net present value savings of $552,846. The 2016 bonds were issued with stated interest rates ranging from 2% to 4%, with interest payable semi-annually every year on February 15 and August 15 with final maturity on August 15, 2038.	3,190,000
In May of 2017, the District issued $6,400,000 in Unlimited Tax Refunding Bonds, Series 2017, in order to advance refund $6,795,000 of the remaining bonds outstanding on the Unlimited Tax Refunding Bonds, Series 2007 ("refunded bonds"). The net proceeds of the 2017 refunding bonds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds, and to pay costs of issuance. The $6,795,000 of refunded bonds are considered defeased, and have been removed from the balance of long-term debt of the District. In addition, the refunded bonds had an original call date of August 15, 2017, and as of June 30, 2021, 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.	4,665,000
Total general obligation bonds	$7,855,000

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-term Obligations **(Continued)**

Capital Leases:

During the year ended August 31, 2011, the District entered into two capital leases for an energy management system with TAC Americas, Inc. (TAC). The capital leases are payable in 30 semi-annual installment payments. The lease is secured by the components of the energy management system (primarily air conditioning units and fluorescent lights) and matures in September 1, 2024. TAC has guaranteed that the annual payments over the 15 year life of the contracts will be funded by energy costs reductions. If the energy cost savings do not equal the payment, TAC will fund the difference. $540,665

Total capital leases $540,665

Debt service requirements on long-term debt at June 30, 2021, are as follows:

Year Ending	Bonds Payable		Capital Lease		Total
June 30,	Principal	Interest	Principal	Interest	Requirement
2022	$ 725,000	$ 299,700	$ 143,477	$ 29,653	$ 1,197,830
2023	760,000	270,000	152,020	21,110	1,203,130
2024	485,000	245,100	161,071	12,058	903,229
2025	505,000	225,300	84,097	2,468	816,865
2026	530,000	204,600	-	-	734,600
2027-2031	2,985,000	680,300	-	-	3,665,300
2032-2036	1,170,000	245,000	-	-	1,415,000
2037-2040	695,000	42,300	-	-	737,300
	$ 7,855,000	$ 2,212,300	$ 540,665	$ 65,289	$ 10,673,254

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Other Long-term Liabilities

In addition to the long-term debt obligations in Note 9, Note 15 Defined Benefit Pension Plan and Note 16 Defined Other Post Employment Benefit Plans, the District has the following changes in other long-term liabilities for the year ended June 30, 2021 as follows:

Governmental Activities	Beginning Balance 7/1/2020	Increase	Decrease	Ending Balance 6/30/2021	Due Within One Year
Compensated Absences	$ 56,520	$ 22,136	$ (29,786)	$ 48,870	$ 25,000

Interfund Receivables, Payables and Transfers

Interfund receivable and payable balances at June 30, 2021 were:

	Due to Fund:			
Due from Fund:	General Fund	Debt Service	Non Major Funds	Total
General Fund	$ 153,104	$ 6	$ -	$ 153,110
Non Major Funds	498,957	-	-	498,957
Total	$ 652,061	$ 6	$ -	$ 652,067

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	Debt Service Fund	Total Nonmajor Funds	Total Gonvernmental Funds
Property taxes	$ 1,062,525	$ 277,729	$ -	$ 1,340,254
Food sales	38,598	-	-	38,598
Investment income	14,935	2,862	318	18,115
Penalties, interest and other tax-related income	68,173	16,308	-	84,481
Athletic activities	3,193	-	-	3,193
Other	41,346	-	59,594	100,940
Total governmental activities	$ 1,228,770	$ 296,899	$ 59,912	$ 1,585,581

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deferred Outflows and Inflows of Resources

Unavailable revenues from property taxes in the general fund and the debt service fund at June 30, 2021 were $270,228 and $64,752 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 $278,940. In addition, deferred outflows and inflows of resources related to TRS pension liability are $1,762,584 and $1,196,845, respectively. Deferred outflows and inflows of resources related to the TRS OPEB liability are $996,934 and $4,322,455, respectively.

General Fund Federal Source Revenues

Federally financed programs are generally accounted for in the Special Revenue Funds of the District, except for indirect costs charged to federal programs which are accounted for in the General Fund as prescribed by the TEA and certain direct revenues. The District recognized in the General Fund such revenues for the year ended June 30, 2021 from various federal sources as follows:

Programs or Source	Number	Amount
School Breakfast Program	10.553	$ 128,384
National School Lunch Program	10.555	323,331
USDA – Donated Commodities	10.555	7,996
USDA - Child and Adult Care Food Program	10.558	58,908
Indirect Costs	Various	46,505
E-rate	-	41,785
TDEM - COVID-19 Coronavirus Relief Fund	21.019	14,876
SHARS	-	139,083
		$ 760,868

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Fund Balances and Net Position

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

Nonspendable: The District has inventories of $24,298 and prepayment of $2,100.

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

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

Unassigned – the unassigned fund balance has no constraints.

Fund balances at June 30, 2021 are composed of the following amounts:

	General Fund	Debt Service Fund	Total Nonmajor	Total Governmental Funds
Fund balances				
Nonspendable				
Inventories				
Food service	$ 24,298	$ -	$ -	$ 24,298
Prepaid items	2,100	-	-	2,100
Restricted				
Food service	4,250	-	-	4,250
Debt service	-	1,042,890	-	1,042,890
Capital projects	-	-	318	318
Other			55,584	55,584
Unassigned	5,843,364	-	-	5,843,364
	$ 5,874,012	$ 1,042,890	$ 55,902	$ 6,972,804

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

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

Net Position at June 30, 2021 is composed of the following amounts:

	Governmental Activities
Net investment in capital assets:	
Capital assets, net of accumulated depreciation	$ 24,131,840
Less related liabilities	(9,041,105)
Plus unamortized charges - deferred outflows of resources	278,940
Total net investment in capital assets	15,369,675
Restricted net position consists of the following:	
Federal and state programs	30,648
Debt Service	1,057,600
Capital Projects	318
Other Purposes	55,584
Total restricted net position	1,144,150
Unrestricted net position	(5,675,077)
Total net position	$ 10,838,748

The District has a negative unrestricted net position in the Governmental Activities of $5,675,077 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 3 and 4), the results of which are actuarially determined. The recognition of these significant long term liabilities has resulted in the negative unrestricted net position.

NOTE 3: RETIREMENT PLANS

Plan Description

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

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

NOTE 3: RETIREMENT PLANS (Continued)

Pension Plan Fiduciary Net Position

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

Benefits Provided

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

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

Contributions

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

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

NOTE 3: RETIREMENT PLANS (Continued)

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 thru 2025.

The following are the contribution rates for years 2020 and 2021:

	Contribution Rates	
	2020	2021
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	7.5%	7.5%
Employers	7.5%	7.5%

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

Current fiscal year employer contributions	$ 309,797
Current fiscal year member contributions	$ 605,818
2020 measurement year NECE on-behalf contributions	$ 447,545

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

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

NOTE 3: RETIREMENT PLANS (Continued)

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

- When a school district or charter school does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees. This surcharge was in effect through fiscal year 2019 and was replaced with the Public Education Employer Contribution explained above.
- 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, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2019, rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term expected Investment Rate of Return	7.25%
Municipal Bond Rate as of August 2020	2.33%. 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)	2119
Inflation	2.3%
Salary Increases including inflation	3.5% to 9.05%
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2019. For a full description of these assumptions please see the actuarial valuation report dated November 9, 2020.

NOTE 3: RETIREMENT PLANS (Continued)

Discount Rate

A single discount rate of 7.25 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.25 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2020 session. It is assumed that future employer and state contributions will be 7.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 7.25%.

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.

NOTE 3: RETIREMENT PLANS (Continued)

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2020 are summarized below:

Teacher Retirement System of Texas
Asset Allocation and Long-Term Expected Real Rate of Return
As of August 31, 2020

Asset Class	Target Allocation[1]	Long-Term Expected Geometric Real Rate of Return[2]	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.0%	3.9%	0.99%
Non – U. S. developed	13.0%	5.1%	0.92%
Emerging Markets	9.0%	5.6%	0.83%
Private Equity	14.0%	6.7%	1.41%
Stable Value			
Government Bonds	16.0%	-0.7%	-0.05%
Stable Value Hedge Funds	5.0%	1.9%	0.11%
Absolute Return (Including Credit Sensitive Investments)	-	1.8%	-
Real Return			
Real Estate	15.0%	4.6%	1.02%
Energy, Natural Resources and Infrastructure	6.0%	6.0%	0.42%
Commodities	-	0.8%	-
Risk Parity			
Risk Parity	8.0%	3.0%	0.30%
Asset Allocation Leverage			
Cash	2.0%	-1.5%	-0.03%
Asset Allocation Leverage	-6.0%	-1.3%	0.08%
Inflation Expectation			2.00%
Volatility Drag[3]			-0.67%
Total	**100.0%**		**7.33%**

1 Target allocations are based on the FY2020 policy model.
2 Capital Market Assumptions come from Aon Hewitt (as of 08/31/2020).
3 The volatility drag results from the conversion between arithmetic and geometric mean returns.

NOTE 3: RETIREMENT PLANS (Continued)

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the 2020 measurement year Net Pension Liability.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
District's proportionate share of the net pension liability:	$ 6,482,912	$ 4,204,272	$ 2,352,927

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

At June 30, 2021, the District reported a liability of $4,204,272 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	$ 4,204,272
State's proportionate share that is associated with the District	5,809,380
Total	$ 10,013,652

The net pension liability was measured as of August 31, 2020 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, 2019 thru August 31, 2020.

At August 31, 2020 the employer's proportion of the collective net pension liability was .0078499480%, which was a decrease of (.0005907328%) from its proportion measured as of August 31, 2019.

Changes Since the Prior Actuarial Valuation – There have been no changes to the actuarial assumptions and methods since the prior valuation period.

For the year ended June 30, 2021, the District recognized pension expense of $1,269,723 and revenue of $698,739 for support provided by the State.

NOTE 3: RETIREMENT PLANS (Continued)

At June 30, 2021, 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	$ 7,677	$ 117,330
Changes in actuarial assumptions	975,541	414,793
Differences between projected and actual investment earnings	85,112	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	441,076	664,722
Total as of August 31, 2020 measurement date	1,509,406	1,196,845
Contributions paid to TRS subsequent to the measurement date	253,178	-
Total as of fiscal year-end	$ 1,762,584	$ 1,196,845

The $253,178 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Years ended June 30,	Pension Expense Amount
2022	$ 132,027
2023	$ 158,458
2024	$ 70,050
2025	$ 37,886
2026	$ (72,740)
Thereafter	$ (13,120)

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

Plan Description. The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System (TRS) Board of Trustees. It is established and administered in accordance with Texas Insurance Code, Chapter 1575.

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

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

Components of the net OPEB liability of the TRS-Care plan as of June 30, 2021 are as follows:

Net OPEB Liability	Total
Total OPEB Liability	$40,010,833,815
Less: plan fiduciary net position	(1,996,317,932)
Net OPEB liability	$38,014,515,883
Net position as a percentage of total OPEB liability	4.99%

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

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic postemployment benefit changes; including automatic COLAs.

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

	TRS-Care Plan Premium Rates	
	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% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the employer. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act which is 0.75 percent of each active employee's pay for fiscal year 2020. The following table shows contributions to the TRS-Care plan by type of contributor.

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

	Contribution Rates	
	2020	2021
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	$ 89,322
Current fiscal year member contributions	$ 51,140
2020 measurement year NECE on-behalf contributions	$ 126,220

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of $230.8 million in fiscal year 2020.

Actuarial Assumptions. The total OPEB liability in the August 31, 2019 actuarial valuation was rolled forward to August 31, 2020. The actuarial valuation was determined using the following actuarial assumptions.

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

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females, with full generational mortality using Scale BB. 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 most recently published scale (U-MP).

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2019 TRS pension actuarial valuation that was rolled forward to August 31, 2020:

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

The initial medical trend rates were 9.00 percent for Medicare retirees and 7.30 percent for non-Medicare retirees. There was an initial prescription drug trend rate of 9.00 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 13 years.

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

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	2.33% as of August 31, 2020
Aging Factors	Based on Plan Specific Experience
Election Rates	Normal retirement: 65% participation prior to age 65 and 40% participation after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65 August 31, 2020
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Projected Salary Increases Including Inflation	3.05-9.05%
Ad-hoc Post Employment Benefit Changes	None

Discount Rate. A single discount rate of 2.33% was used to measure the total OPEB liability. There was a decrease of .30 percent in the discount rate since the previous year. The Discount Rate can be found in the 2020 TRS ACFR on page 76. 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.

Sensitivity of the Net OPEB Liability:

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the net OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate (2.33%) that was used in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (1.33%)	Discount Rate (2.33%)	1% Increase in Discount Rate (3.33%)
District's proportionate share of the net OPEB liability:	$ 5,637,544	$ 4,697,962	$ 3,955,827

NOTE 4: 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:	$ 3,837,633	$ 4,697,962	$ 5,843,799

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At June 30, 2021, the District reported a liability of $4,697,962 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	$ 4,697,962
State's proportionate share that is associated with the District	6,312,935
Total	$ 11,010,897

The Net OPEB Liability was measured as of August 31, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer's portion of the net OPEB liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2019 through August 31, 2020.

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

At August 31, 2020, the employer's proportion of the collective net OPEB liability was 0.0123583375% which was a decrease of 0.0008899262% from its proportion measured as of August 31, 2019.

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 2.63 percent as of August 31, 2019 to 2.33 percent as of August 31, 2020. This change increased the TOL.
- The participation rate for pre-65 retirees was lowered from 50 percent to 40 percent. This change decreased the TOL.
- The ultimate health care trend assumption was lowered from 4.50 percent to 4.25 percent as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change decreased the TOL.
- Change of Benefit Terms Since the Prior Measurement Date – There were no changes in benefit terms since the prior measurement date.

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

For the year ended June 30, 2021, the District recognized OPEB expense of ($194,097) and revenue of ($43,835) for support provided by the State.

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

At June 30, 2021, 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	$ 245,983	$ 2,150,028
Changes in actuarial assumptions	289,767	1,290,085
Differences between projected and actual investment earnings	1,527	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	385,343	882,342
Total as of August 31, 2020 measurement date	922,620	4,322,455
Contributions paid to TRS subsequent to the measurement date	74,314	-
Total as of fiscal year-end	$ 996,934	$ 4,322,455

The $74,314 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. 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
2022	$ (554,076)
2023	$ (554,280)
2024	$ (554,397)
2025	$ (554,366)
2026	$ (428,883)
Thereafter	$ (753,833)

NOTE 5: MEDICARE PART D

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. Under Medicare Part D, TRS-Care received retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the year ended June 30, 2021 and 2020 and the year ended August 31, 2019, the subsidy payments received by TRS-Care on behalf of the District are as follows:

Fiscal Year	Medicare Part D
2021	$ 33,493
2020	36,446
2019	31,813

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

NOTE 6: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2021, 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, 2021, 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 6: RISK MANAGEMENT (Continued)

The Fund and its members are protected against higher than expected claims costs through the purchase of stop loss coverage for any claim in excess of the Fund's self-insured retention of $1.5 million. The Fund uses the services of an independent actuary to determine reserve adequacy and fully funds those reserves. As of June 30, 2021, 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, 2021, 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, 2021, are available at the TASB offices and have been filed with the Texas State Board of Insurance in Austin.

NOTE 7: COMMITMENTS AND CONTINGENCIES

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

Audits of all of these programs for the year ended June 30, 2021 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.

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

NOTE 8: JOINT VENTURE - SHARED SERVICE ARRANGEMENTS

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

The District is also the fiscal agent for an SSA that provides assistance to member districts under the 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, 2021, the District spent $1,342,175. Of this amount $622,388 was provided for assistance to other member Districts.

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

Revenues		ESEA Title II, Part A	21st Century
5929	Federal revenue distributed by TEA	$ 55,181	$ 719,787
5952	SSA - Federal revenues from fiscal agent	-	622,388
	Total revenue	$ 55,181	$ 1,342,175
Expenditures			
6100	Payroll costs	$ -	$ 486,708
6200	Purchased and contracted services	42,000	18,098
6300	Supplies and materials	13,181	144,367
6400	Miscellaneous operating expenses	-	637,536
6600	Capital outlay - land, buildings, and equipment	-	55,466
	Total expenditures	$ 55,181	$ 1,342,175

NOTE 9: COMPLIANCE AND ACCOUNTABILITY

Finance-Related Legal and Contractual Provision

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

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

NOTE 10: CHAPTER 313 AGREEMENTS

The District entered into a tax abatement agreement with Monte Alto Windpower, LLC, ("Monte Alto") on September 30, 2019, pursuant to Chapter 313 of the Texas Tax Code. The agreement is for Monte Alto to invest capital of $57,097,000 on a long-term basis for a valuation limit of $15,000,000. The investment will be taxed at 100% for I & S purposes but will be limited to $15,000,000 for M & O purposes. For fiscal year 2021, 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"

EXHIBIT G-1

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, 2021

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	REVENUES:				
5700	Total Local and Intermediate Sources	$ 1,319,827	$ 1,396,827	$ 1,228,770	$ (168,057)
5800	State Program Revenues	11,922,134	11,076,111	11,571,156	495,045
5900	Federal Program Revenues	1,169,000	1,223,877	760,868	(463,009)
5020	Total Revenues	14,410,961	13,696,815	13,560,794	(136,021)
	EXPENDITURES:				
	Current:				
0011	Instruction	6,176,583	6,031,321	5,764,052	267,269
0012	Instructional Resources and Media Services	108,297	105,297	92,734	12,563
0013	Curriculum and Instructional Staff Development	129,336	133,336	130,080	3,256
0023	School Leadership	661,044	631,044	590,512	40,532
0031	Guidance, Counseling, and Evaluation Services	333,837	339,837	316,973	22,864
0033	Health Services	161,942	159,942	149,577	10,365
0034	Student (Pupil) Transportation	284,387	219,387	140,580	78,807
0035	Food Services	938,800	958,800	618,830	339,970
0036	Extracurricular Activities	972,191	880,314	531,198	349,116
0041	General Administration	1,009,207	943,450	841,610	101,840
0051	Facilities Maintenance and Operations	2,111,253	2,091,053	1,911,634	179,419
0052	Security and Monitoring Services	236,110	236,879	224,381	12,498
0053	Data Processing Services	587,370	483,374	451,554	31,820
0061	Community Services	6,000	-	-	-
	Debt Service:				
0071	Principal on Long-Term Debt	188,604	150,272	150,270	2
0072	Interest on Long-Term Debt	-	38,332	38,330	2
	Capital Outlay:				
0081	Facilities Acquisition and Construction	270,000	192,792	192,792	-
	Intergovernmental:				
0093	Payments to Fiscal Agent/Member Districts of SSA	205,000	205,000	204,536	464
0095	Payments to Juvenile Justice Alternative Ed. Prg.	14,000	14,000	-	14,000
0099	Other Intergovernmental Charges	17,000	17,000	16,996	4
6030	Total Expenditures	14,410,961	13,831,430	12,366,639	1,464,791
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(134,615)	1,194,155	1,328,770
	OTHER FINANCING SOURCES (USES):				
7915	Transfers In	751,723	751,723	498,321	(253,402)
8911	Transfers Out (Use)	(751,723)	(751,723)	(498,321)	253,402
7080	Total Other Financing Sources (Uses)	-	-	-	-
1200	Net Change in Fund Balances	-	(134,615)	1,194,155	1,328,770
0100	Fund Balance - July 1 (Beginning)	-	4,679,857	4,679,857	-
3000	Fund Balance - June 30 (Ending)	$ -	$ 4,545,242	$ 5,874,012	$ 1,328,770

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, 2021

	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018
District's Proportion of the Net Pension Liability (Asset)	0.007849948%	0.008440681%	0.008026189%
District's Proportionate Share of Net Pension Liability (Asset)	$ 4,204,272	$ 4,387,730	$ 4,417,809
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	5,809,380	5,919,107	6,581,608
Total	$ 10,013,652	$ 10,306,837	$ 10,999,417
District's Covered Payroll	$ 8,545,265	$ 8,422,035	$ 7,985,759
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	49.20%	52.10%	55.32%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.54%	75.24%	73.74%

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, 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 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
0.008423647%	0.011021659%	0.008336%	0.006251%
$ 2,693,429	$ 4,164,921	$ 2,945,817	$ 1,669,728
3,819,041	3,440,818	4,392,726	3,816,143
$ 6,512,470	$ 7,605,739	$ 7,338,543	$ 5,485,871
$ 7,985,759	$ 7,601,546	$ 7,346,222	$ 7,385,729
33.73%	54.79%	40.10%	22.61%
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 2021

	2021	2020	2019
Contractually Required Contribution	$ 309,797	$ 317,654	$ 287,632
Contribution in Relation to the Contractually Required Contribution	(309,797)	(317,654)	(287,632)
Contribution Deficiency (Excess)	$ -	$ -	$ -
District's Covered Payroll	$ 7,867,755	$ 8,530,216	$ 8,422,035
Contributions as a Percentage of Covered Payroll	3.94%	3.72%	3.42%

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.

2018	2017	2016	2015
$ 278,013	$ 276,078	$ 273,907	$ 238,509
(278,013)	(276,078)	(273,907)	(238,509)
$ -	$ -	$ -	$ -
$ 8,218,118	$ 7,985,759	$ 7,601,546	$ 7,346,222
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, 2021

	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.012358338%	0.013248264%	0.012452869%	$ 0.013386392%
District's Proportionate Share of Net OPEB Liability (Asset)	$ 4,697,962	$ 6,265,265	$ 6,217,832	$ 5,821,240
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	6,312,935	8,325,137	6,503,504	$ 5,575,579
Total	$ 11,010,897	$ 14,590,402	$ 12,721,336	$ 11,396,819
District's Covered Payroll	$ 8,545,265	$ 8,422,035	$ 7,985,759	$ 7,985,759
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	54.98%	74.39%	77.86%	$ 72.90%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	4.99%	2.66%	1.57%	$ 0.91%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. Therefore the amounts reported for FY 2021 are for the measurement date of August 31, 2020. The amounts for FY 2020 are for the measurement date of August 31, 2019. The amounts for FY 2019 are for the measurement date August 31, 2018. The amounts for FY 2018 are based on the August 31, 2017 measurement date.

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

EXHIBIT G-5

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2021

	2021	2020	2019	2018
Contractually Required Contribution	$ 89,322	$ 94,671	$ 92,194	$ 87,738
Contribution in Relation to the Contractually Required Contribution	(89,322)	(94,671)	(92,194)	(87,738)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 7,867,755	$ 8,530,216	$ 8,422,035	$ 8,218,118
Contributions as a Percentage of Covered Payroll	1.14%	1.11%	1.09%	1.07%

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

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

Stewardship, compliance, and accountability

I. Budgetary Information

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

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

- Prior to 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.

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

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

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 2.63 percent as of August 31, 2019 to 2.33 percent as of August 31, 2020. This change increased the TOL.

The participation rate for pre-65 retirees was lowered from 50 percent to 40 percent. This change decreased the TOL.

The ultimate health care trend assumption was lowered from 4.50 percent to 4.25 percent as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change decreased the 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"

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

Data Control Codes		211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	244 Career and Technical - Basic Grant	251 Career and Technical - Work Force
	ASSETS				
1110	Cash and Cash Equivalents	$ -	$ -	$ -	$ -
1240	Due from Other Governments	148,112	12,565	-	18,559
1290	Other Receivables	-	-	-	-
1000	Total Assets	$ 148,112	$ 12,565	$ -	$ 18,559
	LIABILITIES				
2110	Accounts Payable	$ -	$ -	$ -	$ -
2160	Accrued Wages Payable	38,407	-	-	-
2170	Due to Other Funds	109,705	12,565	-	18,559
2000	Total Liabilities	148,112	12,565	-	18,559
	FUND BALANCES				
	Restricted Fund Balance:				
3470	Capital Acquisition and Contractural Obligation	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	-
3000	Total Fund Balances	-	-	-	-
4000	Total Liabilities and Fund Balances	$ 148,112	$ 12,565	$ -	$ 18,559

255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	266 ESSER -School Emergency Relief	274 GEAR UP	276 Title I - SIP Academy Grant	277 Coronavirus Relief Fund CARES	282 ARP ACT ESSER III Grant Fund	289 Other Federal Special Revenue Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8,000	180	30,166	19,030	-	-	4,797	495
-	-	-	-	-	-	-	-
$ 8,000	$ 180	$ 30,166	$ 19,030	$ -	$ -	$ 4,797	$ 495
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	11,477	-	-	4,797	-
8,000	180	30,166	7,553	-	-	-	495
8,000	180	30,166	19,030	-	-	4,797	495
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
$ 8,000	$ 180	$ 30,166	$ 19,030	$ -	$ -	$ 4,797	$ 495

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

Data Control Codes		352 SSA - 21st Century Learning	410 State Instructional Materials	429 Other State Special Revenue Funds	499 Other Local Special Revenue Funds
	ASSETS				
1110	Cash and Cash Equivalents	$ -	$ -	$ -	$ 55,584
1240	Due from Other Governments	266,391	40,603	2,698	-
1290	Other Receivables	-	-	36,622	4,010
1000	Total Assets	$ 266,391	$ 40,603	$ 39,320	$ 59,594
	LIABILITIES				
2110	Accounts Payable	$ 69,860	$ -	$ -	$ -
2160	Accrued Wages Payable	41,251	-	10,019	3,629
2170	Due to Other Funds	155,280	40,603	29,301	381
2000	Total Liabilities	266,391	40,603	39,320	4,010
	FUND BALANCES				
	Restricted Fund Balance:				
3470	Capital Acquisition and Contractural Obligation	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	55,584
3000	Total Fund Balances	-	-	-	55,584
4000	Total Liabilities and Fund Balances	$ 266,391	$ 40,603	$ 39,320	$ 59,594

Total Nonmajor Special Revenue Funds	618 Capital Projects Fund	Total Nonmajor Governmental Funds
$ 55,584	$ 86,487	$ 142,071
551,596	-	551,596
40,632	-	40,632
$ 647,812	$ 86,487	$ 734,299
$ 69,860	$ -	$ 69,860
109,580	-	109,580
412,788	86,169	498,957
592,228	86,169	678,397
-	318	318
55,584	-	55,584
55,584	318	55,902
$ 647,812	$ 86,487	$ 734,299

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

Data Control Codes		211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	244 Career and Technical - Basic Grant	251 Career and Technical - Work Force
	REVENUES:				
5700	Total Local and Intermediate Sources	$ -	$ -	$ -	$ -
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	622,579	49,986	15,330	123,327
5020	Total Revenues	622,579	49,986	15,330	123,327
	EXPENDITURES:				
	Current:				
0011	Instruction	471,776	49,986	15,330	123,327
0012	Instructional Resources and Media Services	65,367	-	-	-
0013	Curriculum and Instructional Staff Development	20,884	-	-	-
0021	Instructional Leadership	-	-	-	-
0023	School Leadership	-	-	-	-
0031	Guidance, Counseling, and Evaluation Services	-	-	-	-
0032	Social Work Services	-	-	-	-
0033	Health Services	43,407	-	-	-
0034	Student (Pupil) Transportation	-	-	-	-
0036	Extracurricular Activities	-	-	-	-
0041	General Administration	-	-	-	-
0051	Facilities Maintenance and Operations	-	-	-	-
0052	Security and Monitoring Services	-	-	-	-
0053	Data Processing Services	-	-	-	-
0061	Community Services	21,145	-	-	-
	Intergovernmental:				
0093	Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
6030	Total Expenditures	622,579	49,986	15,330	123,327
1200	Net Change in Fund Balance	-	-	-	-
0100	Fund Balance - July 1 (Beginning)	-	-	-	-
3000	Fund Balance - June 30 (Ending)	$ -	$ -	$ -	$ -

255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	266 ESSER -School Emergency Relief	274 GEAR UP	276 Title I - SIP Academy Grant	277 Coronavirus Relief Fund CARES	282 ARP ACT ESSER III Grant Fund	289 Other Federal Special Revenue Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-
55,181	6,271	581,714	111,511	10,343	18,000	4,797	142,509
55,181	6,271	581,714	111,511	10,343	18,000	4,797	142,509
4,718	4,286	31,015	42,824	10,343	18,000	4,797	59,151
-	-	-	-	-	-	-	-
50,463	1,985	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	320	-	-	-	-	-
-	-	-	68,607	-	-	-	-
-	-	-	-	-	-	-	-
-	-	2,732	-	-	-	-	-
-	-	26,087	-	-	-	-	-
-	-	6,588	-	-	-	-	-
-	-	3,346	-	-	-	-	-
-	-	366,023	-	-	-	-	3,628
-	-	-	-	-	-	-	79,730
-	-	145,603	-	-	-	-	-
-	-	-	80	-	-	-	-
-	-	-	-	-	-	-	-
55,181	6,271	581,714	111,511	10,343	18,000	4,797	142,509
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

Data Control Codes		352 SSA - 21st Century Comm. Learning	410 State Instructional Materials	429 Other State Special Revenue Funds	499 Other Local Special Revenue Funds
	REVENUES:				
5700	Total Local and Intermediate Sources	$ -	$ -	$ -	$ 59,594
5800	State Program Revenues	-	-	130,398	-
5900	Federal Program Revenues	1,342,175	-	-	-
5020	Total Revenues	1,342,175	-	130,398	59,594
	EXPENDITURES:				
	Current:				
0011	Instruction	585,063	-	62,352	4,010
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	-	-	-	-
0021	Instructional Leadership	134,724	-	60	-
0023	School Leadership	-	-	-	-
0031	Guidance, Counseling, and Evaluation Services	-	-	-	-
0032	Social Work Services	-	-	63,711	-
0033	Health Services	-	-	-	-
0034	Student (Pupil) Transportation	-	-	-	-
0036	Extracurricular Activities	-	-	-	-
0041	General Administration	-	-	-	-
0051	Facilities Maintenance and Operations	-	-	4,275	-
0052	Security and Monitoring Services	-	-	-	-
0053	Data Processing Services	-	-	-	-
0061	Community Services	-	-	-	-
	Intergovernmental:				
0093	Payments to Fiscal Agent/Member Districts of SSA	622,388	-	-	-
6030	Total Expenditures	1,342,175	-	130,398	4,010
1200	Net Change in Fund Balance	-	-	-	55,584
0100	Fund Balance - July 1 (Beginning)	-	-	-	-
3000	Fund Balance - June 30 (Ending)	$ -	$ -	$ -	$ 55,584

Total Nonmajor Special Revenue Funds	618 Capital Projects Fund	Total Nonmajor Governmental Funds
$ 59,594	$ 318	$ 59,912
130,398	-	130,398
3,083,723	-	3,083,723
3,273,715	318	3,274,033
1,486,978	-	1,486,978
65,367	-	65,367
73,332	-	73,332
134,784	-	134,784
320	-	320
68,607	-	68,607
63,711	-	63,711
46,139	-	46,139
26,087	-	26,087
6,588	-	6,588
3,346	-	3,346
373,926	-	373,926
79,730	-	79,730
145,603	-	145,603
21,225	-	21,225
622,388	-	622,388
3,218,131	-	3,218,131
55,584	318	55,902
-	-	-
$ 55,584	$ 318	$ 55,902

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EXHIBIT H-3

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2021

	865 High School Student Activity Fund	876 Middle School Student Activity Fund	877 Elementary School Student Activity Fund	Total Custodial Funds
ASSETS				
Cash and Cash Equivalents	$ 22,719	$ 6,426	$ 15,230	$ 44,375
Total Assets	22,719	6,426	15,230	44,375
NET POSITION				
Restricted for Other Purposes	22,719	6,426	15,230	44,375
Total Net Position	$ 22,719	$ 6,426	$ 15,230	$ 44,375

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR FISCAL YEAR 2021

	865 High School Student Activity Fund	876 Middle School Student Activity Fund	877 Elementary School Student Activity Fund	Total Total Custodial Funds
ADDITIONS:				
Enterprising Services Revenue	$ 32,087	$ 9,442	$ 2,919	$ 44,448
Total Additions	32,087	9,442	2,919	44,448
DEDUCTIONS:				
Other Deductions	37,828	9,789	6,863	54,480
Total Deductions	37,828	9,789	6,863	54,480
Change in Net Position	(5,741)	(347)	(3,944)	(10,032)
Net Position - July 1 (Beginning)	-	-	-	-
Prior Period Adjustment	28,460	6,773	19,174	54,407
Net Position - June 30 (Ending)	$ 22,719	$ 6,426	$ 15,230	$ 44,375

EXHIBIT H-5

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
JUNE 30, 2021

	806 Board and District Scholarship	807 Lou Ann Richardson Scholarship	Total Private Purpose Trust Funds
ASSETS			
Cash and Cash Equivalents	$ 3,669	$ 1,493	$ 5,162
Total Assets	3,669	1,493	5,162
LIABILITIES			
Payable from Restricted Assets	3,664	-	3,664
Total Liabilities	3,664	-	3,664
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, 2021

	806 Board and District 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"

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED JUNE 30, 2021

Last 10 Years		(1) Tax Rates	(2)	(3) Assessed/Appraised Value for School Tax Purposes
		Maintenance	Debt Service	
2012	and prior years	Various	Various	$ Various
2013		1.170000	0.202200	69,683,751
2014		1.170000	0.202200	71,342,643
2015		1.170000	0.202200	78,746,327
2016		1.170000	0.296600	76,355,894
2017		1.170000	0.276960	77,442,032
2018		1.170000	0.276960	80,595,451
2019		1.170000	0.276960	93,914,597
2020		1.068350	0.276970	98,142,681
2021	(School year under audit)	1.063900	0.280290	103,014,431
1000	TOTALS			

(10) Beginning Balance 7/1/2020	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2021
$ 53,866	$ -	$ 6,249	$ 1,284	$ (4,827)	$ 41,506
8,189	-	1,307	226	-	6,656
8,634	-	1,281	221	-	7,132
11,405	-	2,966	513	-	7,926
17,325	-	4,467	1,132	705	12,431
23,579	-	8,514	2,015	2,796	15,846
38,427	-	14,915	3,531	2,773	22,754
77,165	-	30,419	7,201	2,872	42,417
163,832	-	80,883	20,969	2,558	64,538
-	1,348,014	943,474	248,563	12,479	168,456
$ 402,422	$ 1,348,014	$ 1,094,475	$ 285,655	$ 19,356	$ 389,662

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, 2021

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	$ 278,743	$ 278,743	$ 296,899	$ 18,156
5800	State Program Revenues	750,531	750,531	748,903	(1,628)
5020	Total Revenues	1,029,274	1,029,274	1,045,802	16,528
	EXPENDITURES:				
	Debt Service:				
0071	Principal on Long-Term Debt	1,029,274	695,000	695,000	-
0072	Interest on Long-Term Debt	-	328,100	328,100	-
0073	Bond Issuance Cost and Fees	-	-	750	(750)
6030	Total Expenditures	1,029,274	1,023,100	1,023,850	(750)
1200	Net Change in Fund Balances	-	6,174	21,952	15,778
0100	Fund Balance - July 1 (Beginning)	-	1,020,938	1,020,938	-
3000	Fund Balance - June 30 (Ending)	$ -	$ 1,027,112	$ 1,042,890	$ 15,778

STATISTICAL SECTION OVERVIEW

(Unaudited)

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

CONTENTS **PAGE**

Financial Trends Information **105**

Compiles information reported in the Comprehensive Annual Financial Report over the past ten years. These schedules contain information to help the reader understand how the District's financial performance has changed over time.

Revenue and Expenditure Capacity **113**

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 **121**

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.



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**
2012	12,110,171	313,123	4,719,110	17,142,404
2013	12,302,565	164,971	5,616,807	18,084,343
2014	13,087,506	161,029	5,209,945	18,458,480
2015	12,864,264	232,510	4,046,531	17,143,305
2016	13,362,577	136,947	3,762,183	17,261,707
2017	13,340,476	491,721	3,092,018	16,924,215
2018	14,074,069	572,219	(5,645,865)	9,000,423
2019	14,826,956	361,910	(6,261,795)	8,927,071
2020	14,984,904	1,032,613	(6,760,531)	9,256,986
2021	15,369,675	1,144,150	(5,675,077)	10,838,748

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

SCHEDULE 2

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

(Unaudited)

	Fiscal Year			
	2012	**2013**	**2014**	**2015**
Expenses				
Governmental Activities:				
Instruction	$ 6,607,883	$ 7,010,870	$ 7,008,732	$ 6,761,544
Instructional Resources and Media Services	125,467	128,494	143,158	148,536
Curriculum and Staff Development	200,964	239,020	133,298	148,956
Instructional Leadership	486,326	473,605	250,915	229,197
School Leadership	521,196	536,257	523,307	548,404
Guidance, Counseling, & Evaluation Services	351,237	448,347	403,669	415,363
Social Work Services	44,762	38,005	8,094	-
Health Services	156,228	143,684	177,994	181,441
Student Transportation	256,647	325,161	214,152	269,810
Food Service	776,803	894,329	916,660	865,877
Cocurricular/Extracurricular Activities	811,546	1,009,340	956,011	976,749
General Administration	695,810	702,357	666,644	702,870
Plant Maintenance and Operations	1,639,937	1,913,607	2,047,499	2,000,166
Security and Monitoring Services	67,770	92,057	132,966	198,635
Data Processing Services	186,980	284,064	246,958	227,830
Community Services	189,246	185,384	150,156	38,933
Interest on Long Term Debt	830,618	789,650	702,287	604,487
Bond Issuance Cost and Fees	850	900	-	-
Payments Related to Shared Services Arrangements	39,587	39,392	57,758	86,542
Payments to Juvenile Justice Alternative Ed. Prg.	-	-	1,198	995
Other Intergovernmental Charges	9,446	9,936	8,089	14,584
Total Governmental Activities	13,999,303	15,264,459	14,749,545	14,420,919
Program Revenues				
Charges for Services				
Instruction	163	251	725	-
Instructional Resources and Media Services	-	-	-	-
Curriculum and Staff Development	-	-	-	-
Instructional Leadership	-	-	-	-
School Leadership	-	-	-	-
Guidance, Counseling, & Evaluation Services	-	93,480	89,244	82,478
Social Work Services	-	-	-	-
Health Services	-	-	-	-
Student Transportation	-	-	-	-
Food Service	98,164	90,210	105,291	85,171
Cocurricular/Extracurricular Activities	36,439	34,709	29,443	31,878
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	4,408,421	4,232,777	3,059,613	2,444,033
Total Governmental Activities Program Revenues	4,543,187	4,451,427	3,284,316	2,643,560
Net Governmental Activities Revenue/(Expense)	$ (9,456,116)	$ (10,813,032)	$ (11,465,229)	$ (11,777,359)

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

	Fiscal Year					
	2016	2017	2018	2019	2020	2021
$	7,396,103	$ 7,395,194	$ 5,113,612	$ 8,467,325	$ 7,904,055	$ 7,759,031
	175,998	164,003	124,945	180,336	181,112	172,395
	149,803	95,468	65,369	134,122	179,432	220,308
	224,677	219,536	161,399	332,983	294,891	147,121
	602,516	640,547	450,869	706,063	645,895	646,520
	442,925	448,206	246,301	452,071	419,205	421,104
	72,157	113,856	65,630	105,415	56,980	69,260
	192,732	191,292	131,147	217,182	215,338	214,264
	227,510	262,799	160,946	294,165	154,537	181,439
	957,602	935,409	695,466	907,412	739,368	667,280
	1,099,488	1,120,053	954,428	1,060,644	863,459	583,502
	905,921	823,576	766,948	1,255,007	838,133	913,702
	2,003,002	2,052,265	1,909,322	2,207,755	1,810,709	2,432,481
	201,359	210,953	160,369	254,572	279,528	261,442
	311,194	265,715	552,121	572,571	287,596	642,373
	43,675	44,224	28,771	49,070	22,498	22,702
	583,379	348,785	304,008	283,512	201,930	251,035
	-	341,304	1,856	-	700	750
	80,507	76,838	71,171	625,408	733,936	826,924
	-	-	-	-	-	-
	9,846	12,959	17,747	16,154	12,067	16,996
	15,680,394	15,762,982	11,982,425	18,121,767	15,841,369	16,450,629
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	66,710	58,202	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	98,365	79,606	75,943	79,421	59,565	38,599
	33,526	46,261	39,553	35,241	32,758	3,193
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	2,844,710	2,679,302	883,462	4,521,361	3,026,959	4,537,307
	3,043,311	2,863,371	998,958	4,636,023	3,119,282	4,579,099
$	(12,637,083)	$ (12,899,611)	$ (10,983,467)	$ (13,485,744)	$ (12,722,087)	$ (11,871,530)

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

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

Fiscal Year						
2015	2016	2017	2018	2019	2020	2021
(11,777,359)	(12,637,083)	(12,899,611)	(10,983,467)	(13,485,744)	(12,722,087)	(11,871,530)
870,588	871,689	904,839	953,001	1,037,282	1,014,444	1,126,550
150,502	221,972	214,976	225,842	245,737	262,382	295,478
10,098,466	10,534,837	9,867,780	10,699,072	10,745,321	10,075,512	11,015,838
1,147,579	1,219,350	1,031,796	1,090,346	1,091,665	1,598,552	916,371
17,768	23,376	36,298	64,173	78,938	42,098	18,115
-	-	-	-	-	-	-
69,090	72,834	506,430	91,543	213,449	59,014	80,941
12,353,993	12,944,058	12,562,119	13,123,977	13,412,392	13,052,002	13,453,293
$ 576,634	$ 306,975	$ (337,492)	$ 2,140,510	$ (73,352)	$ 329,915	$ 1,581,763

SCHEDULE 4

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

(Unaudited)

	Fiscal Year			
	2012	**2013**	**2014**	**2015**
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	880	8,366	2,018	24,150
Prepaid Items	124,235	-		
Restricted:				
Restricted - Federal or State Funds Grant Restriction	305,243	48,332	78,050	109,133
Unassigned:				
Reported in the General Fund	4,183,852	5,206,488	5,292,712	5,758,789
Total General Fund Balance	4,614,210	5,263,186	5,372,780	5,892,072
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	29,039	56,660	7,828	31,290
Capital Projects				
Restricted:				
Other Purposes	60,438	59,979	1,207	2,435
Unassigned:				
Other Unassigned Fund Balance	-	-	-	-
Total All Other Governmental Fund Balance	89,477	116,639	9,035	33,725
Total Government Funds -- Fund Balance	$ 4,703,687	$ 5,379,825	$ 5,381,815	$ 5,925,797
Governmental Funds				
Beginning Fund Balance	$ 3,610,648	$ 4,703,687	$ 5,379,825	$ 5,381,815
Net Change in Fund Balance	1,093,039	676,138	1,990	543,982
Ending Balance	$ 4,703,687	$ 5,379,825	$ 5,381,815	$ 5,925,797

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

	Fiscal Year					
	2016	2017	2018	2019	2020	2021
	$ -	$ -	$ -	$ -	$ -	$ -
	-	-	-	-	-	-
	-	-	-	-	-	-
	9,202	22,367	25,581	25,581	26,627	24,298
	94,035	70	-	-	450	2,100
	103,800	5,221	30,898	30,897	72,350	4,250
	5,431,527	5,306,398	4,808,046	4,676,674	4,580,430	5,843,364
	5,638,564	5,334,056	4,864,525	4,733,152	4,679,857	5,874,012
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	35,309	10,909	178,720	198,157	1,020,938	1,042,890
	3,583	423,155	305,383	-	-	55,902
	-	-	-	(122,536)	-	-
	38,892	434,064	484,104	75,621	1,020,938	1,098,792
	$ 5,677,456	$ 5,768,120	$ 5,348,629	$ 4,808,773	$ 5,700,795	$ 6,972,804
	$ 5,925,797	$ 5,677,456	$ 5,768,120	$ 5,348,629	$ 4,808,773	$ 5,700,795
	(248,341)	90,664	(419,492)	(539,856)	892,022	1,272,009
	$ 5,677,456	$ 5,768,120	$ 5,348,629	$ 4,808,773	$ 5,700,795	$ 6,972,804

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REVENUE AND EXPENDITURE CAPACITY

"Warriors On the Move –

Education On the Rise"

SCHEDULE 5

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

(Unaudited)

Fiscal Year	Local and Intermediate Sources	State Program Revenues	Federal Programs Revenues	Total
2012	1,207,452	10,130,270	4,181,482	15,519,204
2013	1,221,029	10,944,499	4,195,951	16,361,479
2014	1,236,830	11,234,211	2,643,821	15,114,862
2015	1,334,712	11,604,140	2,085,935	15,024,787
2016	1,400,014	12,156,509	2,133,918	15,690,441
2017	1,538,079	11,339,096	2,147,343	15,024,518
2018	1,591,326	12,475,684	2,154,482	16,221,492
2019	1,704,429	12,480,381	3,453,339	17,638,149
2020	1,415,233	11,412,408	2,691,439	15,519,080
2021	1,585,581	12,450,457	3,844,591	17,880,629

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

SCHEDULE 6

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

(Unaudited)

Function	Fiscal Year 2012	2013	2014	2015
Instruction	$ 6,460,246	$ 6,931,463	$ 6,640,054	$ 6,480,074
Instructional Resources and Media Services	117,665	120,485	132,764	137,202
Curriculum and Staff Development	188,467	224,122	123,609	137,040
Instructional Leadership	456,662	444,086	232,676	213,199
School Leadership	489,514	502,833	492,477	506,258
Guidance, Counseling, & Evaluation Services	329,953	420,402	374,389	384,525
Social Work Services	41,978	35,636	7,506	-
Health Services	146,513	134,728	165,076	168,078
Student Transportation	264,459	346,875	352,335	249,607
Food Service	770,843	1,014,357	870,729	804,896
Cocurricular/Extracurricular Activities	775,976	952,103	886,588	900,119
General Administration	653,237	658,580	640,094	648,426
Plant Maintenance and Operations	1,550,737	1,803,031	1,931,944	1,841,603
Security and Monitoring Services	63,556	86,319	123,322	183,613
Data Processing Services	254,989	274,464	434,297	276,672
Community Services	177,477	173,829	139,241	36,366
Principal on Long Term Debt	423,165	324,133	741,175	829,192
Interest on Long Term Debt	857,645	984,865	633,840	614,390
Bond Issuance Cost and Fees	850	900	-	-
Capital Outlay	473,072	412,859	309,418	154,434
Payments Related to Shared Services Arrangements	39,587	39,392	57,758	86,542
Payments to Juvenile Justice Alternative Ed. Prg.	-	-	1,198	995
Other Intergovernmental Charges	9,446	9,936	8,089	14,584
Total Expenditures	14,546,037	15,895,398	15,298,579	14,667,815
Ratio of Debt Service to Noncapital Expenditures	9.1%	8.5%	9.2%	9.9%
Ratio of Capital Outlay to Operating Expenditures	3.7%	2.9%	2.3%	1.2%

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.

Fiscal Year						
2016	2017	2018	2019	2020	2021
$ 6,563,727	$ 6,658,228	$ 7,155,299	$ 7,561,406	$ 6,713,653	$ 7,251,030
157,574	146,974	162,609	160,626	152,225	158,101
137,120	88,119	64,314	123,697	156,438	203,412
199,369	191,510	244,323	298,350	239,968	134,784
532,886	582,529	606,787	628,130	546,834	590,832
392,689	403,610	349,654	401,642	356,366	385,580
64,236	97,759	103,961	93,823	46,791	63,711
170,451	170,604	188,516	192,470	181,041	195,716
285,248	239,524	649,680	257,136	123,814	166,667
862,077	890,708	836,992	839,293	646,825	618,830
1,004,240	1,059,833	1,046,807	962,577	761,237	537,786
813,961	752,840	880,582	1,145,172	742,325	844,956
1,824,616	1,916,981	2,070,371	2,056,429	1,650,224	2,285,560
177,661	252,593	214,070	225,092	246,523	304,111
295,266	344,531	579,431	560,739	369,455	597,157
38,945	37,988	42,243	43,717	18,620	21,225
930,289	1,038,058	832,854	803,954	141,878	845,270
586,230	401,353	458,252	421,447	217,723	366,430
-	341,304	1,856	-	700	750
609,932	28,800	63,465	827,189	568,415	192,792
80,507	76,838	71,171	625,408	733,936	826,924
-	-	-	-	-	-
9,846	12,959	17,747	16,154	12,067	16,996
15,736,870	15,733,643	16,640,984	18,244,451	14,627,058	16,608,620
10.0%	11.3%	7.8%	7.0%	2.6%	7.4%
4.5%	0.2%	0.4%	5.1%	4.1%	1.3%

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			
	2012	**2013**	**2014**	**2015**
Excess of Revenues Over (Under) Expenditures	$ 973,167	$ 466,081	$ (183,717)	$ 356,972
Other Financing Sources (Uses)				
Refunding Bonds Issued	-	-	-	-
Capital Leases	119,872	210,057	185,707	187,010
Sale of Real and Personal Property	-	-	-	-
Transfers In	626,085	752,446	743,193	785,927
Insurance Recovery	-	-	-	-
Premium or Discount on Issuance of Bonds	-	-	-	-
Transfers Out	(626,085)	(752,446)	(743,193)	(785,927)
Payment to Bond Refuding Escrow Agent	-	-	-	-
Other Uses	-	-	-	-
Total Other Financing Sources (Uses)	119,872	210,057	185,707	187,010
Prior Period Adjustment	-	-	-	-
Net Change in Fund Balances	$ 1,093,039	$ 676,138	$ 1,990	$ 543,982

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

Fiscal Year						
2016	**2017**	**2018**	**2019**	**2020**	**2021**
$ (46,429)	$ (709,125)	$ (419,492)	$ (606,302)	$ 892,022	$ 1,272,009
-	9,900,000	-	-	-	-
-	-	-	-	-	-
-	-	-	66,446	-	-
792,082	100,000	-	-	372,365	498,321
-	420,000	-	-	-	-
-	1,276,927	-	-	-	-
(792,082)	(100,000)	-	-	(372,365)	(498,321)
-	(10,797,138)	-	-	-	-
-	-	-	-	-	-
-	799,789	-	66,446	-	-
(201,912)	-	-	-	-	-
$ (248,341)	$ 90,664	$ (419,492)	$ (539,856)	$ 892,022	$ 1,272,009

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	**2012**	**2013**	**2014**	**2015**
Instruction	$ 5,794	$ 6,336	$ 6,075	$ 6,085
Instructional Resources and Media Services	$ 106	$ 110	$ 121	$ 129
Curriculum and Staff Development	$ 169	$ 205	$ 113	$ 129
Instructional Leadership	$ 410	$ 406	$ 213	$ 200
School Leadership	$ 439	$ 460	$ 451	$ 475
Guidance, Counseling, & Evaluation Services	$ 296	$ 384	$ 343	$ 361
Social Work Services	$ 38	$ 33	$ 7	$ -
Health Services	$ 131	$ 123	$ 151	$ 158
Student Transportation	$ 237	$ 317	$ 322	$ 234
Food Service	$ 691	$ 927	$ 797	$ 756
Cocurricular/Extracurricular Activities	$ 696	$ 870	$ 811	$ 845
General Administration	$ 586	$ 602	$ 586	$ 609
Plant Maintenance and Operations	$ 1,391	$ 1,648	$ 1,768	$ 1,729
Security and Monitoring Services	$ 57	$ 79	$ 113	$ 172
Data Processing Services	$ 229	$ 251	$ 397	$ 260
Community Services	$ 159	$ 159	$ 127	$ 34
Principal on Long Term Debt	$ 380	$ 296	$ 678	$ 779
Interest on Long Term Debt	$ 769	$ 900	$ 580	$ 577
Bond Issuance Cost and Fees	$ 1	$ 1	$ -	$ -
Capital Outlay	$ 424	$ 377	$ 283	$ 145
Payments Related to Shared Services Arrangements	$ 36	$ 36	$ 53	$ 81
Payments to Juvenile Justice Alternative Ed. Prg.	$ -	$ -	$ 1	$ 1
Other Intergovernmental Charges	$ 8	$ 9	$ 7	$ 14
Total Expenditures	$ 13,046	$ 14,530	$ 13,997	$ 13,773
Average Daily Attendance	1,115	1,094	1,093	1,065

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

	Fiscal Year					
	2016	**2017**	**2018**	**2019**	**2020**	**2021**
$	6,210	$ 6,410	$ 6,927	$ 7,363	$ 7,906	$ 8,377
$	149	$ 141	$ 157	$ 156	$ 179	$ 183
$	130	$ 85	$ 62	$ 120	$ 184	$ 235
$	189	$ 184	$ 237	$ 291	$ 283	$ 156
$	504	$ 561	$ 587	$ 612	$ 644	$ 683
$	372	$ 389	$ 338	$ 391	$ 420	$ 445
$	61	$ 94	$ 101	$ 91	$ 55	$ 74
$	161	$ 164	$ 182	$ 187	$ 213	$ 226
$	270	$ 231	$ 629	$ 250	$ 146	$ 193
$	816	$ 857	$ 810	$ 817	$ 762	$ 715
$	950	$ 1,020	$ 1,013	$ 937	$ 896	$ 621
$	770	$ 725	$ 852	$ 1,115	$ 874	$ 976
$	1,726	$ 1,845	$ 2,004	$ 2,002	$ 1,943	$ 2,641
$	168	$ 243	$ 207	$ 219	$ 290	$ 351
$	279	$ 332	$ 561	$ 546	$ 435	$ 690
$	37	$ 37	$ 41	$ 43	$ 22	$ 25
$	880	$ 999	$ 806	$ 783	$ 167	$ 977
$	555	$ 386	$ 444	$ 410	$ 256	$ 423
$	-	$ 329	$ 2	$ -	$ 1	$ 1
$	577	$ 28	$ 61	$ 805	$ 669	$ 223
$	76	$ 74	$ 69	$ 609	$ 864	$ 955
$	-	$ -	$ -	$ -	$ -	$ -
$	9	$ 12	$ 17	$ 16	$ 14	$ 20
$	14,888	$ 15,147	$ 16,109	$ 17,765	$ 17,225	$ 19,188
	1,057	1,039	1,033	1,027	849	866

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DEBT CAPACITY

"Warriors On the Move –

Education On the Rise"

SCHEDULE 9

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

(Unaudited)

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			
2012	57,341,633	6,587,529	63,929,162	132,862,232	48.12%	1.372220
2013	58,712,787	6,787,110	65,499,897	132,850,053	49.30%	1.372200
2014	59,133,999	7,742,676	66,876,675	133,693,137	50.02%	1.372200
2015	62,817,540	8,554,971	71,372,511	138,755,741	51.44%	1.372200
2016	64,480,454	9,248,972	73,729,426	149,213,406	49.41%	1.466600
2017	67,954,831	8,896,835	76,851,666	154,790,546	49.65%	1.446965
2018	71,236,755	9,358,696	80,595,451	158,211,127	50.94%	1.446965
2019	77,254,190	9,833,215	87,087,405	171,488,068	50.78%	1.446965
2020	79,791,106	11,295,679	91,086,785	173,767,006	52.42%	1.345320
2021	84,503,543	11,850,936	96,354,479	179,511,450	53.68%	1.344190

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**
2012	928,238	(911)	927,327	818,481	88.18%	100,877	919,358	99.04%
2013	956,200	(3,785)	952,415	859,239	89.86%	84,792	944,031	98.73%
2014	978,964	(1,481)	977,483	858,807	87.73%	109,791	968,598	98.94%
2015	1,055,163	(4,199)	1,050,964	948,729	89.91%	90,201	1,038,930	98.46%
2016	1,119,377	9,192	1,128,569	997,788	89.14%	112,192	1,109,980	99.16%
2017	1,162,364	(3,594)	1,158,770	1,023,811	88.08%	102,615	1,126,426	96.91%
2018	1,211,137	2,697	1,213,834	1,084,443	89.54%	73,862	1,158,305	95.64%
2019	1,321,679	(3,650)	1,318,029	1,180,963	89.35%	-	1,180,963	89.35%
2020	1,284,061	(517)	1,283,544	1,119,712	87.20%	-	1,119,712	87.20%
2021	1,348,014	12,479	1,360,493	1,192,037	88.43%	-	1,192,037	88.43%

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
2012	1.170000	0.202220	1.372220	791,446	136,792	928,238
2013	1.170000	0.202200	1.372200	815,300	140,900	956,200
2014	1.170000	0.202200	1.372200	834,709	144,255	978,964
2015	1.170000	0.202200	1.372200	899,680	155,483	1,055,163
2016	1.170000	0.296600	1.466600	892,998	226,379	1,119,377
2017	1.170000	0.276965	1.446965	939,875	222,489	1,162,364
2018	1.170000	0.276965	1.446965	979,312	231,825	1,211,137
2019	1.170000	0.276965	1.446965	1,068,695	252,984	1,321,679
2020	1.068350	0.276970	1.345320	1,019,703	264,358	1,284,061
2021	1.063900	0.280290	1.344190	1,066,927	281,087	1,348,014

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

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

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SCHEDULE 12

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

(Unaudited)

		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
2012	2011	1.372220	0.049200	0.571975	0.384291	2.377686
2013	2012	1.372200	0.049200	0.571975	0.384291	2.377666
2014	2013	1.372200	0.049200	0.569529	0.384291	2.375220
2015	2014	1.372200	0.049200	0.575830	0.399291	2.396521
2016	2015	1.466600	0.049200	0.575649	0.399291	2.490740
2017	2016	1.446965	0.049200	0.650000	0.407743	2.553908
2018	2017	1.446965	0.049200	0.720000	0.410803	2.626968
2019	2018	1.446965	0.049200	0.720000	0.416893	2.633058
2020	2019	1.345320	0.049200	0.750000	0.436893	2.581413
2021	2020	1.344190	0.049200	0.750000	0.436893	2.580283

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 2021		
Taxpayer	**Nature of Property**	**Tax Year 2020 Assessed Valuation**	**Rank**	**Percentage of Total Assessed Valuation**
AEP Texas Inc	Utility	$ 3,053,920	1	4.14%
Union Pacific RR Co	Railroad	2,691,600	2	3.65%
Compass Bank	Retail - Commercial	-		0.00%
Magic Valley Elec Coop	Electric Cooperative	1,599,170	3	2.17%
3BU Family Limited Partnership	Residential	583,099	8	0.79%
Nationwide DG Weslaco Inc	Retail - Commercial	805,106	5	1.09%
Garcia Grain Trading Corp	Agriculture	637,605	6	0.86%
VOA Texas Santa Rosa Village LP	Apartments	1,175,402	4	1.59%
Susser Holdings Corporation	Retail - Commercial	617,903	7	0.84%
Huttonco Development LP	Retail - Commercial	-		0.00%
Casitas Azucar LP	Apartments	530,345	9	0.72%
Gonzalez Elsa R	Residential	492,096	10	0.67%
Guerra Guadalupe	Residential	-		0.00%
Salinas Roberto Garcia & Maria Teresa Hinojosa de Garcia	Agriculture	-		0.00%
Totals		$ 12,186,246		16.53%

Source: Cameron County Appraisal District

Fiscal Year 2012			
Tax Year 2011 Assessed Valuation		Rank	Percentage of Total Assessed Valuation
	1,264,470	3	2.35%
	1,379,710	2	2.57%
	1,637,297	1	3.05%
	900,650	4	1.68%
	-		0.00%
	411,966	7	0.77%
	390,010	8	0.73%
	512,192	6	0.95%
	-		0.00%
	532,355	5	0.99%
	-		0.00%
	-		0.00%
	379,550	9	0.71%
	357,204	10	0.66%
$	7,765,404		14.45%

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	Capital Lease Payable	Unamortized Bond Premium	Compensated Absences	Acreeted Interest	Deferred Issuance/Loss	Total Debt
2012	13,102,984	-	-	1,666,709	555,699	64,417	191,736	(487,443)	15,094,102
2013	12,880,000	-	-	1,775,617	526,660	53,835	-	-	15,236,112
2014	12,320,000	-	-	1,780,149	497,621	57,495	-	-	14,655,265
2015	11,735,000	1,669,728	-	1,722,967	468,582	50,670	-	-	15,646,947
2016	11,120,000	2,945,817	-	1,407,679	439,543	54,360	-	-	15,967,399
2017	9,860,000	4,164,921	-	1,159,620	1,218,694	57,772	-	-	16,461,007
2018	9,220,000	2,693,429	5,821,240	966,766	1,054,752	49,124	-	-	19,805,311
2019	8,550,000	4,417,809	6,217,832	832,813	903,765	47,032	-	-	20,969,251
2020	8,550,000	4,387,730	6,265,265	690,935	766,538	56,519	-	-	20,716,987
2021	7,855,000	4,204,272	4,697,962	540,665	645,440	48,870	-	-	17,992,209

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.

* 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
0.15%	631.00	11.36%	12,759
0.15%	626.56	11.47%	13,067
0.14%	567.37	10.96%	12,526
0.14%	588.14	11.28%	13,677
0.14%	590.88	10.70%	14,118
0.14%	600.18	10.63%	14,803
0.16%	688.74	12.52%	17,972
0.17%	700.66	12.23%	18,942
0.16%	673.37	11.92%	20,759
0.13%	568.88	10.02%	19,243

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SCHEDULE 15

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

As of June 30, 2021

(Unaudited)

Political Subdivision	Net Debt Amounts		As of	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Cameron County	$ 187,310,000	A	06/30/21	0.57%	$ 1,067,667
					-
					$ 1,067,667
Santa Rosa ISD Direct Debt		B	06/30/21	100.00%	$ 7,855,000
Total Direct and Overlapping Debt					$ 8,922,667

A - Municipal Advisory Council of Texas
B - Long-Term Liabilities Note

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

SCHEDULE 16

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

(Unaudited)

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

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

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

	2016	2017	2018	2019	2020	2021
$	73,729,426	$ 76,851,666	$ 80,595,451	$ 87,087,405	$ 91,086,785	$ 96,354,479
$	14,745,885	$ 15,370,333	$ 16,119,090	$ 17,417,481	$ 18,217,357	$ 19,270,896
	11,120,000	9,860,000	9,220,000	8,550,000	8,550,000	7,855,000
	35,309	10,909	178,720	198,157	1,020,938	1,042,890
$	3,661,194	$ 5,521,242	$ 7,077,811	$ 9,065,638	$ 10,688,295	$ 19,270,896
	24.83%	35.92%	43.91%	52.05%	58.67%	100.00%

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
2012	1,183	132,862,232	13,850,419	29,039	13,821,380	10.40%	11,683.33
2013	1,166	132,850,053	13,406,660	56,660	13,350,000	10.05%	11,449.40
2014	1,170	133,693,137	12,817,621	7,828	12,809,793	9.58%	10,948.54
2015	1,144	138,755,741	12,203,582	31,290	12,172,292	8.77%	10,640.12
2016	1,131	149,213,406	11,559,543	35,309	11,524,234	7.72%	10,189.42
2017	1,112	154,790,546	11,078,694	10,909	11,067,785	7.15%	9,953.04
2018	1,102	158,211,127	10,274,752	178,720	10,096,032	6.38%	9,161.55
2019	1,107	171,488,068	9,453,765	198,157	9,255,608	5.40%	8,360.98
2020	998	173,767,006	9,316,538	1,020,938	8,295,600	4.77%	8,312.22
2021	935	179,511,450	8,500,440	1,042,890	7,457,550	4.15%	7,975.99

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
2012	423,165	857,645	1,280,810	10,167,441	12.60%
2013	324,133	984,865	1,308,998	11,555,847	11.33%
2014	741,175	633,840	1,375,015	12,277,406	11.20%
2015	829,192	614,390	1,443,582	12,335,125	11.70%
2016	930,289	586,230	1,516,519	13,268,639	11.43%
2017	1,038,058	401,353	1,439,411	12,822,538	11.23%
2018	832,854	458,252	1,291,106	13,982,385	9.23%
2019	803,954	421,447	1,225,401	14,204,837	8.63%
2020	141,878	217,723	359,601	12,320,173	2.92%
2021	845,270	366,430	1,211,700	12,366,639	9.80%

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

Note: * Excludes Other Fees

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DEMOGRAPHIC AND ECONOMIC INFORMATION

"Warriors On the Move –

Education On the Rise"

SCHEDULE 19

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
DEMOGRAPHIC INFORMATION
LAST TEN FISCAL YEARS

(Unaudited)

Calendar Year	Population *	Personal Income *	Per Capita Income*	Average Daily Attendance	Unemployment Rate **
2012	416,048	9,952,491,000	23,921	1,115	10.6%
2013	418,217	10,169,819,000	24,317	1,094	10.0%
2014	420,392	10,834,952,000	25,830	1,093	8.7%
2015	419,579	11,175,188,000	26,604	1,065	7.1%
2016	421,766	11,407,526,000	27,023	1,057	7.6%
2017	423,725	11,606,636,000	27,427	1,039	7.2%
2018	423,908	12,189,811,000	28,756	1,033	6.1%
2019	423,163	12,664,258,000	29,928	1,027	5.3%
2020***	423,586	13,018,857,224	30,766	849	11.2%
2021***	424,010	13,383,385,226	31,627	866	9.7%

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)

	2021 *			2012**		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
Santa Rosa ISD	195	1	25.36%	207	1	25.91%
Diamond Eight	26	2	3.38%	6	3	0.75%
Stripes/Valero Gas Station	15	3	1.95%			0.00%
City of Santa Rosa	15	4	1.95%	12	2	1.50%
Dollar General	9	5	1.17%			0.00%
Su Clinica	6	6	0.78%			0.00%
The Concession Stand	6	7	0.78%			0.00%
RGV Fire Safety/Security	6	8	0.78%			0.00%
Fast Trip Convenience Store	4	9	0.52%			0.00%
Oldies Café	4	10	0.52%			0.00%
Total	286		37.19%	225		28.16%

Source:

Note: *City of Santa Rosa information.

** Many of current 2021 employers did not exist in 2012

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
2012	2	11,800	132,862,232
2013	2	65,000	132,850,053
2014	0	-	133,693,137
2015	0	-	138,755,741
2016	0	-	149,213,406
2017	0	-	154,790,546
2018	0	-	158,211,127
2019	0	-	171,488,068
2020	0	-	173,767,006
2021	0	-	179,511,450

Source: City-data.com

OPERATING INFORMATION

"Warriors On the Move –

Education On the Rise"

SCHEDULE 22

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

(Unaudited)

Classification	Fiscal Year 2012	2013	2014	2015
Number of Employees				
Teachers	85.50	86.50	85.80	86.30
Professional Support	19.20	23.80	21.60	17.40
Campus Administration	2.00	3.00	3.00	2.80
Central Administration	4.40	2.10	3.10	3.90
Educational Aides	21.90	26.70	19.90	20.80
Auxiliary Staff	74.30	69.30	63.00	65.90
Total Employees	207.30	211.40	196.40	197.10
Percent of Total				
Teachers	41.24%	40.92%	43.69%	43.78%
Professional Support	9.26%	11.26%	11.00%	8.83%
Campus Administration	0.96%	1.42%	1.53%	1.42%
Central Administration	2.12%	0.99%	1.58%	1.98%
Educational Aides	10.56%	12.63%	10.13%	10.55%
Auxiliary Staff	35.84%	32.78%	32.08%	33.43%
	100.00%	100.00%	100.00%	100.00%

Source: Texas Education Agency PEIMS Standard Reports

Fiscal Year					
2016	2017	2018	2019	2020	2021
86.54	83.00	86.01	86.72	83.65	77.02
17.60	21.59	19.97	25.53	24.45	22.63
3.00	3.00	3.00	3.00	3.00	3.00
2.40	2.76	2.76	2.00	1.00	1.00
17.92	18.79	19.95	20.53	22.62	24.00
70.97	70.41	70.51	75.69	71.01	59.44
198.43	199.55	202.20	213.47	205.73	187.09
43.61%	41.59%	42.54%	40.62%	40.66%	41.17%
8.87%	10.82%	9.88%	11.96%	11.88%	12.10%
1.51%	1.50%	1.48%	1.41%	1.46%	1.60%
1.21%	1.38%	1.36%	0.94%	0.49%	0.53%
9.03%	9.42%	9.87%	9.62%	10.99%	12.83%
35.77%	35.28%	34.87%	35.46%	34.52%	31.77%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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
2012	36,292	52,487	44,209	48,375	11.6	98.8%	1.2%
2013	37,805	53,978	45,147	48,821	11.3	96.8%	3.2%
2014	40,183	54,609	45,456	49,692	11.3	96.5%	3.5%
2015	40,652	54,860	45,662	50,715	11.3	96.5%	3.5%
2016	41,000	55,675	45,974	51,891	10.7	94.2%	5.8%
2017	43,200	57,201	47,736	52,525	11.6	96.4%	3.6%
2018	41,992	58,200	47,826	53,334	10.7	96.5%	3.5%
2019	42,836	58,804	48,618	54,122	11.0	96.5%	3.5%
2020	45,962	61,596	51,318	57,091	11.1	90.5%	9.5%
2021*	47,922	61,019	51,239	57,641	11.5	90.9%	9.1%

Source: Texas Academic Performance Reports (TAPR) FY 2013-2021 &
Academic Excellence Indicator System (AEIS) FY 2010-2012

*TAPR was not available at time of prininting. 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
2012	1,115	1,183	94.25%
2013	1,094	1,166	93.83%
2014	1,093	1,170	93.42%
2015	1,065	1,144	93.09%
2016	1,057	1,131	93.46%
2017	1,039	1,112	93.41%
2018	1,033	1,102	93.74%
2019	1,027	1,107	92.77%
2020	849	998	85.09%
2021	866	935	92.57%

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

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

SCHEDULE 25

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	Average Daily Attendance	Governmental Operating Expenditures	Cost per Pupil	Percent Change	Government Wide Operating Expenses	Cost per Pupil	Percent Change
2012	1,115	12,791,305	11,472	-2.93%	13,167,835	11,810	-1.38%
2013	1,094	14,172,641	12,955	12.93%	14,473,909	13,230	12.03%
2014	1,093	13,614,146	12,456	-3.85%	14,047,258	12,852	-2.86%
2015	1,065	13,069,799	12,272	-1.47%	13,816,432	12,973	0.94%
2016	1,057	13,610,419	12,876	3.38%	15,097,015	14,283	10.10%
2017	1,039	13,924,128	13,405	9.23%	15,072,893	14,511	1.59%
2018	1,033	15,284,557	14,796	10.38%	11,676,561	11,304	-22.10%
2019	1,027	16,191,861	15,766	6.55%	17,838,255	17,369	53.66%
2020	849	13,698,342	16,131	2.32%	15,638,739	18,417	6.03%
2021	866	15,203,378	17,565	8.89%	16,198,844	18,715	1.62%

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
2012	13.8	1,118	94.5%
2013	13.5	1,115	95.6%
2014	13.6	1,125	96.2%
2015	13.3	1,025	89.6%
2016	13.1	974	86.1%
2017	13.4	964	86.9%
2018	12.8	970	87.9%
2019	12.8	974	88.4%
2020	11.9	875	87.9%
2021*	12.1	829	88.7%

Source: Texas Academic Performance Reports (TAPR) FY 2013-2021 &
Academic Excellence Indicator System (AEIS) FY 2010-2012

*TAPR was not available at time of prininting. 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	323
MIDDLE SCHOOLS			
JO NELSON MIDDLE SCHOOL (2003)	33,649	360	206
ELEMENTARY SCHOOLS			
ELMA E. BARRERA ELEMENTARY SCHOOL (1999)	102,852	800	406
GRAND TOTAL	258,878	1,910	935

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

FEDERAL AWARDS SECTION

"Warriors On the Move –

Education On the Rise"

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

To the Board of Trustees
Santa Rosa Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Santa Rosa Independent School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Santa Rosa Independent School District's basic financial statements, and have issued our report thereon dated November 15, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Santa Rosa Independent School District's internal control over financial reporting (internal control) 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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

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

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.



Harlingen, Texas
November 15, 2021

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

To the Board of Trustees
Santa Rosa Independent School District

Report on Compliance for Each Major Federal Program

We have audited the Santa Rosa Independent School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Santa Rosa Independent School District's major federal programs for the year ended June 30, 2021. Santa Rosa Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Santa Rosa Independent School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

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Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identity a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

Santa Rosa Independent School District's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Santa Rosa Independent School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 15, 2021

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SANTA ROSA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's 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? _____ yes __X__ 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? __X__ yes _____ none reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? __X__ yes _____ 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
21.019	Coronavirus Relief Fund
84.048	Career and Technical Education—Basic Grants to States
84.425	Education Stabilization Fund – ESSER

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

None noted.

Section III – Federal Award Findings and Questioned Cost

PROGRAM DESCRIPTION	DESCRIPTION
Pass through Entity: Texas Education Agency Education Stabilization Fund-ESSER Federal Award Year: 2020: 20521001031914 Assistance Listing Number: 21.019	
Reference No.: 2021-001	Significant Deficiency in Internal Control over Compliance with Special Reporting Requirements
Criteria:	2 CFR 200.303 states that non-federal entities should establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.
Condition:	Texas Education Agency required Santa Rosa Independent School District submit an annual report for ESSER expenditures from March 13, 2020 to September 30, 2020. This report includes reporting on data regarding the amounts of ESSER expenditures per use of funds category and activities, number of FTE positions as of different dates, student enrollment at September 30, 2020, and number of students with dedicated device provide by the District. The annual report was prepared and submitted timely as required and included all of the required elements. However, there was no evidence provided indicating that the information in the report was reviewed by someone other than the individual preparing it.
Questioned costs:	N/A

Section III – Federal Award Findings and Questioned Cost

PROGRAM DESCRIPTION	DESCRIPTION
Reference No.: 2021-001 (Continued)	Significant Deficiency in Internal Control over Compliance with Special Reporting Requirements
Cause:	The District has a process to collect the information necessary for the report. However, there is no documentation of a review of the report and underlying information from an official other than the report preparer prior to final report submission
Effect:	Inaccurate or incomplete data may be reported to the grantor. This could result in the grantor making decision regarding future matters that could have a detrimental effect on the grantee.
Auditors' Recommendation:	The District should designate an individual familiar with the grant and program requirements to review and sign off prior to the submission of reports. Review should be performed by an individual other than the report preparer, and consist of ensuring all data is accurate and complete.
Views of responsible officials:	Management concurs with auditors' finding and recommendation.

Santa Rosa Independent School District
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"Once a Warrior, Always a Warrior"

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2021

Program Description	**Corrective Action Plan**
Finding Reference No: 2020-001	Internal Control Over Compliance with Special Reporting Requirements
Corrective Action Plan:	The District is currently in the process of hiring a Federal Programs Director to assist in the oversight of this and various other federal programs, in order to aid in the oversight of grant compliance and internal control over compliance.

Contact Person: Mrs. Marisa Cuevas, Chief Financial Officer

Implementation Time Frame: Ongoing

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

No management responses were required to be reported.

EXHIBIT K-1

SANTA ROSA INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2021

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	806780706	$ 128,384	$ -
Total Assistance Listing Number 10.553			128,384	
*National School Lunch Program	10.555	806780706	323,331	-
*National School Lunch Program- Non-Cash Assistance	10.555	806780706	7,996	-
Total Assistance Listing Number 10.555			331,327	-
Total Child Nutrition Cluster			459,711	-
COVID-19 Child and Adult Care Food Program	10.558	806780706	58,908	-
Total Assistance Listing Number 10.558			58,908	-
Total United States Department of Agriculture			518,619	-
United States Department of Education				-
Passed through Texas Edcuation Agency				
School Improvement Grants	84.377	17610740031914	10,343	-
Title I Grants to Local Educational Agencies	84.010	20610101031914	315,261	-
Title I Grants to Local Educational Agencies	84.010	21610101031914	320,325	-
Total Assistance Listing Number 84.010			635,586	-
Migrant Education State Grant Program	84.011	20615001031914	49,986	-
Twenty-First Century Community Learning Centers	84.287	216950267110043	1,184,094	622,388
Twenty-First Century Community Learning Centers	84.287	206950267110043	184,345	-
Total Assistance Listing Number 84.287			1,368,439	622,388
English Language Acquisition State Grants	84.365	20671001031914	6,271	-
Supporting Effective Instruction State Grants	84.367	20694501031914	55,181	-
COVID-19 Education and Stabilization Fund (ESSER III)	84.425U	21528001301914	4,797	-
COVID-19 Education and Stabilization Fund (ESSER I)	84.425D	20521001031914	475,730	
COVID-19 Education and Stabilization Fund (PPRP)	84.425D	52102035	105,984	-
Total Assistance Listing Number 84.425			586,511	-
Student Support and Academic Enrichment Program	84.424	20680101031914	39,800	-
Student Support and Academic Enrichment Program	84.424	21680101031914	19,351	-
Total Assistance Listing Number 84.424			59,151	-
Career and Technical Education -- Basic Grants to States	84.048	20420006031914	8,456	-
Career and Technical Education -- Basic Grants to States	84.048	21420006031914	6,874	-
Passed through La Feria ISD				
Career and Technical Education -- Basic Grants to States	84.048	214200287110011	125,595	-
Total Assistance Listing Number 84.048			140,925	-
Passed through Region One ESC				
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	P334A180024	116,477	-
Total United States Department of Education			3,028,870	-
United States Department of the Treasury				
Passed through Texas Division of Emergency Management				
COVID-19 Coronavirus Relief Fund	21.019	2020-CF-21019	14,876	-
Passed through Texas Education Agency				
COVID-19 Coronavirus Relief Fund	21.019	20522001	18,000	-
Total Assistance Listing Number 21.019			32,876	-
Total United States Department of the Treasury			32,876	-
United States Department of Justice				
Direct Program				
Public Safety Partnership and Community Policing Grants	16.710	2020SVWX0029	83,358	-
Total United States Department of Justice			83,358	-
Total Expenditures of Federal Awards			$ 3,663,723	$ 622,388

*Clustered programs

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

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, 2021, the District did not elect to use this rate.

NOTE 3 – PROGRAM REPORTING

SHARS and $99,754 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	$ 3,844,591
Less amounts not considered to be federal awards, excluded on the Schedule of Expenditures of Federal Awards:	
School Health and Related Service Program (SHARS)	(139,083)
ERATE	(41,785)
Total expenditures of federal awards, per the Schedule of Expenditures of Federal Awards (Exhibit K-1)	$ 3,663,723

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, 2021.

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 5: NONCASH ASSISTANCE AND OTHER

The District did not receive any federally funded insurance during the year ended June 30, 2021.

Noncash awards:

For the year ended June 30, 2021, the District received $7,996 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.

STATE COMPENSATORY EDUCATION AND BILINGUAL EDUCATION PROGRAM EXPENDITURES

Santa Rosa Independent School District

Fiscal Year 2021

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.	1414028
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year.	3128528

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.	100402
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25,35)	90775