



ANNUAL BUDGET
FISCAL YEAR 2025-2026

Red Oak Independent School District

109 W. Red Oak Road
Red Oak, TX 75154

www.redoakisd.org

Table of Contents

Executive Summary	1
Introduction.....	2
District Background.....	3
Vision, Mission and Major Goals.....	3
School Board.....	5
District Administration	5
Budget Process and Timeline.....	6
Financial and Accounting Structure.....	8
Budget Summary.....	9
Revenue Summary	14
Property Taxes	15
Other Local Revenue.....	17
State Revenue.....	18
Federal Revenue	18
Summary of Expenditures	19
General Fund Expenditures	20
Significant Trends, Events and Initiatives	20
Enrollment Trends and Forecast	21
Personnel Resource Changes	23
Instructional Expenses per Student.....	24
Changes in Debt.....	25
Budget Forecast.....	25
Staffing Ratios	27
Academic Results.....	27
Awards.....	33
Acknowledgements.....	35
Organizational Section.....	39
District Overview.....	40
School Board.....	40
Administration	42
Education Service Center	42
Vernon & Marjorie Coffee Justice Center	42
Little Hawks Learning Center	43
Support Service Center.....	43
Organizational Chart	43
Buildings and Locations	45
Regional Location	46
District History	47
Major Goals and Objectives.....	48

Legal Structure	54
Governmental Accounting Structure	54
General Fund	54
Special Revenue Funds	54
Debt Service Fund	54
Capital Projects Fund	55
Fiduciary Funds	55
Account Number Structure	55
Budgetary Basis of Accounting and Classification of Revenues and Expenditures	58
District Financial Policies	58
Balanced Budget	58
Fiscal Year	59
Transfer, Revenue, Expenditure and Expense Account Classification	59
Interim and Annual Financial Reports	59
Generally Accepted Accounting Principals	59
Fund Accounting	59
Fund Balance	59
Encumbrances	60
Capitalized Equipment	60
Restricted Resources	60
Budget Process and Policies	60
Budgetary Controls	61
Budget Modification	61
Financial Reporting	61
Budget Calendar	62
Capital Improvement Process and Timeline	63
Budget Administration and Management	64
Financial Policies	64
Financial Section	67
Financial Section Roadmap	68
The Foundation School Program	68
House Bill 3	69
89 th Legislative Session	71
Red Oak ISD Funding	71
Governmental Funds	72
Aggregate Budget Summary by Object	73
Aggregate Budget Review Summary by Function	74
Fiscal Year 2026 Revenue by Source	76
Fiscal Year 2026 Expenditures	77
Financial Forecast and Projections	82
General Fund	86
Student Nutrition Fund	92

Debt Service Fund.....	96
Capital Projects.....	100
School and Department Budgets.....	101
Informational Section	105
Local Property Tax	106
Student Enrollment History	115
Staffing History	120
Benchmarks.....	123
Outstanding Debt.....	126
Student Performance Measures	129
Glossary of Terms	163



JROTC Flag raising ceremony for 2024 Veteran's Day celebration

EXECUTIVE SUMMARY

Realizing Our Individual Students' Dreams

INTRODUCTION

The 2025-2026 annual budget for Red Oak Independent School District is presented in this document. This budget represents the revenue and spending plan for the District for the 2025-2026 fiscal year, which begins July 1, 2025 and ends June 30, 2026. It has been prepared in accordance with state regulations and local policies. This budget includes the three major funds that require School Board approval for the fiscal year – the General Fund, the Student Nutrition Fund and the Debt Service Fund. This document also includes information on Capital Projects that does not require a legally adopted budget, but is an important component of the District's operations. The budget has been prepared to communicate a comprehensive review of the District's fiscal year 2026 financial plan and the result of operations to the School Board, local citizens and other constituents.

Even though the last several years have been very challenging, both in respect to providing educational services to students, the impact on the economic environment and no increase in the state funding's basic allotment since 2019, until this fiscal year, the prudent actions of the School Board, administration and staff have positioned the District to maintain its programs, high academic standards and results. Red Oak ISD continues to consistently demonstrate its efficiency and effectiveness by delivering improved educational outcomes while maintaining a low operating cost per student, relative to the state average and peer districts in the North Texas area.

It is the intent of the Red Oak ISD School Board and staff to provide the best possible educational system for all of the students of the District. The available resources will be directed toward the achievement of the adopted mission, beliefs and objectives. The District's Mission is to incorporate and instill the four (4) Talons of the Hawk for each and every student. The four (4) Talons are: Prepared, GRIT, Character and Service. The District's Vision is **Realizing Our Individual Students' Dreams (ROISD)**.

The 2025-2026 Adopted Budget supports the current instructional programs of the District. The budget has been prepared in accordance with District policy, Policy CE (Local), and conforms to existing State of Texas requirements as set forth by the state constitution and state code as interpreted and implemented by the Texas Education Agency (TEA). The TEA exercises oversight of the financial affairs of Texas school districts and requires a legally adopted budget for the General Fund, Student Nutrition Fund and the Debt Service Fund.

It is always the desire of the Red Oak ISD administration to present the School Board an appropriate balanced budget, taking into consideration the stated goals of the Strategic Plan and the ongoing instructional and fiscal responsibilities of administration. The primary purpose of this document is to provide timely and useful information concerning the past, current and projected financial status of the District in order to facilitate financial decisions that support the educational goals of the District. This document is prepared in a manner to help the citizens, staff and School Board of Red Oak ISD understand the annual goals of the District and how resources are being allocated.

The budget book is organized to present the information in a user-friendly format that meets the criteria set forth in the Meritorious Budget Award program administered by the Association of School Business Officials International (ASBO) organization. The budget book contains the following sections:

- Executive Summary – reflects the key, important information within the budget book. This section gives the reader an insight into the remainder of the budget book. This section highlights and summarizes the key components within the budget book.
- Organizational Section – provides the framework for the budget development as well as the District's organizational and financial structure. This section contains detailed information on the budget process and policies, account code structure and District financial policies and procedures.

- Financial Section – presents the financial information and budgetary projections for this fiscal year. The financial schedules highlight the three governmental funds requiring legally adopted budgets, as well as, details of capital projects. These schedules reflect historical, current and future financial data.
- Information Section – provides additional financial, staffing and student information. This section contains current and historical data including tax values information, enrollment data and other schedules to highlight useful budget information for the District's citizens.

DISTRICT BACKGROUND

Red Oak Independent School District is an independent public educational agency operating under applicable laws and regulations of the State of Texas. The District is projected to educate over 6,727 students this year in pre-kindergarten through 12th grade at eight (8) campuses – five (5) elementary schools, two (2) middle schools and a high school. A second middle school is opening for the 2025-2026 school year. On the Red Oak Middle School campus is the District's Disciplinary Alternative Education Program (DAEP). DAEP provides an educational placement for eligible students whose disruptive behavior in the regular classroom impedes the educational process. Approximately 41% of the students in the District are Hispanic and 62% of the students qualified as economically disadvantaged in 2024-2025.

The District currently has budgeted for 1,095 employees, with 598 being certified and 497 being non-certified. The District operates independently and is not considered a component unit of any other entity.

Red Oak ISD is a midsize, suburban district encompassing 42 square miles just 20 miles south of Dallas, in north Ellis County. The District is a public school system and serves students from Red Oak, Glenn Heights, Ovilla, Pecan Hill and Oak Leaf within the eight (8) campuses. It is easily accessible by Interstate 35 East. The District provides pre-kindergarten, special education, gifted & talented programs, modern foreign language instruction, technology and extensive extracurricular opportunities in addition to its rigorous Pre-K – 12 curriculum. An extensive background on the District can be found starting on page 47.

VISION, MISSION AND MAJOR GOALS

In the spring of 2023, the Red Oak ISD Flight Plan 2028 was approved by the School Board with the goal of ensuring that the District continues to move forward as a strong school district and is prepared to face the challenges and opportunities in the future.

Vision

The Vision is ***Realizing Our Individual Students' Dreams*** (ROISD).

Mission

The Mission of the 4 Talons of the Red Oak Hawk is: Prepared, GRIT, Character and Service.

Core Values

- Students exhibit academic readiness.
- Students seek opportunities and challenges of learning.
- Students and staff demonstrate fair, respectful and well-rounded characteristics.
- Everyone leaves a legacy through service.

The 2025-2026 theme for Red Oak is “SUMMIT: Hawk Strong”. The main component of the theme is that Red Oak ISD is a growing school district and the purpose is to ensure that all staff and students know how to climb the mountain to reach the Summit. The four main stages of the progress to climb up the mountain to the Summit are:

- What YOU build now, will carry you all the way UP;
- Growth happens step by step – each challenge shaping us for the climb ahead;
- Our greatest strength lies in what we can accomplish together; and
- Resilience is found in choosing to keep going, even when it’s hard.

Once you reach the Summit, you shouldn’t stand still, but reach back, lift up and lead forward your staff and students. To support this climb to the Summit, the “Hawk Strong” principles for our staff to embrace are:

- Look around at your teammates;
- Trust, believe, embrace and have a positive attitude;
- This is your climbing team;
- Conquer barriers with a plan;
- We will NOT leave anyone behind;
- We are strong, resilient, determined and capable; and
- All MUST summit for Hawk success.



Each year, the School Board adopts District Goals that directly align to the five (5) Year Strategic Plan. The full five (5) Year Strategic Plan can be viewed on the District’s website at www.redoakisd.org. The 2025-2026 goals support the *Academics; Communications; Finance; Growth, Facilities and Security; and Human Resources* initiatives of the District.

The current Strategic Plan, Flight Plan 2028, was developed based on the input and priorities that were identified through community feedback, steering committee meetings, community meetings, strategic planning questionnaires, in-depth interviews and School Board insights in the spring of 2023. Flight Plan 2028 will ensure that Red Oak ISD will continue to move forward as a strong school district and be prepared to face the challenges and opportunities ahead. The next phase of the strategic planning process will be to finalize the strategies and outcomes to meet the goals each year. For the 2025-2026 school year, each department will create the action plan and desired outcomes to meet the goals.

Most of the costs associated with the current year initiatives are being funded with existing school and department budgets. The main additional costs that have been added to the 2025-2026 budget to support these initiatives is the addition of staff for the new Shaw Middle School and the educational programs that are expanding due to the overall growth of the District. Additional funds for the retention of staff and the updating of curriculum for all grade levels that was not covered by the State Instructional Materials Allotment (IMA) annual allocation are also being budgeted.

SCHOOL BOARD

The Red Oak ISD School Board is comprised of seven (7) elected citizens from the Red Oak Area (Red Oak, Glenn Heights, Ovilla, Pecan Hill and Oak Leaf). School Board members serve the taxpayers in this District, are unpaid and are elected at-large to serve staggered three-year terms. Issues addressed by the School Board include policy-making, long-range planning, student achievement, staff development, financial planning for long-term stability, building maintenance and working with the District administration.

Members of the public are invited to attend School Board meetings that are normally scheduled for the third Monday of the month (unless otherwise indicated) at 7:00 p.m. at the Red Oak Education Service Center (ESC). The School Board meeting agenda is posted on the website and time for public comment is always included at each meeting.

Melanie Petersen	President	Place 7
Johnny Knight	Vice President	Place 4
Sean Kelly	Secretary	Place 5
John Anderson	Board Member	Place 3
Donna Knight	Board Member	Place 1
Donny Lutrick	Board Member	Place 6
Brian Sebring	Board Member	Place 2



2025-2026 School Board

DISTRICT ADMINISTRATION

Brenda Sanford, Superintendent
Michelle Ailara, Deputy Superintendent
Israel Cordero, Chief of Secondary Schools & Programs
Megan Corns, Chief Technology Officer
Bill Johnston, Chief Financial Officer
Michelle Owen, Chief Academics Officer
Beth Trimble, Chief Communications Officer

Chris Anderson, Director of Athletics
Karen Anderson, Executive Director of the Education Foundation
LaKesha Bass, Director of Intervention & State/Federal Programs
Joshua Crutchfield, Director Information Technology
Lynn Dockery, Director of Curriculum & Instruction
Angela Fitzgerald, Director of Counseling & Family Services
Jennifer Jeter, Director of Career Technology Education
Laura Kelly, Director of Instructional Technology
Amy Linex, Director of PEIMS
Robert McIntosh, Director of Transportation
Jason Nitsch, Director of Fine Arts
Shana Owen, Executive Director of Specialized Learning
Robin Perdue, Director of Child Care
Julie Phillips, Director of Purchasing
Phillip Prasifka, Chief of Police
Catrina Reeves, Executive Director of Human Resources
Lori Rowe, Director of Health Services
Teresa Simpson, Director of Accounting
Brent Stanford, Executive Director of Support Services
Melissa Sulak, Executive Director of CCMR
Tonya Thompson, DAEP Administrator
Rob Waller, Director of Human Resources
Cristi Watts, Executive Director of Student Services
Victoria Ybarra, Director of Student Nutrition

BUDGET PROCESS AND TIMELINE

The Red Oak ISD Budget consists of the General Fund, the Student Nutrition Fund and the Debt Service Fund. Only the General Fund budget for fiscal year 2025-2026 (FY 2026) is balanced. The Student Nutrition fund has a negative variance this budget year due to the National School Lunch Program (NSLP) waivers authorized in the 2021-2022 school year that increased the revenue more than the expenditures, which created a higher than anticipated fund balance for the last four (4) years. The plan over the last several years has been to reduce the fund balance to the District's Fund Balance Policy (25%) through the updating of kitchen and cafeteria equipment. The Debt Service Fund has a higher budgeted expenditure than normal due to the plan to redeem the Series 2016 bond issue that will become callable in February 2026. In addition, Series 2025 bonds will be issued in August and payments for this bond will be due in August 2025 and February 2026. The budgeting process encompasses all budget requests for the General Fund and these requests are presented to the School Board at the time of the budget adoption.

The Budget is a detailed financial plan for the District and covers the fiscal year beginning July 1 through June 30. The Texas Education Code Sections § 44.002-44.006 establish the legal basis for school district budget development. The District prepares a budget calendar and presents the calendar to the School Board to commence the budgeting process. The District's budget must be prepared by June 20 and be adopted by the School Board by June 30 each year. A public hearing for the budget and proposed tax rate must occur before the School Board's adoption of the budget. This budget document meets these standards. The District must also publish budget information on the District web site.

The administration and staff work in a collaborative manner to arrive at a detailed revenue and expenditure plan for operations on a fiscal year basis. The ultimate goal of this process is to recommend to the School Board a balanced budget that aligns with the District's Strategic Plan, District improvement plans and campus improvement plans to provide a world class education for 21st Century learners.

The District's administration begins preparing the budget calendar to share with the School Board and stakeholders in late fall of each year to prepare the budget for the year beginning the following July 1. The 2025-2026 budget development calendar was presented to the School Board at the January 27, 2025 School Board meeting.

The process of budgeting for the fiscal needs of the District is an ongoing process and consists of five phases – planning, preparation, adoption, implementation and evaluation. On the next several pages is the Budget Calendar that was followed for the development of the 2025-2026 Budget. The planning phase began in the fall of 2024 with a review of the process used for the prior year and then updating the process, if needed, for the next year's budget development process. The 2025-2026 process to be used was provided to the School Board and all stakeholders in January.

The preparation phase continued with administrative meetings with each campus and department where budget guidelines and worksheets were distributed. The information received, along with staffing plans for the 2025-2026 school year, were used in preparing the budget. Each campus receives a per pupil allocation to be used for discretionary expenditures, such as supplies, materials, equipment, staff development and other appropriate instructional costs based on the campuses instructional and improvement plans. Budgets for departments are developed by budget managers, based on the prior year's allocation and expenditures. Additional budget allocations may be included or removed from the department budgets, based department needs and the goal of maintaining a balanced budget.

The preliminary budget was shared with the School Board in March 2025. The tentative budget and a workshop was presented to the School Board in May 2025. The Public Hearing on the Budget and Proposed Tax Rate was held on June 16, 2025. Following the Public Hearing, the budget for the 2025-2026 school year was adopted by the School Board. The 2025 tax rates cannot be adopted until August or September per Texas Education Code § 44.004(i).

Budgetary controls are maintained at line item levels and are built into administrative responsibility cost centers. All actual activity is compared to the budget and reported to the District's management and the School Board in the form of monthly Finance Reports. Any extraordinary variances will be disclosed in full detail with the Superintendent's Cabinet and also the School Board.

Budget Calendar
2025-2026 Fiscal Year

December 2024	Review the budget process from the prior year and develop the process for the next fiscal year Discuss the Budget Strategy with the Superintendent's Cabinet
January 2025	Communicate the budget process to the School Board and all stakeholders Begin the employee salary and benefit cost projections for the next budget year
February	Meet with budget managers (campuses and departments) to review the budget process Determine the preliminary revenue and expenditure assumptions to be used in the budget development process Distribute the guidelines and process for Additional Funding Requests to all budget managers Determine the projected staffing needs for the next school year based on enrollment projections

March	Budget managers to submit any additional funding requests Preliminary budget position and requested additional funding requests reviewed and evaluated by the Superintendent's Cabinet Budget managers provided their proposed budget to enter into Skyward to match the school or department goals for the year Present the preliminary budget picture to the School Board, including any major staffing, programmatic, technology or building maintenance needs Finalize the projected salary and benefit costs for the next budget year
April	Tentative Budget position reviewed by the Superintendent's Cabinet Budget Workshop to be held with the School Board to discuss the Proposed Budget Preliminary property values received from the County Appraisal District
May	Update and present the Financial Planning Program that forecasts District revenue and expenditures for five (5) years Final Budget Workshop to be held with the School Board to discuss any additional budget assumptions (if necessary)
June	Notice of the Budget Hearing and Proposed Tax Rate published and then placed on public display for at least 10 days prior to date of the Hearing (Tex. Educ. Code § 44.004) Public Hearing to discuss the Budget and Proposed Tax Rate to be held School Board formally adopts the Budget and Tax Rate (Tex. Educ. Code § 44.004) by June 30 Adopted Budget posted on the District's website and filed with the Texas Education Agency (TEA) by the date established by the State Board of Education
August	School Board formally adopts the Tax Rate (Tex. Educ. Code § 26.05) by the end of September or within 60 days after the Certified Property Values have been received from the County Appraisal District

FINANCIAL AND ACCOUNTING STRUCTURE

The District maintains approximately 25 separate funds to account for operations, special programs, debt service and capital projects. All funds, including campus and student activity funds, are accounted for on a district level basis.

The fund accounting system defines each fund by fiscal period and a self-balancing set of accounts including assets, liabilities, fund equity, revenues and expenditures. There are three (3) major groups of governmental funds. The Governmental Funds includes the General Fund, Special Revenue Funds, Debt Service Fund, which are part of the approved budget. Details on capital projects, as part of the Capital Projects Fund, are provided for informational purposes only. Other funds maintained by the District are the Fiduciary Funds that are considered trust and agency funds. The District does not have any Proprietary Funds, such as an Internal Service Fund or an Enterprise Fund.

Below is a brief description of Governmental Funds that are included in the District's approved budget:

- General Fund – To account for the majority of the day-to-day instructional and administrative aspects of the District's operations.
- Student Nutrition Fund – To account for the operation of the District's cafeteria and meal programs.
- Debt Service Fund – To account for the District's annual bond principal and interest payments.

Accounting records are maintained in accordance with generally accepted accounting principles (GAAP). Budgetary controls, which utilize encumbering purchase orders to reserve commitments to the budget, include periodic amendments to ensure compliance with state law.

The budgets presented throughout this document are summarized at the fund, major object and function levels. The actual general ledger is made up of over 12,000 detailed line items that are the building blocks of this document. In fact, the State of Texas has established the account code structure used by all public school districts in the State.

The account code defines transaction detail. For instance, if the District purchases several sets of materials for student use, the account code will tell the reader what was generally purchased, which campus made the purchase, the purpose of the purchase and the major source of funds used.

The account code structure is broken down into detail in the Organizational Section on pages 55 - 58.

BUDGET SUMMARY

The budgeted revenues and expenditures by fund are summarized on the next several pages and are presented by comparing the 2023-2024 and 2024-2025 financials to the adopted 2025-2026 Budget. Only the General Fund, Student Nutrition Fund and Debt Service Fund need to be included in the official District budget.

The estimated District revenue of \$100.2 million is planned to be approximately \$1,926,262 less than expenditures of \$102.1 million. This is due to the need to spend additional Student Nutrition fund balance that increased in the 2021-2022 through the 2023-2024 school years as a result of the USDA waivers and additional federal reimbursement. The Texas Department of Agriculture (TDA), who manages the student nutrition program, requires districts to limit the percentage of expenditures to year-end fund balance. The TDA fund balance requirement is that if the Student Nutrition year-end fund balance is greater than the fund balance limit, a plan must be created to show how the fund balance will be reduced to the acceptable level. For all funds, the District's Fund Balance policy of no less than three months (25%) is followed. Also, the Debt Service fund has a Series 2016 bond that is being redeemed on the 10-year call date and the projected 2025-2026 bond payment for the upcoming Series 2025 bond sale.

This is the fifteenth consecutive year of a balanced budget for the General Fund. The District has an estimated unaudited \$30.4 million of total fund reserves and almost \$22.0 million in reserves for the General Fund. The projected ending fund balance for the School Board Approved funds for the 2025-2026 fiscal year is expected to be approximately 29.8% of expenditures. The General Fund (Operating Fund) ending fund balance is projected to be 27.8% of operating expenditure, which is considered more than an appropriate amount by the Texas Education Agency and independent industry groups. These groups recommend no less than two (2) months of regular general fund operating expenditures that equates to around 16.7% to 20% of expenditures.

Red Oak Independent School District
2025-2026 Adopted Budget
As of July 1, 2025

	2023-2024 Amended Budget	2023-2024 Audited Actual	2024-2025 Revised Budget	2024-2025 YTD Unaudited	2025-2026 Adopted Budget
Board Approved Funds					
Beginning Fund Balance	\$32,066,801	\$32,066,801	\$33,029,391	\$33,029,391	\$32,347,131
Ending Fund Balance	\$29,402,911	\$33,029,391	\$31,210,144	\$32,347,131	\$30,420,869
Revenues					
Tax Sources	\$43,237,203	\$39,448,276	\$43,712,752	\$43,301,494	\$45,729,189
Local Sources	3,641,050	4,156,736	3,489,972	3,654,464	3,435,050
State Sources	36,809,342	39,506,509	39,915,081	39,311,314	41,724,278
State On-Behalf	3,890,406	3,817,077	4,137,323	3,972,165	4,523,761
Federal Sources	3,288,000	4,171,912	5,063,000	3,893,106	4,786,868
Non-Operating Revenue	320,000	47,955	0	0	0
Total District Revenues	\$91,186,001	\$91,148,464	\$96,318,128	\$94,132,543	\$100,199,146
Expenditures by Object					
Salary (6100)	\$52,626,357	\$52,363,908	\$56,283,034	\$54,710,273	\$58,488,706
Benefits (6140)	9,867,996	9,426,749	10,617,362	9,974,809	10,943,670
Professional Services (6200)	4,849,949	4,286,364	4,424,859	4,209,711	4,539,274
Supplies & Materials (6300)	6,537,427	6,037,072	7,054,975	6,545,562	6,638,611
Operating Costs (6400)	1,961,951	1,840,509	2,379,580	1,997,268	2,233,581
Debt Service (6500)	16,915,188	13,886,117	16,743,738	16,742,038	18,663,688
Capital Outlay (6600)	1,091,023	1,345,153	633,827	611,760	617,878
Other Uses (8900)	0	1,000,000	0	23,382	0
Total District Expenditures	\$93,849,891	\$90,185,873	\$98,137,375	\$94,814,804	\$102,125,408
Expenditures by Function					
Instruction Services (10)	\$39,478,160	\$38,802,710	\$41,572,967	\$41,056,729	\$43,622,642
Leadership Services (20)	5,626,359	5,569,766	5,811,392	5,634,640	6,096,070
Support Services - Student (30)	14,876,090	14,694,062	16,476,785	14,554,826	16,100,487
Administrative Services (40)	3,113,065	3,102,536	3,447,849	3,252,510	3,105,135
Support Student (50)	11,651,615	11,073,021	11,781,973	11,510,994	12,219,082
Community Services (60)	1,701,414	1,690,013	1,858,671	1,623,211	1,868,304
Debt Services (70)	16,915,188	13,886,117	16,743,738	16,742,038	18,663,688
Capital Outlay (80)	53,000	0	0	0	0
Intergovernmental Services (90)	435,000	367,647	444,000	416,474	450,000
Non-Operating/Other Uses (00)	0	1,000,000	0	23,382	0
Total District Expenditures	\$93,849,891	\$90,185,873	\$98,137,375	\$94,814,804	\$102,125,408
Fund Balance percentage of Expenditures					
	31.33%	36.62%	31.80%	34.12%	29.79%

	2023-2024 Amended Budget	2023-2024 Audited Actual	2024-2025 Revised Budget	2024-2025 YTD Unaudited	2025-2026 Adopted Budget
General Operating Funds					
Beginning Fund Balance	\$21,452,243	\$21,452,243	\$21,769,063	\$21,769,063	\$22,075,893
Ending Fund Balance	\$21,452,243	\$21,769,063	\$21,769,063	\$22,075,893	\$22,075,893
Revenues					
Tax Sources	\$29,286,405	\$27,058,333	\$29,921,028	\$29,659,016	\$31,034,756
Local Sources	2,593,478	2,579,465	2,632,500	2,749,891	2,554,500
State Sources	36,394,342	38,100,140	38,511,064	37,722,689	40,165,035
State On-Behalf	3,845,406	3,780,305	4,089,823	3,946,276	4,470,261
Federal Sources	1,250,000	1,261,020	1,600,000	436,820	1,100,000
Non-Operating Revenue	320,000	0	0	0	0
Total F1XX Revenues	\$73,689,631	\$72,779,264	\$76,754,415	\$74,514,691	\$79,324,552
Expenditures					
By Object					
Salary (6100)	\$51,274,576	\$51,056,165	\$54,775,199	\$53,423,742	\$56,970,018
Benefits (6140)	9,546,105	9,147,150	10,227,243	9,674,306	10,552,658
Professional Services (6200)	4,756,449	4,225,664	4,361,659	4,151,459	4,470,174
Supplies & Materials (6300)	4,394,527	3,753,722	4,024,775	3,962,300	4,126,993
Operating Costs (6400)	1,922,451	1,814,281	2,355,080	1,978,193	2,214,081
Debt Service (6500)	725,500	448,750	448,750	448,750	448,750
Capital Outlay (6600)	1,070,023	1,016,712	561,709	545,729	541,878
Other Uses (8900)	0	1,000,000	0	23,382	0
Total by Object	\$73,689,631	\$72,462,444	\$76,754,415	\$74,207,861	\$79,324,552
By Function					
Instruction Services (10)	\$39,478,160	\$38,802,710	\$41,572,967	\$41,056,729	\$43,622,642
Leadership Services (20)	5,626,359	5,569,766	5,811,392	5,634,640	6,096,070
Support Services - Student (30)	10,905,518	10,408,001	11,388,813	10,241,171	11,514,569
Administrative Services (40)	3,113,065	3,102,536	3,447,849	3,252,510	3,105,135
Support Student (50)	11,651,615	11,073,021	11,781,973	11,510,994	12,219,082
Community Services (60)	1,701,414	1,690,013	1,858,671	1,623,211	1,868,304
Debt Services (70)	725,500	448,750	448,750	448,750	448,750
Capital Outlay (80)	53,000	0	0	0	0
Intergovernmental Services (90)	435,000	367,647	444,000	416,474	450,000
Non-Operating/Other Uses (00)	0	1,000,000	0	23,382	0
Total by Function	\$73,689,631	\$72,462,444	\$76,754,415	\$74,207,861	\$79,324,552
Fund Balance percentage of Expenditures	29.11%	30.04%	28.36%	29.75%	27.83%

	2023-2024 Amended Budget	2023-2024 Audited Actual	2024-2025 Revised Budget	2024-2025 YTD Unaudited	2025-2026 Adopted Budget
Child Nutrition Fund					
Beginning Fund Balance	\$1,753,484	\$1,753,484	\$1,487,279	\$1,487,279	\$1,152,806
Ending Fund Balance	\$753,484	\$1,487,279	\$402,279	\$1,152,806	\$852,806
Revenues					
Tax Sources	\$0	\$0	\$0	\$0	\$0
Local Sources	872,572	1,049,486	477,472	457,333	500,550
State Sources	15,000	22,708	15,000	39,674	45,000
State On-Behalf	45,000	36,772	47,500	25,890	53,500
Federal Sources	2,038,000	2,910,891	3,463,000	3,456,286	3,686,868
Non-Operating Revenue	0	0	0	0	0
Total F240 Revenues	\$2,970,572	\$4,019,857	\$4,002,972	\$3,979,183	\$4,285,918
Expenditures					
By Object					
Salary (6100)	\$1,351,781	\$1,307,743	\$1,507,835	\$1,286,531	\$1,518,688
Benefits (6140)	321,891	279,599	390,119	300,503	391,012
Professional Services (6200)	93,500	60,701	63,200	58,252	69,100
Supplies & Materials (6300)	2,142,900	2,283,350	3,030,200	2,583,262	2,511,618
Operating Costs (6400)	39,500	26,228	24,500	19,075	19,500
Debt Service (6500)	0	0	0	0	0
Capital Outlay (6600)	21,000	328,441	72,118	66,031	76,000
Other Uses (8900)	0	0	0	0	0
Total by Object	\$3,970,572	\$4,286,062	\$5,087,972	\$4,313,655	\$4,585,918
By Function					
Instruction Services (10)	\$0	\$0	\$0	\$0	\$0
Leadership Services (20)	0	0	0	0	0
Support Services - Student (30)	3,970,572	4,286,062	5,087,972	4,313,655	4,585,918
Administrative Services (40)	0	0	0	0	0
Support Student (50)	0	0	0	0	0
Community Services (60)	0	0	0	0	0
Debt Services (70)	0	0	0	0	0
Capital Outlay (80)	0	0	0	0	0
Intergovernmental Services (90)	0	0	0	0	0
Non-Operating/Other Uses (00)	0	0	0	0	0
Total by Function	\$3,970,572	\$4,286,062	\$5,087,972	\$4,313,655	\$4,585,918
Fund Balance percentage of Expenditures	18.98%	34.70%	7.91%	26.72%	18.60%

	2023-2024 Amended Budget	2023-2024 Audited Actual	2024-2025 Revised Budget	2024-2025 YTD Unaudited	2025-2026 Adopted Budget
Debt Service Fund					
Beginning Fund Balance	\$8,861,073	\$8,861,073	\$9,773,049	\$9,773,049	\$9,118,431
Ending Fund Balance	\$7,197,183	\$9,773,049	\$9,038,802	\$9,118,431	\$7,492,169
Revenues					
Tax Sources	\$13,950,798	\$12,389,943	\$13,791,724	\$13,642,478	\$14,694,433
Local Sources	175,000	527,785	380,000	447,240	380,000
State Sources	400,000	1,383,661	1,389,017	1,548,951	1,514,243
State On-Behalf	0	0	0	0	0
Federal Sources	0	0	0	0	0
Non-Operating Revenue	0	47,955	0	0	0
Total F599 Revenues	\$14,525,798	\$14,349,343	\$15,560,741	\$15,638,670	\$16,588,676
Expenditures					
By Object					
Salary (6100)	\$0	\$0	\$0	\$0	\$0
Benefits (6140)	0	0	0	0	0
Professional Services (6200)	0	0	0	0	0
Supplies & Materials (6300)	0	0	0	0	0
Operating Costs (6400)	0	0	0	0	0
Debt Service (6500)	16,189,688	13,437,367	16,294,988	16,293,288	18,214,938
Capital Outlay (6600)	0	0	0	0	0
Other Uses (8900)	0	0	0	0	0
Total by Object	\$16,189,688	\$13,437,367	\$16,294,988	\$16,293,288	\$18,214,938
By Function					
Instruction Services (10)	\$0	\$0	\$0	\$0	\$0
Leadership Services (20)	0	0	0	0	0
Support Services - Student (30)	0	0	0	0	0
Administrative Services (40)	0	0	0	0	0
Support Student (50)	0	0	0	0	0
Community Services (60)	0	0	0	0	0
Debt Services (70)	16,189,688	13,437,367	16,294,988	16,293,288	18,214,938
Capital Outlay (80)	0	0	0	0	0
Intergovernmental Services (90)	0	0	0	0	0
Non-Operating/Other Uses (00)	0	0	0	0	0
Total by Function	\$16,189,688	\$13,437,367	\$16,294,988	\$16,293,288	\$18,214,938
Fund Balance percentage of Expenditures	44.46%	72.73%	55.47%	55.96%	41.13%

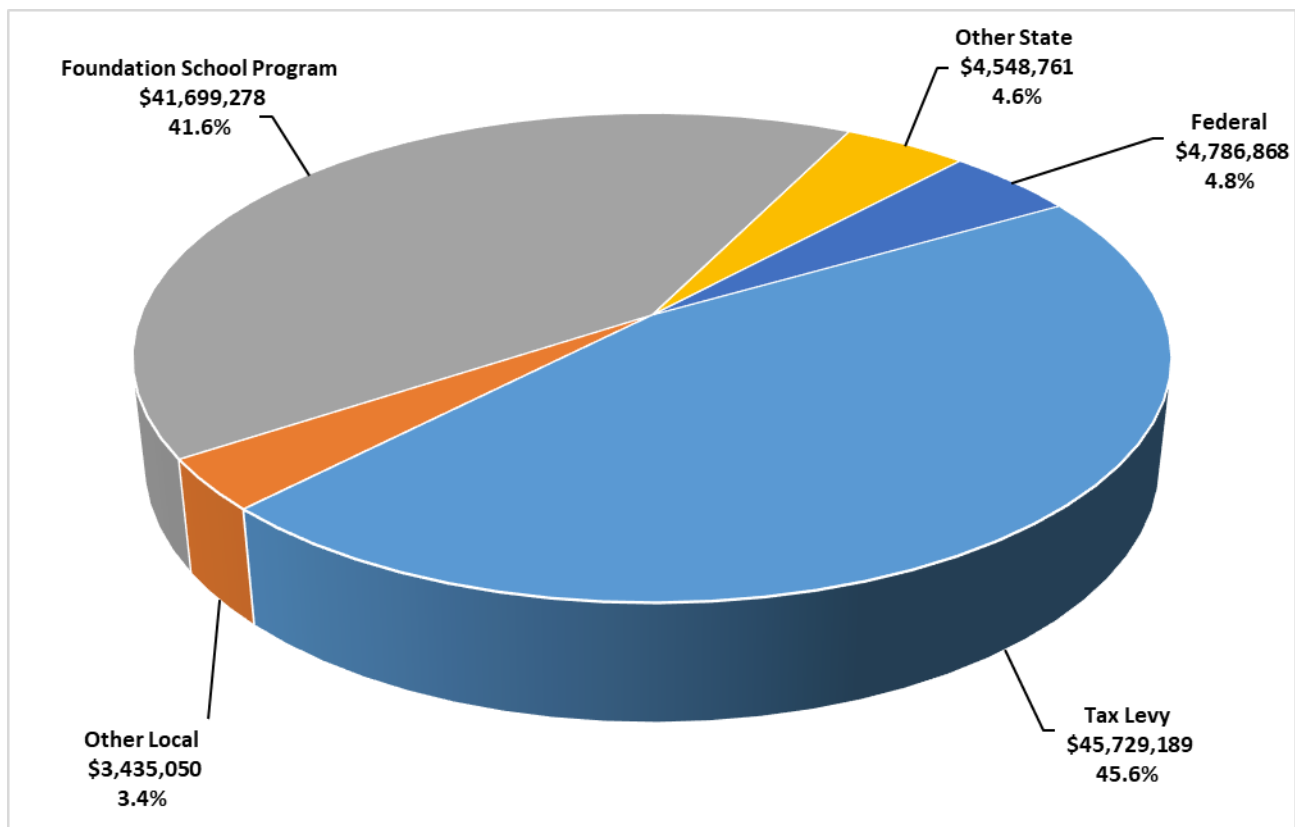
REVENUE SUMMARY

The District's revenue comes from a mixture of Local, State and Federal sources. The total budget revenue for all governmental funds is projected to increase by approximately \$3.9 million from the prior year's budget, mainly due to the increase in some of the components of the state funding formula and the projected increase in tax revenue due to the projected increase in assessed property values. The Texas funding formula, the Foundation School Program (FSP), established how much funding school districts are entitled to receive. If the tax revenue goes down, the state funding normally goes up. Revenue from local sources represents approximately 49.0% of all revenue and is comprised primarily of local property taxes (45.6%).

The overall State revenue budget is increasing by \$1,809,197 compared to last year, based on the continued growth in students and the slight increase in the Basic Allotment and the slight decrease in the tax rate. The 87th Legislature made changes starting with the 2021-2022 State funding formula for districts that are considered fast growth. The District is eligible for this additional allocation for the 2025-2026 Budget of approximately \$327,497. With the growth in property values, the overall state funding growth has slowed down over the last several years. The amount of the state aid budgeted in this fiscal year is \$41,699,278, or 41.6% of the total budgeted revenue. The Student Nutrition Fund also has \$50,000 budgeted for state grants.

Other than an increase in property taxes, an increase in the state funding and a projected decrease in Medicaid reimbursement, the other components of this budget are based on the same funding as last year.

**Total District Revenue
By Source**



PROPERTY TAXES

Each year, the District must determine the property tax rate to project how much revenue will be generated through the ad valorem taxation, called the tax levy, to support the ongoing operations of the District for the upcoming school year. The submission of the final tax rate is made to the local Tax Assessor by the end of September or sixty (60) days after the certified values have been received from the County Appraisal District (CAD), whichever is later.

Texas real property values are determined annually on a calendar year basis in January. The total assessed value of all taxable real property within the District's boundaries is known as the taxable value. Red Oak ISD is situated in the southern suburbs of the Dallas area, where the assessed value per student is relatively low compared to districts to the North in Dallas County, but has grown significantly over the last several years.

Property taxes are levied by October 1 each year in conformity with Subtitle E, of the Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 following the October 1 levy date. The District is located in Ellis County, Texas, where interest and penalties will occur if property taxes are not paid by January 31. The final taxable property values and actual amount of the 2025 property tax levy is not known at the time of the budget adoption.

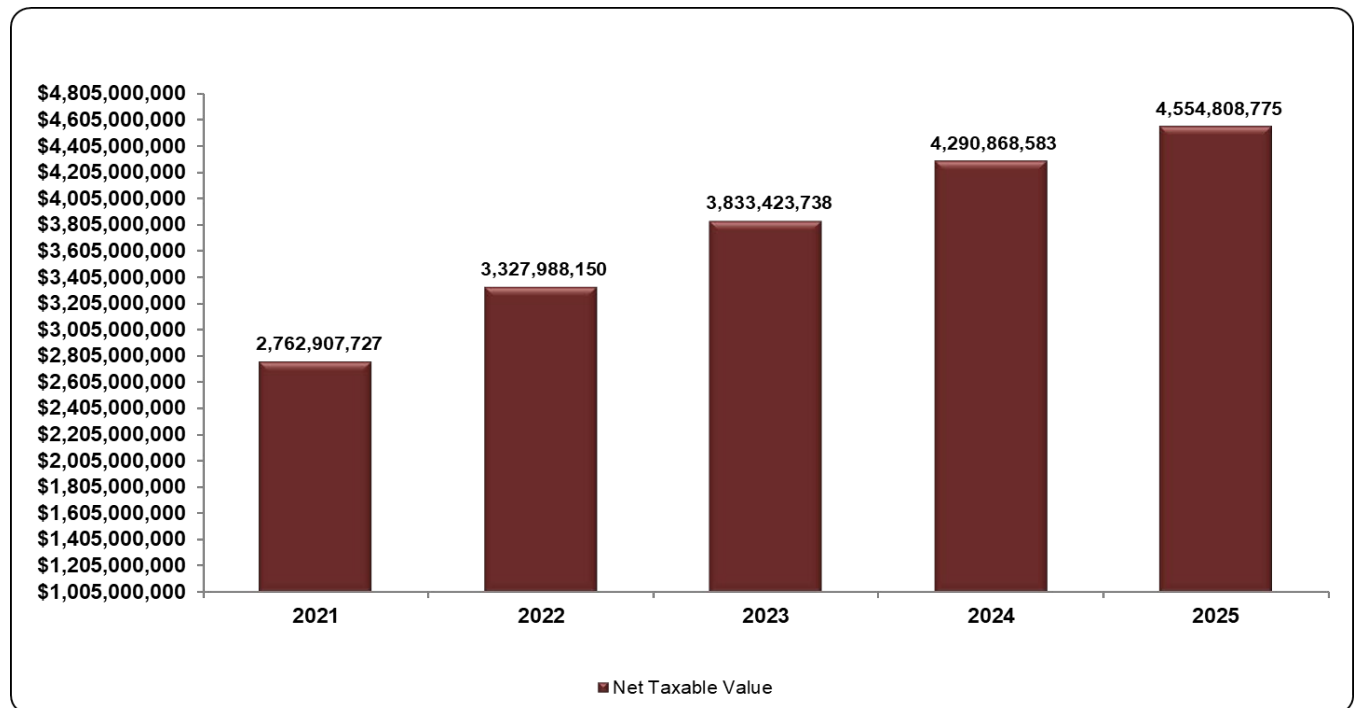
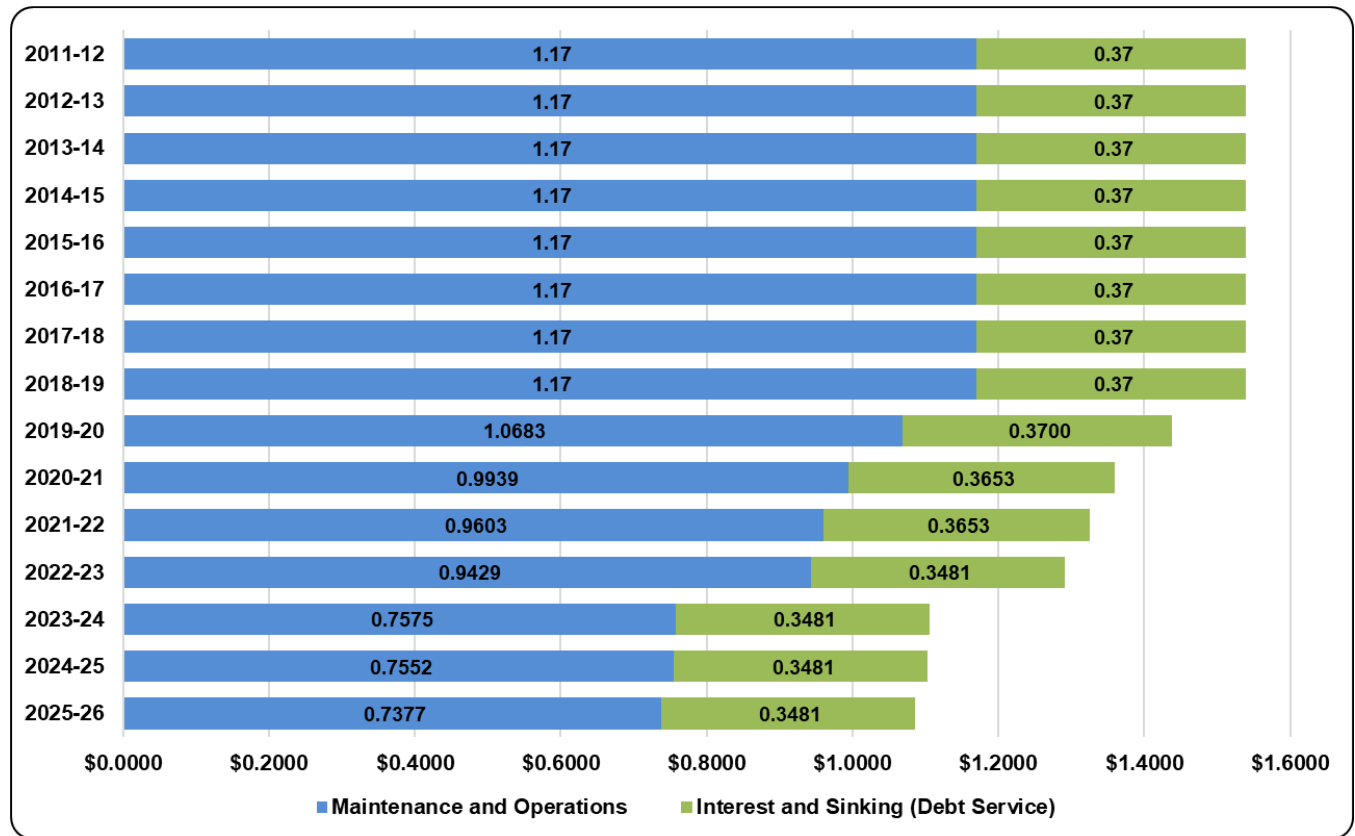
The tax rate is comprised of two component rates, each having separate purposes and state laws governing them. The main tax rate is the Maintenance and Operations (M&O) tax rate and there is also the Debt Service (I&S) tax rate. The M&O tax rate supports the major daily operational and educational programs of the District for such expenses as staff salaries and benefits, utilities, supplies, equipment and many other operational costs. The Debt Service tax rate supports the annual payment of outstanding bond debt authorized by District voters. The total amount of debt payable each budget year less any applicable state aid is divided by the taxable property values to determine the tax rate.

As part of the 86th Legislative Session, the Texas Property Tax Reform and Transparency Act of 2019 (Senate Bill 2), was passed that implemented significant changes to the setting of local tax rates. Starting in the 2019 tax year, most taxing units, including cities and counties, will need voter approval to increase their property tax levy (revenue) by more than 3.5% each year. For school districts, lower property tax rates will occur each year if the value of its tax base rises more than 2.5%. The tax rate reduction affects only a school district's maintenance and operations tax rate and not the tax rate for paying off bonds and other debt. The goal under House Bill 3 (HB 3) with the state increasing school funding was to lower school district property taxes by including any loss of revenue in the Foundation School Program funding.

The Red Oak ISD tax rate had been \$1.54 from the 2009 tax year to the 2018 tax year. Starting in the 2019-2020 fiscal year, the tax rate has decreased each year as part of the property tax relief initiative in House Bill 3 from the 86th Legislative Session. The projected maintenance and operations (M&O) tax rate for the 2025 tax year (2025-2026 fiscal year) is projected to be \$0.7377 per \$100 of taxable assessed property value, a decrease of 2.32% from the prior year. This decrease in the tax rate is due to the projected increase of 5.5% in the 2025 Comptroller's estimated statewide growth in property values. In tax year 2023, an additional compression of \$0.1895 from the 88th Legislative Session significantly reduced the M&O tax rate. The total tax revenue is projected to increase \$2,016,437 or 4.6% based on the based on the projected growth in the taxable property values this year. The 2025 Debt Service tax rate to support the annual debt payment is \$0.3481 per \$100 of assessed property value.

Local property taxes account for approximately 45.6% of District revenue. The District's tax base is primarily made up of residential property (65.1%), commercial property (25.3%), agriculture property (2.5%) and tangible property (7.1%). Despite the changing economic situation, the District has continued to collect in excess of 99% of property taxes levied and expects this to continue for the foreseeable future.

On the next page is the tax rate comparison for the last fourteen (14) years and the projected tax rate for this year.



The total net taxable assessed value is projected to increase by 6.15% in tax year 2025 and is projected to continue to increase for the next several years. The projected increase in the taxable assessed value is projected to increase by around 7.5% next year and then decrease slightly to 5% over the next four (4) years. The tax revenue is the taxable assessed value divided by \$100 of property value and then multiplied by the tax rate.

The impact to the individual taxpayer with a home currently projected to be valued at \$348,888 for the 2025 tax year and then a slight increase in home value through the 2029 tax year is shown below. This demonstrates how the annual change in the tax rate, the change in the average home value and other property value changes could affect the total tax revenue for the school district. The 2024 median home value in the District was \$345,987 and is projected to increase for 2025. The taxable value takes the actual value of the property and reduces the value each year by the Homestead exemption, which will be \$140,000 for the 2025 tax year.

Tax Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Value of Home	\$240,616	\$275,247	\$339,445	\$339,312	\$345,987	\$348,888	\$366,332	\$362,844	\$362,844	\$380,986
Change in Value	4.65%	14.39%	23.32%	-0.04%	1.97%	0.84%	5.00%	4.00%	4.00%	4.00%
Taxable Value *	\$215,616	\$250,247	\$299,445	\$239,312	\$245,987	\$208,888	\$226,332	\$222,844	\$222,844	\$240,986
Property Tax Rate **	1.3592	1.3256	1.2910	1.1056	1.1033	1.0858	1.0738	1.0503	1.0621	1.0390
Property Tax Due	\$2,930.65	\$3,317.27	\$3,865.83	\$2,645.83	\$2,713.97	\$2,268.11	\$2,430.38	\$2,340.56	\$2,366.74	\$2,503.93
Change from Prior year	-\$17	\$387	\$549	-\$1,220	\$68	-\$378	-\$284	-\$373	-\$347	\$236
Percentage Change	-0.57%	13.19%	16.54%	-31.56%	2.58%	-14.28%	-10.45%	-13.76%	-12.79%	10.40%

* Includes a Homestead exemption of \$25,000 up through 2021, \$40,000 for 2022, \$100,000 for 2023 and then \$140,000 starting in 2025

** Tax rate per \$100 of assessed property value

Every homeowner receives a state mandated homestead exemption to reduce the amount of taxes owed. The 2025 homestead exemption will increase to \$140,000 based on the statewide voter approval this November. This is an increase of \$40,000 from the prior year. An additional exemption is provided for those 65 years and older and disabled taxpayers. Their tax levy is frozen at the amount when they receive the exemption and can never go up even as their home value or tax rate increases. Starting in tax year 2023, their taxes will go down if the M&O tax rate is compressed.

The State of Texas places limits on how much tax rates can increase over the previous year's rate. Each taxing entity must calculate its voter-approved tax rate. This is the maximum rate that can be adopted before an automatic voter-approval tax rate election takes place. If a rate is adopted that is higher than the voter-approved tax rate, the voters have an opportunity to affirm the proposed higher rate through an election or roll it back to the voter-approved tax rate. The estimated 2025 tax rate of \$1.0858 represents a \$0.7377 M&O tax rate and a \$0.3481 I&S tax rate.

OTHER LOCAL REVENUE

Other local revenue received from student fees, after-school program, employee daycare program, meal sales to students and staff, donations and investment income to the District account for approximately 3.4% of District revenue. Interest earnings reflected in the projections are based upon forecasted monthly cash flow and fund balances. The District does not have any other sustainable local revenue sources consisting of building leases or rentals, sustainable energy or partnerships with other local organizations or any alternative tax collections, such as sales tax.

STATE REVENUE

Constitutionally, the Texas Legislature is required to meet in regular session every two (2) years to enact legislation and set a two-year state biennial budget that includes funding for school districts. The Foundation School Program (FSP) is the primary means of distributing state funding (aid) to Texas public schools. FSP entitlement for Texas public schools consists of a combination of state aid and local property tax revenue. The FSP distributes funding in support of public schools' ongoing operating costs. FSP entitlement is calculated for each district using formulas established by the Legislature in the Texas Education Code and the General Appropriations Act. For districts with taxing authority, public schools, the portion of entitlement that is not covered by local property tax revenue is provided as state aid. For school districts without taxing authority and charter schools, entitlement is provided solely as state aid.

In 2019, the 86th Texas Legislature passed a transformative school finance bill. The bill provides more money for Texas classrooms, increases teacher compensation, reduces recapture and cuts local property taxes for Texas taxpayers. The Foundation School Program (FSP) for this year is budgeted to increase by a total of \$1,779,197 over last year. The General Fund State funding will increase by \$1,326,474 and the Debt Service Fund is budgeted to have an increase of \$125,226. Due to a component of the funding formula for districts that are growing faster than the state average, Red Oak ISD is projected to also receive \$327,497 in Fast Growth Allotment which increases the General Fund FSP to \$1,653,971. Additionally, with the slower growth in property values, the growth in the overall state funding increased this year. The amount of state funding budgeted in fiscal year 2025 is \$41,724,278 or 41.6% of the District revenue.

In 2021, the 87th Texas Legislature preserved the historic school finance reforms of House Bill 3 (86th Legislature) and fully funded the public education commitments made in the 86th Legislature House Bill 1525 (also known as the HB 3 cleanup bill) corrected and clarified some of the reforms from the prior legislative session. Some of the improvements included changing the fast growth allotment to a tiered system and implemented mechanisms to allow the Texas Education Agency to enforce corrective action against districts that performed tax swaps barred under HB 3. The 88th Texas Legislative session did not add any increase to the state funding formula.

In June of 2025 the Texas 89th Legislative Session approved significant funding for public schools for the 2025-2026 fiscal year. The Legislature allocated an additional \$8.5 billion education that included provisions for staff pay raises, increases to the basic allotment, and additional funding for special education, school safety and other critical areas.

House Bill 2 (HB 2) was a major component and is a comprehensive school finance bill that supports students and infuses more dollars and resources into Texas public schools than ever before. This bill provides critical support for education in several key areas including teacher compensation increases, called Teacher Retention Allotment, in the amount of \$2,500 for 3 to 4 year teachers and \$5,000 for teachers with 5 or more years of teaching experience for school districts with an enrollment greater than 5,000 students for teachers who teach at a minimum of 4 hours a day.

The Bill increases the basic allotment per average daily attendance (ADA) by \$55, taking the basic allotment to \$6,215. New funding is provided for salary increases for non-administrative support staff like counselors, nurses and paraprofessionals in the amount of \$45 per student. Another new allotment of \$106 per student is designed to assist school districts cover rising operational costs like insurance, utilities, and transportation. The funding for school safety was also increased as part of the overall funding.

FEDERAL REVENUE

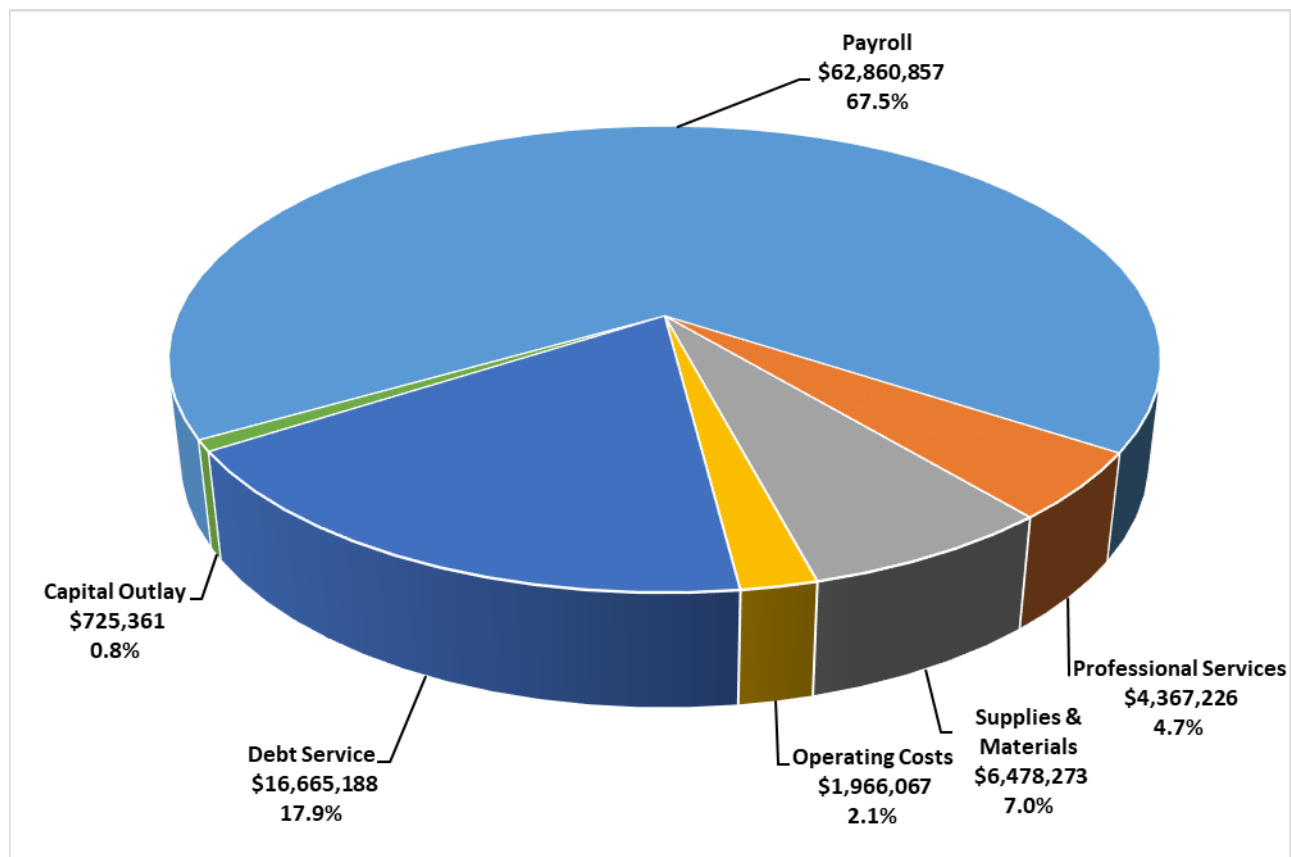
The projected federal revenue is estimated to decrease by \$276,132 from fiscal year 2025 as a result of the transition to the National School Lunch Program's Community Eligibility Provision (CEP) program and a reduction in the reimbursement for Medicaid services from last year. For the 2021-2022 school year, the US Department of Agriculture (USDA) provided free, federally-funded, universal breakfast and lunch for all students through the National School Lunch Program's (NSLP) Summer Seamless Option (SSO). The USDA waiver program went away in the 2022-2023

school year, but statistics show that the program was beneficial to student. With the implementation of the CEP program, the overall School Nutrition revenue is expected to increase by \$282,946 over last year's budgeted revenue.

SUMMARY OF EXPENDITURES

The total budgeted expenditures for all governmental funds will increase by 4.1% or \$3.99 million, in fiscal year 2025 compared to fiscal year 2024. The increase in expenditures is mainly being financed based on the projected increase in state funding and tax revenue to be generated this fiscal year. The majority of the 4.1% increase in expenditures is for the increase in employee salaries and the redeeming of callable outstanding debt in February 2025. The General Fund expenditure budget is projected to increase by 3.4% for a total of \$2,570,137 and the Student Nutrition expenditure budget is projected to decrease by 9.9% or \$502,054. The Debt Service expenditure budget is projected to increase by 11.8% or \$1,919,950, as a result of budgeting to pay off the Series 2016 outstanding debt and the annual payment for the new Series 2025 this year.

**Total District Expenditures
By Source**



The total budgeted compensation increase is projected to be \$2,531,980 based on the increase in the number of staff for the new Shaw Middle School and the teacher step increase. At this time, with limited guidance on required salary increases, no salary increase are included in the Adopted Budget. Once all the factors are known, a Budget Amendment will be presented to the Board for approval. Additionally, 4 new positions have been added to the budget to support enrollment growth, special programs and the expansion of other student support programs. Increases in the employee retention incentives and substitute teacher budgets have also been included in the compensation budget.

GENERAL FUND EXPENDITURES

The District allocates 77.7%, or \$79.3 million, of the \$102.1 million budget to the General Fund. These funds are allocated to instructional, support services, operations and other non-instructional expenditures. The District spends 55.0%, or \$43.6 million, of the \$79.3 million General Fund budget on instructional program expenditures. The District's objectives are to educate students to be self-directed learners, critical thinkers, effective communicators, collaborative team members and responsible members of society. In addition to the Pre-K – 12 curriculum, the District provides pre-kindergarten, special education, gifted & talented programs, modern foreign language instruction, technology and extensive extracurricular opportunities for the diverse student population.

The District spends 22.2%, or \$17.6 million, of its General Fund budget on student support services from social workers, psychologists, speech pathologists, testing, evaluation services, instructional coaches and school leadership. The District spends 22.8%, or \$18.1 million, of the General Fund budget on operation services that include student transportation, plant operations, security services, central office and technology services.

Overall, the allocation of human and financial resources focuses on providing the best combination of instructional and support services. All children in Red Oak ISD are entitled to a superior education that enhances their quality of life and maximizes their chances for success. As part of carrying out the mission to incorporate and instill the 4 Talons of the Hawk for each and every student, the District is committed to making sure that all students strive for and achieve personal academic excellence.

SIGNIFICANT TRENDS, EVENTS AND INITIATIVES

1. The financial condition of all school districts in the State of Texas with the 2020 pandemic and then the lack of a major increase in the state funding over the last six (6) years, until this year, are the most significant risk factors impacting the District. If the basic allotment had increased each year, based on the consumer price index (CPI), all districts would have sufficient revenue to have adopted a balanced budget over the last few years. Unfortunately, many Texas school districts either adopted a deficit budget or made major reductions in their budget for the last few years. The uncertainty as to what the State will do with the funding formula in the future makes budgeting and planning a challenge.
2. House Bill 3 required districts to start converting existing half-day pre-kindergarten services for four-year old students to be full-day starting in the 2019-2020 school year. Red Oak ISD converted all pre-kindergarten classrooms to full-day by the 2022-2023 school year and will continue to expand in subsequent years as the enrollment grows.
3. The number of pupils identified as limited English proficient (LEP) has increased steadily over the last few years and is projected to continue to increase at the elementary grade level. To help meet the needs of the students, the Red Oak ISD Bilingual Program will be expanded to more schools. The K-5 Bilingual Program was expanded to two (2) elementary schools a few years ago and may expand to other schools in the next few years.
4. There is a desire at the State level to standardize the instructional materials that school districts adopt and to incentivize districts to only choose the curriculum from the State's list. Future funding of curriculum may be dependent on the materials a school district adopts.

5. Red Oak ISD is considered a District of Innovation (DoI) by TEA that provides certain flexibility to pursue local initiatives. The designation provides the district exemption from certain sections of the Texas Education Code (TEC) that inhibit the goals of the district as outlined in the locally adopted Innovation Plan. The term of the designation as a District of Innovation may not exceed five (5) years and Red Oak ISD renewed the program in the 2021-2022 school year.
6. Red Oak ISD was one of the few districts in the State that had a police officer on every campus before the 2023-2024 school year. In 2023, the 88th State Legislature passed legislation that requires each school district to have at least one armed security officer during regular school hours at each campus. With this new legislation and the fact that over the last several years, several police officers have resigned, the ability to continue to hire police officers may be an issue. The District will need to review the future plans for the Police Department.
7. The District will continue to invest in computers and other technology to maintain the potential new normal need for virtual remote education. Additional technology was procured in the 2020-2021 budget to provide a 1:1 technology program for all grade levels at all schools. To maintain this program, older devices will need to be replaced and will require an investment each year for the next five (5) years. For the 2025-2026 school year, approximately \$500,000 is budgeted to replace older devices that have outlived their useful life.
8. Due to continued enrollment growth, the District will be required to expand the campus footprint. A Facilities Master Plan was requested and presented to the School Board in January 2021. A survey of building options was presented to the citizens of the District via a survey. As a result, a Bond Election was passed in May 2023 for a new middle school. The construction of the new middle school began in the spring of 2024 and will be completed in the fall of 2025. A bond election was held in May 2025 and passed, so a new elementary school and a new Career and Technical Education (CTE) building will be constructed over the next few years.
9. Due to the continued enrollment growth, seven (7) portable classrooms for the middle school and two (2) elementary schools were installed in the fall of 2022. If the future enrollment exceeds capacity, additional portable classrooms may be needed.
10. With the expiring of the ESSER Funds last year, several positions were added to the General Fund. While the District's goal on the use of these funds was designed for one-time expenditures and backfilling in areas of the budget due to COVID, the funds were also used for several new positions and retention incentives. The continuation of these expenditures were impacted by the federal funds expiring. While it was well known that these positions were temporary, there was a desire to retain some of the positions and these costs were budgeted in the District budget last year and also this year.
11. Inflation, labor scarcity and the new hiring and retention landscape may lead to greater recurring financial commitments that may also present significant financial challenges.

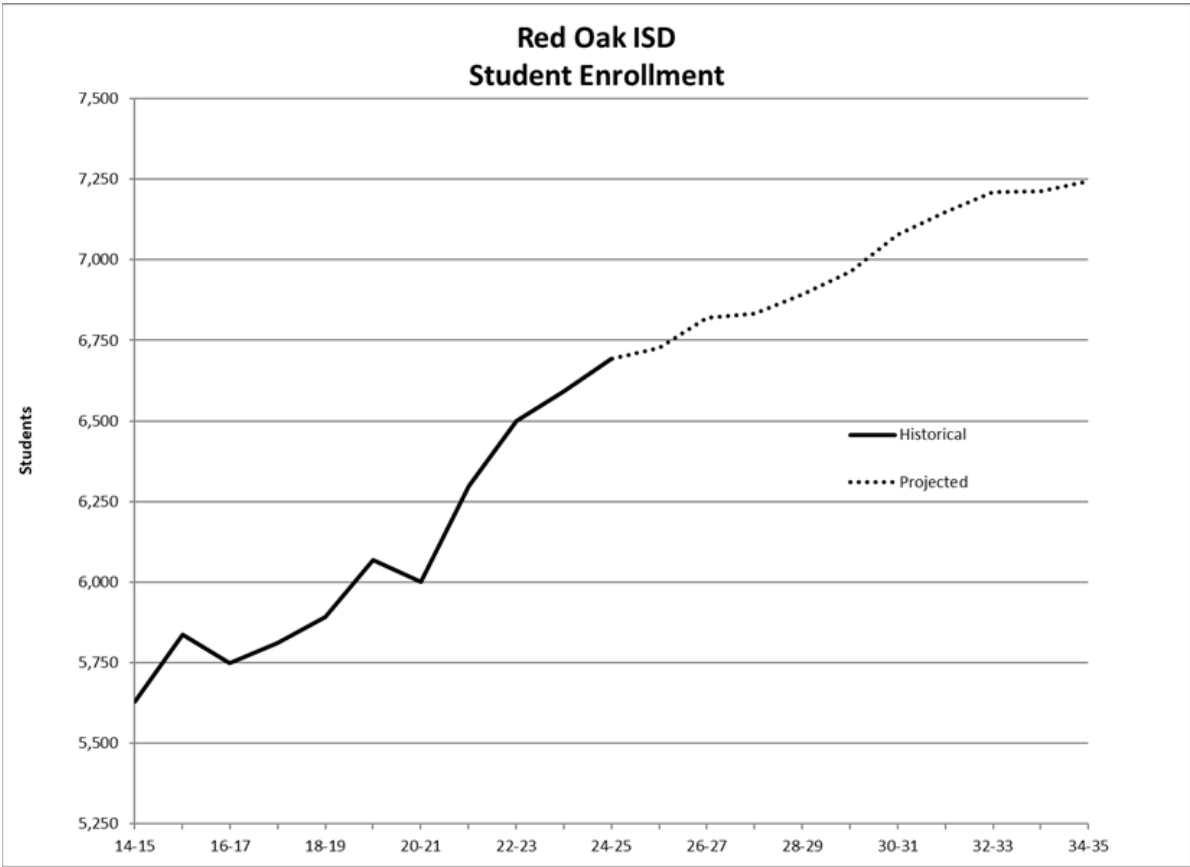
ENROLLMENT TRENDS AND FORECAST

The projected total District enrollment for the 2025-2026 school year is 6,727, a projected increase of 35 students over the prior year. Due to the pandemic in the 2020-2021 school year, the enrollment for that year went down by 66 students. The 2021-2022 enrollment went up by 295 students and was higher than the budgeted 2021-2022 projection. The 2022-2023 enrollment was 6,499 and the 2023-2024 enrollment was 6,592. Last year, the enrollment did increase, to 6,692 which was an increase of 100 student over the prior year.

The District works with MGT, formerly Davis Demographics & Planning, Inc., to develop and maintain a ten-year demographic study. The data used to project the ten-year enrollment projections includes birth data, mobility factors and student yield factors. The methodology used by MGT modifies a standard cohort projection with demographic factors and student residence. The standard cohort projection is a commonly used demographic technique called the “cohort survival method” to forecast future enrollment. The five-year cohort survival ratio averages the percent of students who advanced to a higher grade level in the previous five years. This ratio is used to project the enrollment at each grade level for next year. For example, the total incoming 2nd grade students are projected from the total 1st grade enrollment in each school.

A breakdown of the enrollment by grade level and also by school for the last five (5) years is found on page 118 and also contains a five (5) year projection of enrollment starting with the 2025-2026 school year. The final 2025-2026 official enrollment will not be finalized until the end of October as part of the Fall PEIMS Snapshot.

Below is a chart projecting student growth for the next ten (10) years based on the 2024-2025 student enrollment. The trend shows continued student growth over the next few years and then a slowing down of the growth in about eight (8) years. The projection is an increase of 270 additional students by fiscal year 2029-2030 for a projected enrollment of 6,962.



PERSONNEL RESOURCE CHANGES

For the 2025-2026 budget, the District has budgeted 1,095 full-time equivalent (FTE) employees, of whom 598 are certified and 497 are non-certified. There are 75 administrators which is 6.9% of the total number of employees, with 60 of the administrators being certified and 15 non-certified. The instructional staff, consisting of teachers, student support staff and aides, is 656 full-time equivalents or 59.9% of the total number of employees. The non-instructional staff total 364 full-time equivalents or 33.2%. This includes the bus drivers, clerical staff, custodians and maintenance staff.

Below is a ten (10) year history of staffing that is broken down by type of employee.

Red Oak Independent School District Full Time Equivalent Staffing Ten Fiscal Year History										
	Budgeted 2025-2026	Actual 2024-2025	Actual 2023-2024	Actual 2022-2023	Actual 2021-2022	Actual 2020-2021	Actual 2019-2020	Actual 2018-2019	Actual 2017-2018	Actual 2016-2017
Administration	75.0	73.0	70.0	70.0	66.0	63.0	65.0	65.0	64.0	59.0
Teachers - Regular Ed	420.5	404.0	403.0	391.0	367.0	361.0	357.5	343.0	330.5	328.5
Teachers - Special Ed	43.0	42.0	39.0	46.0	40.0	39.0	39.5	44.0	43.0	39.0
<u>Pupil Support:</u>										
Nurses	10.0	10.0	10.0	10.0	10.0	9.0	8.0	8.0	8.0	7.0
Librarians	5.0	8.0	7.0	7.0	7.0	7.0	7.0	6.0	6.0	6.0
Psychologists	4.0	2.0	1.0	2.0	2.0	2.0	2.0	2.0	1.0	0.0
Counselors	18.0	18.0	17.0	15.0	14.0	14.0	14.0	15.0	16.0	16.0
Speech & Language Therapist	9.0	8.0	6.5	6.5	6.0	6.0	5.5	5.0	5.0	5.0
Occupational & Physical Therapists	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Diagnosticians	16.0	15.0	13.6	11.0	9.0	9.0	10.0	12.0	9.0	9.0
Truancy/Other	11.0	11.0	11.0	10.0	10.0	10.0	9.0	4.0	4.0	4.0
Total Pupil Support	74.0	73.0	67.1	62.5	59.0	58.0	56.5	53.0	50.0	48.0
<u>Other Support Staff:</u>										
Police	17.0	17.0	16.0	14.0	11.0	11.0	12.5	12.5	12.5	11.0
Technology	9.0	9.0	9.0	9.5	8.5	7.5	7.5	7.5	7.5	7.5
Aides	118.5	113.5	113.0	97.0	89.0	82.0	80.0	87.0	80.5	79.5
Child Nutrition	64.0	61.0	56.0	61.0	62.0	62.0	59.0	62.0	63.0	65.0
Transportation	63.0	62.0	64.0	62.5	63.0	59.0	50.0	48.0	54.0	48.0
Child Care	59.0	60.0	61.0	57.0	73.0	72.0	73.5	75.0	59.0	56.0
Clerical Support	61.5	61.5	60.5	53.0	53.0	51.0	54.5	60.5	57.5	63.5
Custodial, Maintenance, Grounds	90.5	90.0	90.5	87.0	87.0	86.0	84.5	86.0	86.0	87.0
Total Other Support Staff	482.5	474.0	470.0	441.0	446.5	430.5	421.5	438.5	420.0	417.5
Grand Total	1,095.0	1,066.0	1,049.1	1,010.5	978.5	951.5	940.0	943.5	907.5	892.0

Source: District Records

Overall, the total increase in staff is 29 FTE from the prior year's staffing and is mainly comprised of staffing for the new Shaw Middle School (25 positions), an increase in the special education needs and the projected increase in both elementary and secondary schools due to program realignment (4 positions). The number of new staff covered by the General Fund approved budget is 26 FTE for this year. An additional 3 FTE is being funded from federal funds, such as the Student Nutrition Fund and are not included in the General Fund approved budget.

The compensation cost of staffing for the 2025-2026 Budget is increasing by a total of \$2,531,980. This is comprised of \$290,640 for existing teacher step increases and \$2,241,340 for the 29 new staff positions. At the time of the budget adoption the 89th Legislative Session had just ended and no real guidance had been provided for the changes to the State funding, so no increase in staff salary schedules is included in the Adopted Budget at this time other than the step increase for teachers. Once the final funding and the additional staff funding allocations are provided by the State, an Amended Budget with salary increases will be presented to the School Board for approval.

INSTRUCTIONAL EXPENSES PER STUDENT

The School Board and administration of Red Oak ISD understand that they have a responsibility to use the community's tax dollars wisely. The District is proud of the increase in academic performance of the students despite having lower instructional costs per student and comparable operational costs per student relative to the state average and some peer districts in the North Texas area. Below are the school districts in surrounding counties that have student enrollment between 5,000 and 10,000 students and their per pupil instructional and operational expenditure that was obtained from the most recent public reports, the 2023-2024 Public Education Information Management System (PEIMS) Financial Reports.

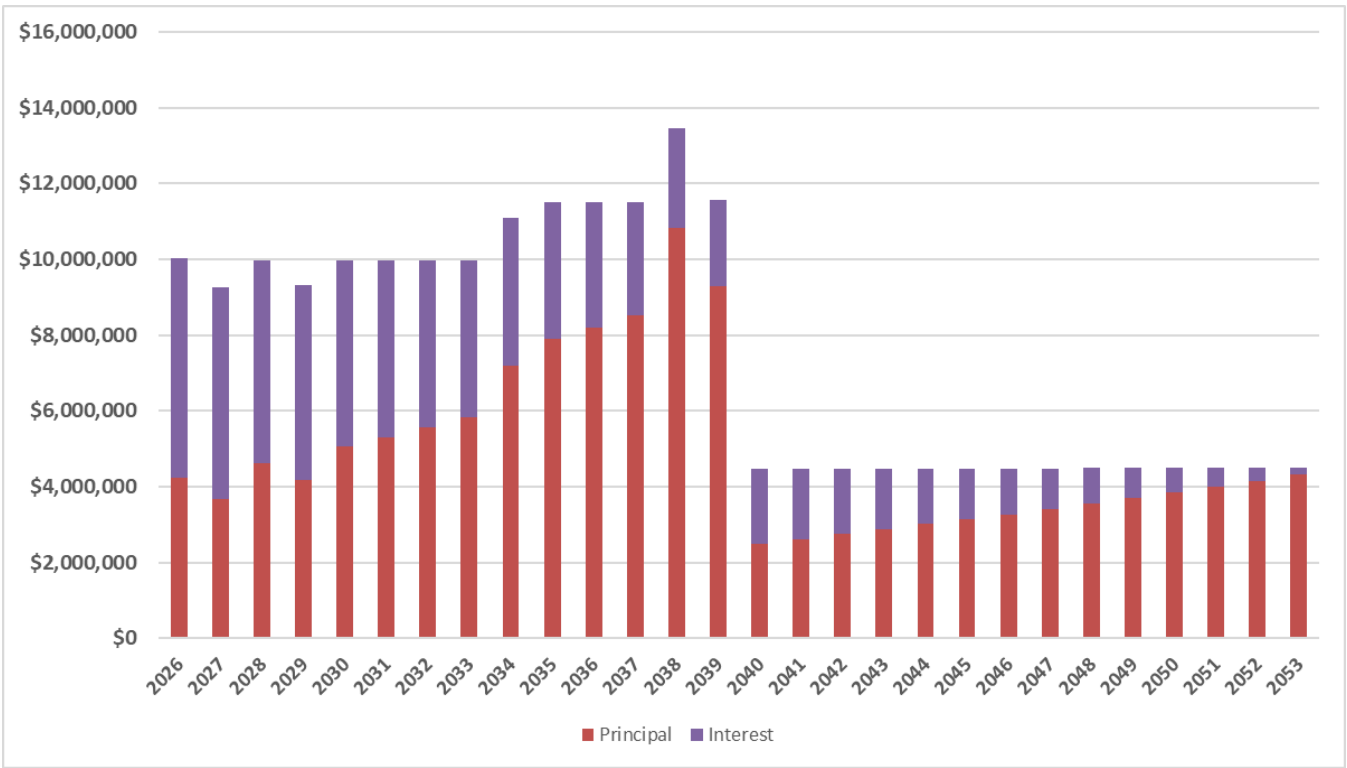
District	County	Instructional Per Pupil	Operational Per Pupil
Aledo ISD	Parker	\$6,537	\$11,200
Azle ISD	Tarrant	\$6,947	\$12,530
Cleburne ISD	Johnson	\$7,989	\$13,192
Crandall ISD	Kaufman	\$6,085	\$11,110
Ennis ISD	Ellis	\$6,774	\$11,559
Grandbury ISD	Hood	\$7,612	\$12,324
Lancaster ISD	Dallas	\$6,761	\$12,978
Midlothian ISD	Ellis	\$6,095	\$10,618
Red Oak ISD	Ellis	\$6,767	\$12,292
Waxahachie ISD	Ellis	\$7,058	\$11,833
Weatherford ISD	Parker	\$7,248	\$12,459
State Average		\$7,541	\$12,946

CHANGES IN DEBT

The total amount of debt outstanding as of July 1, 2025 is \$137.5 million. Total principal and interest payments for the 2025-2026 fiscal year will be \$10.0 million. There is a 2016 Series bond that is callable in February 2026 and the plan is to also pay a portion of the outstanding principal of \$8.2 million this year.

The last debt issued was in August 2023 in the amount of \$76.3 million with an additional \$3.7 received in bond premium for a total of \$80 million for the construction of a second middle school. A new bond in the amount of \$213.9 million was approved by the citizens in May 2025 and will be issued in August. Prior to the 2023 bonds, the most recent debt issued was in the form of refunding bonds to refinance bonds issued in 2009 to assist with the construction of a new high school and to refinance some older debt. All other older bonds were refinanced at their call date, due to the lower interest rates at the call dates than when the bonds were first issued. In 2007, the District held a bond election for \$95 million to build a new elementary school, a new high school and to renovate existing schools.

Below is a chart showing the annual principal and interest payment between now and the 2053 fiscal year, when all of the current outstanding debt will be repaid. Before the issuance of the Series 2023 bonds, all outstanding bonds were to be paid off by 2039. As normal, as principal is paid off each year, the interest payments go down.



BUDGET FORECAST

The District maintains a five (5) year financial plan as part of its strategic planning process. This plan is based on a comprehensive financial model that considers assumptions for key variables impacting the financial health of the District in order to guide the decision-making process. This plan is updated at least once a year and is included in the annual budget process.

The most significant factors impacting the long-range plan are:

- The State's need to increase the Basic Allotment component of the Foundation School Program (FSP) funding to offset the increased spending costs resulting from the current economic situation.
- The continued compression of the M&O tax rate, even with the increase in property values, will reduce the District's tax revenue, but should increase state funding to offset the reduced tax revenue.
- Uncertainty related to future needs to maintain a competitive salary for all staff.
- The continued growth of the student population and the ability to provide adequate educational resources for all students.
- The need to upgrade and expand aging District facilities that might be recommended from the District's Facility Master Study where various options are still under consideration.

The budget forecast includes assumptions for all the major revenue and expenditures for the next five (5) years for the General Fund, Student Nutrition Fund and the Debt Service Fund. The Debt Service Fund does not include projected expenditures, but the actual annual debt service payments that are known at this time and to redeem some of the future callable debt. The details of the projected revenue and expenditures for each fund is located in the Financial Section of this document. Below is a summary forecast for all governmental funds.

Red Oak Independent School District
Statement of Revenue, Expenditures and Change in Fund Balance
Total Governmental Funds by Object
Five (5) Year Budget Projections

	2025- 2026 Adopted Budget	2026-2027 Projected Budget	2027-2028 Projected Budget	2028-2029 Projected Budget	2029-2030 Projected Budget	2030-2031 Projected Budget
Revenue:						
Local Sources	\$ 49,164,239	\$ 49,996,247	\$ 51,005,071	\$ 52,039,548	\$ 53,100,432	\$ 54,188,504
State Sources	46,248,039	49,015,671	51,168,356	53,424,407	55,788,897	58,267,150
Federal Sources	4,786,868	4,908,884	5,034,371	5,163,428	5,296,160	5,432,674
Other	-	-	-	-	-	-
Total Revenue	<u>\$ 100,199,146</u>	<u>\$ 103,920,802</u>	<u>\$ 107,207,798</u>	<u>\$ 110,627,383</u>	<u>\$ 114,185,490</u>	<u>\$ 117,888,328</u>
Expenditures:						
Payroll - Salaries	\$ 58,488,706	\$ 61,236,287	\$ 64,119,505	\$ 67,145,116	\$ 70,320,214	\$ 73,652,246
Payroll - Benefits	10,943,670	11,244,107	11,556,900	11,882,617	12,221,855	12,575,241
Professional Services	4,539,274	4,586,367	4,634,620	4,684,065	4,734,729	4,786,644
Supplies & Materials	6,638,611	6,703,578	6,769,518	6,836,447	6,904,381	6,973,339
Operating Costs	2,233,581	2,238,690	2,243,848	2,249,055	2,254,313	2,259,620
Debt Service	18,663,688	18,640,213	19,667,288	19,494,613	21,113,063	21,117,263
Capital Outlay	617,878	623,423	629,023	634,679	640,392	646,162
Other	-	-	-	-	-	-
Total Expenditures	<u>\$ 102,125,408</u>	<u>\$ 105,272,664</u>	<u>\$ 109,620,701</u>	<u>\$ 112,926,592</u>	<u>\$ 118,188,947</u>	<u>\$ 122,010,515</u>
Excess (Deficiency) of Revenue over (under) Expenditures	\$ (1,926,262)	\$ (1,351,861)	\$ (2,412,904)	\$ (2,299,209)	\$ (4,003,458)	\$ (4,122,187)
Other financing Sources (Uses):						
Proceeds from Bond Issues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from Property Sale	-	-	-	-	-	-
Proceeds from Loans	-	-	-	-	-	-
Other Sources (Uses)	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Change in Fund Balance	\$ (1,926,262)	\$ (1,351,861)	\$ (2,412,904)	\$ (2,299,209)	\$ (4,003,458)	\$ (4,122,187)

The District is financially healthy with sufficient fund balances. District spending is controlled via requisition and position control processes. The finances are monitored through such means as monthly financial reports to the School Board, the annual budget process and long-term financial forecasts. The District continually seeks to identify new revenue sources and areas of operations for improvements in efficiency such as energy utilization and reducing printing and paper consumption. It is the intent of the District to continue to maintain a balanced budget in future years.

STAFFING RATIOS

The most current Public Education Information Management System (PEIMS) Standard Report contains 2023-2024 student data, including student to staff ratios. 2023-2024 is the latest information available from the Texas Education Agency. Below is a comparison of Red Oak ISD student to teacher and student to total staff ratios to the State average. More information on staffing ratios is on pages 124 – 125. The District ratios are consistent with the state ratios.

	<u>Red Oak ISD</u>	<u>State</u>
Student to Teacher	15.3	14.8
Student to Total Staff	6.8	7.1

ACADEMIC RESULTS

The Texas Education Agency (TEA) evaluates public schools and districts using state accountability requirements. TEA accredits public schools in Texas at the district level for grades K-12. The Accreditation Status, Standards and Sanctions section of the Texas Administrative Code (TAC) defines how accreditation statuses will be determined and assigned to school districts. The TAC rules also establish accreditation standards and sanctions, including definitions, purpose and oversight appointments.

In 1993, the Texas Legislature enacted statutes that mandated the creation of the Texas public school accountability system to rate school districts and evaluate campuses. The ratings are based on student performance on state standardized tests; graduation rates; and college, career and military readiness outcomes. The ratings examine student achievement, school progress and whether districts and campuses are closing achievement gaps among various student groups and postsecondary readiness. The State evaluates a district with an A to F letter grade. The TEA ratings are based on three factors, or "domains." "Student achievement" and "school progress" combine for 70% of the rating, while "closing the gaps" makes up 30%.

The District and all campuses receive an overall rating, as well as a rating for each domain. The ratings of A, B, C, or D are assigned for overall performance and for performance in each domain to districts and campuses that meet the performance target for the letter grade. A rating of F is assigned for overall performance and for performance in each domain to districts and campuses that do not meet the performance target to earn at least a D.

Due to the impact of COVID-19 and the Governor declaring a State of Disaster in March 2020, the Texas Education Agency (TEA) issued a label of Not Rated to all districts and schools for the 2020 and 2021 accountability ratings since the Spring 2020 State of Texas Assessments of Academic Readiness (STAAR) assessments were cancelled. The 2023 accountability information was to be available in the spring of 2024, but were only recently released due to judicial rulings that were pending as a result of significant changes by the 88th Legislature to the grading formula for the 2022-2023 school year after the assessments were taken. The 2023 Accountability ratings are shown on the next several pages.

Due to the higher standards implemented after the testing occurred, the overall District rating was a D (69) which still results in an “Accredited” status. The summary by each campus is found in the Information Section of this document.

**Texas Education Agency
2023 Accountability Rating Overall Summary
RED OAK ISD (070911) - ELLIS COUNTY**

Summary

	Scaled Score	Rating	Proportion of Overall Rating
Overall	69	D	
Student Achievement	73	C	70%
School Progress	73	C	0%
Academic Growth	65	D	
Relative Performance (Eco Dis: 60.9%)	73	C	
Closing the Gaps	58	F	30%

Below is a comparison of the 2019 and 2022 scores to the 2023 score for the Districts and also for each campus. In 2023, the overall student achievement was a score of 73 with two (2) campuses receiving a rating of B, four (4) campuses receiving a rating of C and one (1) campus receiving a rating of D.

	2019 Overall Score	2022 Overall Score	2023 Overall Score	2022 Rating
Red Oak ISD	88	84	69	D
Red Oak High School	85	85	74	C
Red Oak Middle School	80	74	63	D
Red Oak Elementary	77	92	74	C
Wooden Elementary *	83	93	87	B
Eastridge Elementary	89	86	77	C
Shields Elementary *	78	88	84	B
Schupmann Elemmentary *	87	86	74	C

* Received Distinction(s) for 2023

Campuses that receive an accountability rating of A, B, C or D are eligible to earn distinction designations. Distinction designations are awarded for achievement in several areas and are based on performance compared to a group of campuses of similar type, size, grade span and student demographics. The distinction designation indicators are typically separate from those used to assign accountability ratings. Distinctions are awarded to the top quartile (25%) of a campus’s comparison group.

Below is a snapshot of the Red Oak ISD campus distinctions for school year 2023.

Wooden Elementary:	Comparative Academic Growth, Comparative Closing the Gaps
Shields Elementary:	Comparative Academic Growth, Postsecondary Readiness, Comparative Closing the Gaps
Schupmann Elementary:	Science

State of Texas Assessment of Academic Readiness

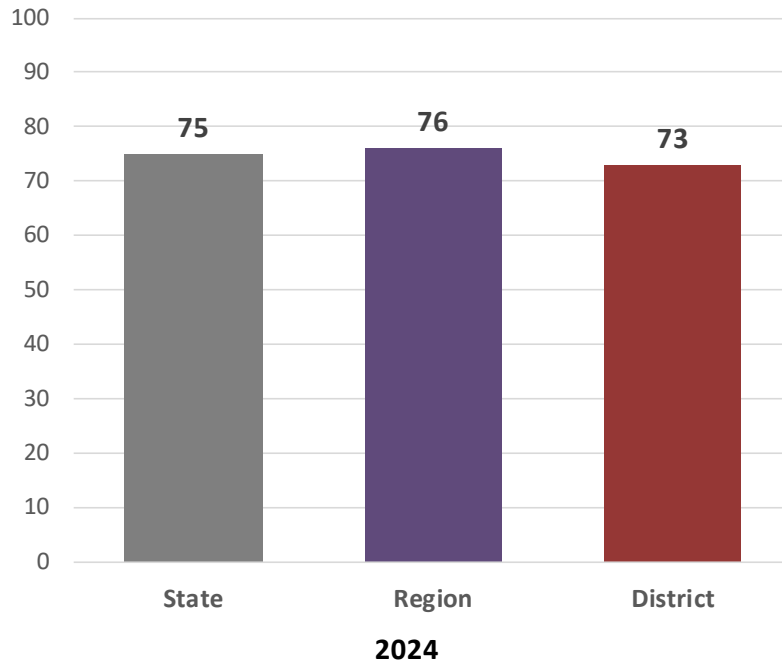
The State of Texas Assessment of Academic Readiness (STAAR) test replaced the Texas Assessment of Knowledge and Skills (TAKS) starting in the 2011-2012 school year. The state-mandated assessment includes assessments for students in grades 3-12 and will focus on readiness for success in subsequent grades and courses and, ultimately, for college and career.

The STAAR tests are designed to measure the extent to which a student has learned and is able to apply the defined knowledge and skills at each tested grade level or course level. The STAAR test encompasses both the “STAAR grades 3-8” testing and the End of Course (EOC) exams at the secondary level. The STAAR is more rigorous than previous state tests and also has promotion and graduation requirements at specified grade levels.

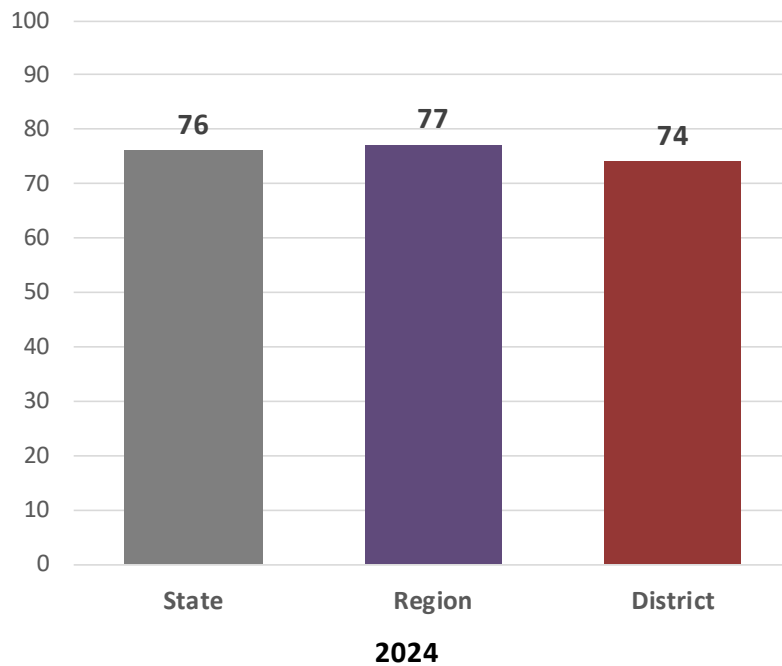
Below is the End of Course exam result comparisons of Red Oak ISD, Region 10 and the State for the 2023-2024 school year, which is the most current data. On the next several pages are graphs that show the percentage of students that met the STAAR passing standard for the State, Region 10 and Red Oak ISD for the 2023-2024 school year.

2023-2024			
	State Average	Region 10 Average	Red Oak ISD Average
English I	70%	71%	67%
English II	75%	76%	71%
Algebra 1	81%	81%	80%
Biology	91%	92%	90%
US History	96%	96%	96%

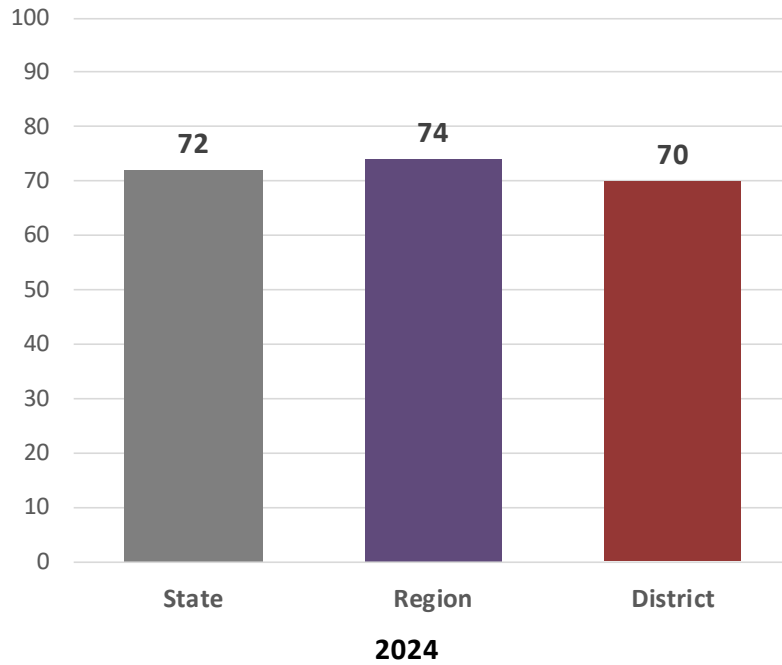
STAAR Percent Met Standard (*Approaches*)
All Grades, All Subjects



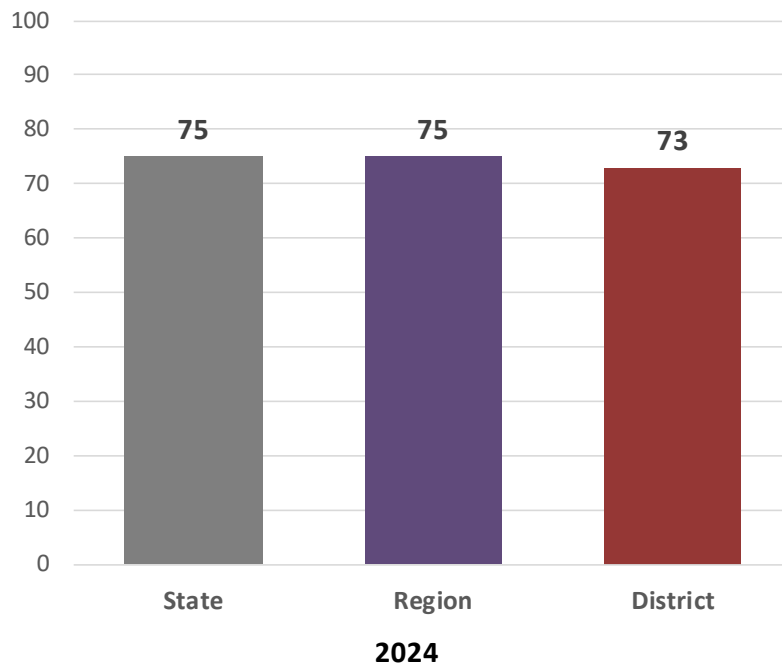
STAAR Percent Met Standard (*Approaches*)
All Grades, Reading



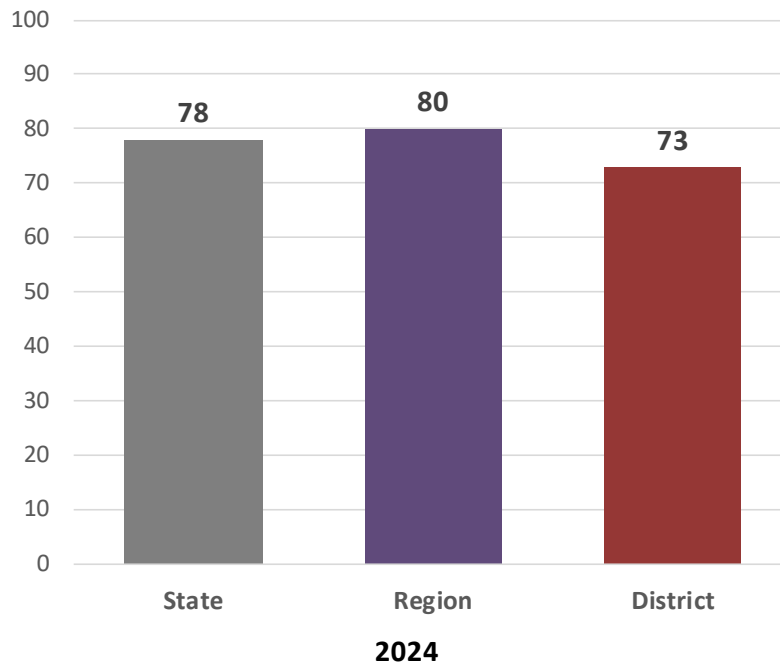
STAAR Percent Met Standard (*Approaches*)
All Grades, Math



STAAR Percent Met Standard (*Approaches*)
All Grades, Science



STAAR Percent Met Standard (*Approaches*) All Grades, Social Studies



Class of 2025 Star students at Red Oak High School

AWARDS

Red Oak ISD has received several awards depicting the District as a very good educational opportunity for students. Some of these are:

- ✓ Red Oak ISD ranked in the top rating by K-12 Niche.com (B- rating)
- ✓ Red Oak ISD ranked in the top 3% of the Most Diverse Public Schools in Texas and the Nation and #1 in Ellis County by K-12 Niche.com
- ✓ Red Oak ISD ranks in the Top 3 for Best District, Best Teachers, and Best Athletics in Ellis County by K-12 Niche.com
- ✓ Red Oak ISD was a statewide semi-finalist for the 2021-22 HEB Excellence in Education Award
- ✓ The Red Oak High School class of 2025 was offered over \$13 million in local, state & national scholarships
- ✓ Named Best Community for Music Education by the National Association of Music Merchants nine (9) times (2012, 2013, 2014, 2016, 2017, 2018, 2019, 2020, 2021, 2023, 2024, 2025)
- ✓ Red Oak ISD annually receives numerous financial awards including the Texas Comptroller Financial Transparency Star Award, Purchasing Award of Merit, Meritorious Budget Award, ASBO and GFOA awards for Financial Reporting

Red Oak ISD was selected as a Statewide Semi-Finalist for the 2021 H-E-B Excellence in Education Award. This award was created in 2002 and is designed to honor outstanding public schools and to thank them for their dedication and commitment. Through this program, H-E-B seeks to pay tribute to those educators who go the extra mile each and every day to serve their students and their communities and who inspire others to do the same.

For school districts, the honor is designed to recognize those who are excelling based on the following criteria:

- Commitment to student achievement through innovative programs
- Parent/community involvement
- Professional development opportunities for teachers and administrators

The Texas Comptroller of Public Accounts has also awarded the District the Traditional Finances Transparency Star that recognizes local governments for going above and beyond in transparency by providing clear and meaningful financial information not only by posting financial documents, but also through summaries, visualizations, downloadable data and other relevant information. The overall program has several components that recognize government entities that open their books not only in their traditional finances, but also in the areas of contracts and procurement, economic development, public pensions and debt obligations. The District has received this award each year since 2017. For 2025, only 97 school districts were awarded the Financial Transparency Star.





The Business Office was awarded the Texas Association of School Business Offices (TASBO) Award of Merit for Purchasing Operations in 2025 for the sixth consecutive year. The Purchasing Award of Merit recognizes the achievements of educational organizations in implementing best practices in the area of purchasing that demonstrate professional purchasing operations and share their best practices in policies and procedures with colleagues throughout the state. For 2025, only 77 school districts were awarded the Purchasing Award of Merit.

Red Oak Independent School District has earned the Certificate of Excellence in Financial Reporting Award from the Association of School Business Officials (ASBO) International for the fiscal year ended 2024. This is the sixth consecutive year that the District has been recognized for this award. The Certificate of Excellence recognizes school districts for excellence and best practices in financial reporting. This award represents a significant achievement and reflects the District's commitment to transparency and high-quality financial reporting.



For the 2024 fiscal year, the Red Oak ISD's Annual Comprehensive Financial Report (ACFR) was submitted to the Government Finance Officers Association (GFOA) and was awarded the Certificate of Achievement for Excellence in Financial Reporting by GFOA for the fifth consecutive year. This award is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

Red Oak Independent School District has earned the Meritorious Budget Award (MBA) from ASBO for the fifth year for the fiscal year ending 2025. The Budget was prepared in accordance with state regulations and local policies covering the required twelve-month period from July 1 through June 30. Just 24 school districts in Texas earned the prestigious designation of the Meritorious Budget Award in fiscal year 2023-2024. The MBA recognizes school districts for excellence in school budget presentation and the commitment to achieve the highest standards of school budgeting and financial transparency to the citizens of the District.



Red Oak ISD was awarded the TASBO Award of Excellence in Financial Management starting in the spring of 2022. The Award of Excellence in Financial Management recognizes Texas school districts that have implemented professional standards, best practices, and innovations in financial reporting. Only 31 school districts in Texas were awarded the Certificate of Excellence in 2025.



District Leadership at the Summer Leadership Summit

The School Board and staff are proud of these accomplishment as the stringent requirements to obtain the awards reflect the commitment of the School Board and the District to preparing and presenting financial statements to demonstrate the credibility, confidence and transparency of a District's financial reporting to the state and to the community. Last year's Financial Reporting awards are located on pages 36 – 38.

ACKNOWLEDGEMENTS

The 2025-2026 budget is a thoughtful plan and continues the practice of efficient and effective spending, while allowing the District to achieve the mission of delivering the highest quality of education possible to every student. This year's budget also specifically focuses on enhancing student achievement with new innovative 21st Century learning tools and to also provide adequate facilities for the District's programs.

We extend appreciation to the members of the School Board for their interest and support in planning and conducting the financial operations of Red Oak Independent School District in a responsible and progressive manner. We also wish to thank the dedicated Business Office staff, the Curriculum & Instruction Department and the Communications Department for their assistance in the preparation of this report.

Respectfully submitted,

Bill Johnston, Ed.D., CPA
Chief Financial Officer



This Meritorious Budget Award is presented to:

RED OAK INDEPENDENT SCHOOL DISTRICT

for excellence in the preparation and issuance of its budget
for the Fiscal Year 2024-2025.

The budget adheres to the principles and standards
of ASBO International's Meritorious Budget Award criteria.




Ryan S. Stechschulte
President


James M. Rowan, CAE, SFO
CEO/Executive Director



**The Certificate of Excellence in Financial Reporting
is presented to**

Red Oak Independent School District
for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2024.

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'.

James M. Rowan, CAE, SFO
CEO/Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Red Oak Independent School District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

ORGANIZATIONAL SECTION

DISTRICT OVERVIEW

The District is projected to educate over 6,727 students this year in pre-kindergarten through 12th grade at eight (8) campuses – five (5) elementary schools, two (2) middle schools and a high school. A second middle school is opening for the 2025-2026 school year. On the Red Oak Middle School campus is the District's Disciplinary Alternative Education Program (DAEP). The DAEP provides an educational placement for eligible students whose disruptive behavior in the regular classroom impedes the educational process. The individual schools with last year's total enrollment are located on page 118. Districtwide, approximately 41% of the students are Hispanic and almost 62% of the students qualified as economically disadvantaged in 2024-2025.

The District serves students from portions of Red Oak, Glenn Heights, Ovilla, Pecan Hill and Oak Leaf. The District provides pre-kindergarten, special education, gifted & talented programs, modern foreign language instruction, technology and extensive extracurricular opportunities in addition to its rigorous Pre-K – 12 curriculum. A detailed background on the District can be found starting on page 47.

SCHOOL BOARD

The Red Oak ISD School Board is composed of seven (7) elected citizens of the Red Oak area. Members serve without compensation and are elected to staggered three-year terms each May.

The School Board is a policy-making body that reflects the needs and interests of the taxpayers. The School Board's primary functions are to establish policies for the District, provide for the general operation and personnel of the District and to oversee the property and facilities of the District. Based on the legislative authority in the Texas Education Code, the School Board has final control over local school matters, by the courts and by the will of the people as expressed in School Board elections.

The School Board has the statutory authority to adopt and amend an annual budget, to set the tax rate, levy taxes and to issue bonds. They also approve contracts for administrators, teachers and other personnel, as well as, for goods and services. The School Board elects a President, Vice President and Secretary from its membership. The Superintendent and staff report to the School Board and run the day-to-day operations of the District. One of the most important responsibilities of the School Board is to hire and evaluate the Superintendent. The School Board also sets educational goals and policies for the schools based upon state laws and community values.



Melanie Petersen
President
Melanie.Petersen@redoakisd.org
Member since 2015
Re-election Year 2027



Johnny Knight
Vice President
Johnny.Knight@redoakisd.org
Member since 2014
Re-election Year 2026



Sean Kelly
Secretary
Sean.Kelly@redoakisd.org
Member since 2023
Re-election Year 2026



John Anderson
Member
John.Anderson@redoakisd.org
Member since 2002
Re-election Year 2026



Donna Knight
Member
Donna.Knight@redoakisd.org
Member since 2022
Re-election Year 2028



Donny Lutrick
Member
Donny.Lutrick@redoakisd.org
Member since 2025
Re-election Year 2026



Brian Sebring
Member
Brian.Sebring@redoakisd.org
Member since 2019
Re-election Year 2028

School Board meetings are normally held on the third Monday of the month at 7:00 p.m. at the Red Oak Education Service Center (ESC), 109 W. Red Oak Road, Red Oak, Texas. The meeting schedule, agendas and information packets may be viewed on the District's website at www.redoakisd.org. The public is welcome and encouraged to attend meetings of the School Board.

ADMINISTRATION

EDUCATION SERVICE CENTER

109 W. Red Oak Rd.
Red Oak, TX 75154
972-617-2941

Michelle Ailara, Deputy Superintendent
Chris Anderson, Director of Athletics
LaKesha Bass, Director of Intervention & State/Federal Programs
Israel Cordero, Chief of Secondary Schools and Programs
Megan Corns, Chief Technology Officer
Joshua Crutchfield, Director Information Technology
Lynn Dockery, Director of Curriculum & Instruction
Angela Fitzgerald, Director of Counseling & Family Services
Jennifer Jeter, Director of Career Technology Education
Bill Johnston, Chief Financial Officer
Laura Kelly, Director of Instructional Technology
Amy Linex, Director of PEIMS
Jason Nitsch, Director of Fine Arts
Michelle Owen, Chief Academic Officer
Shana Owen, Executive Director of Specialized Learning
Julie Phillips, Director of Purchasing
Catrina Reeves, Executive Director of Human Resources
Lori Rowe, Director of Health Services
Brenda Sanford, Superintendent
Teresa Simpson, Director of Accounting
Melissa Sulak, Executive Director of CCMR
Beth Trimble, Chief Communications Officer
Rob Waller, Director of Human Resources
Cristi Watts, Executive Director of Student Services
Victoria Ybarra, Director of Student Nutrition

VERNON & MARJORIE COFFEE JUSTICE CENTER

156 Louise Ritter Blvd., Building #1
Red Oak, TX 75154
972-617-2941

Phillip Prasifka, Chief of Police
Tonya Thompson, DAEP Administrator

LITTLE HAWKS LEARNING CENTER

205 West Ovilla Road
Glenn Heights, TX 75154
972-617-4661

Robin Perdue, Director of Child Care
Karen Anderson, Executive Director of the Education Foundation

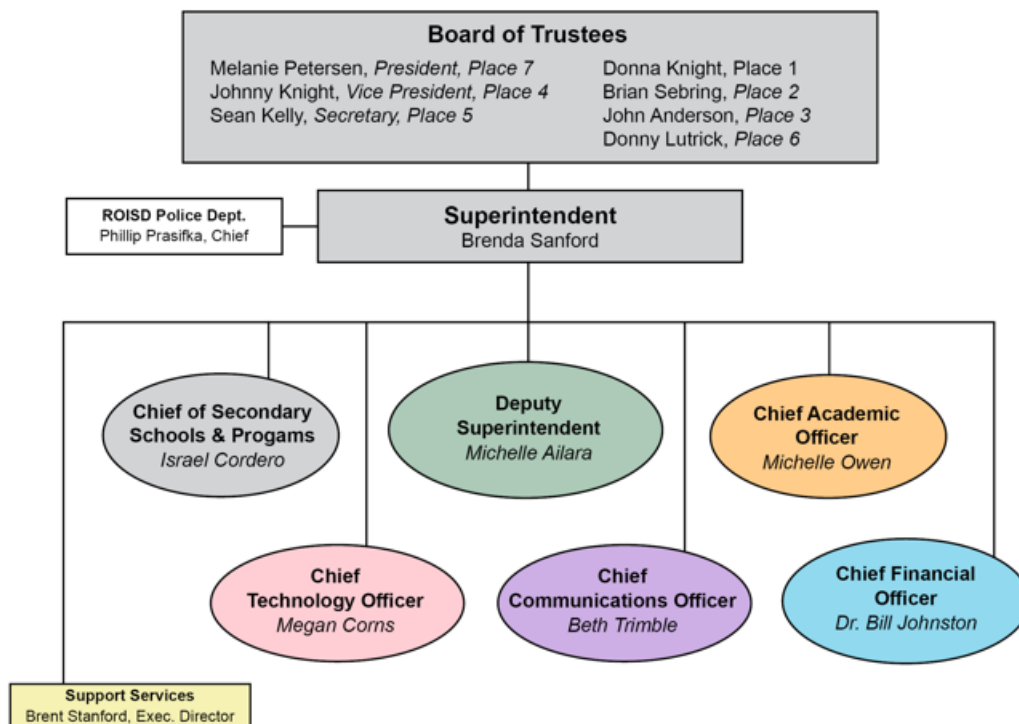
SUPPORT SERVICE CENTER (Offices of Facilities & Transportation)

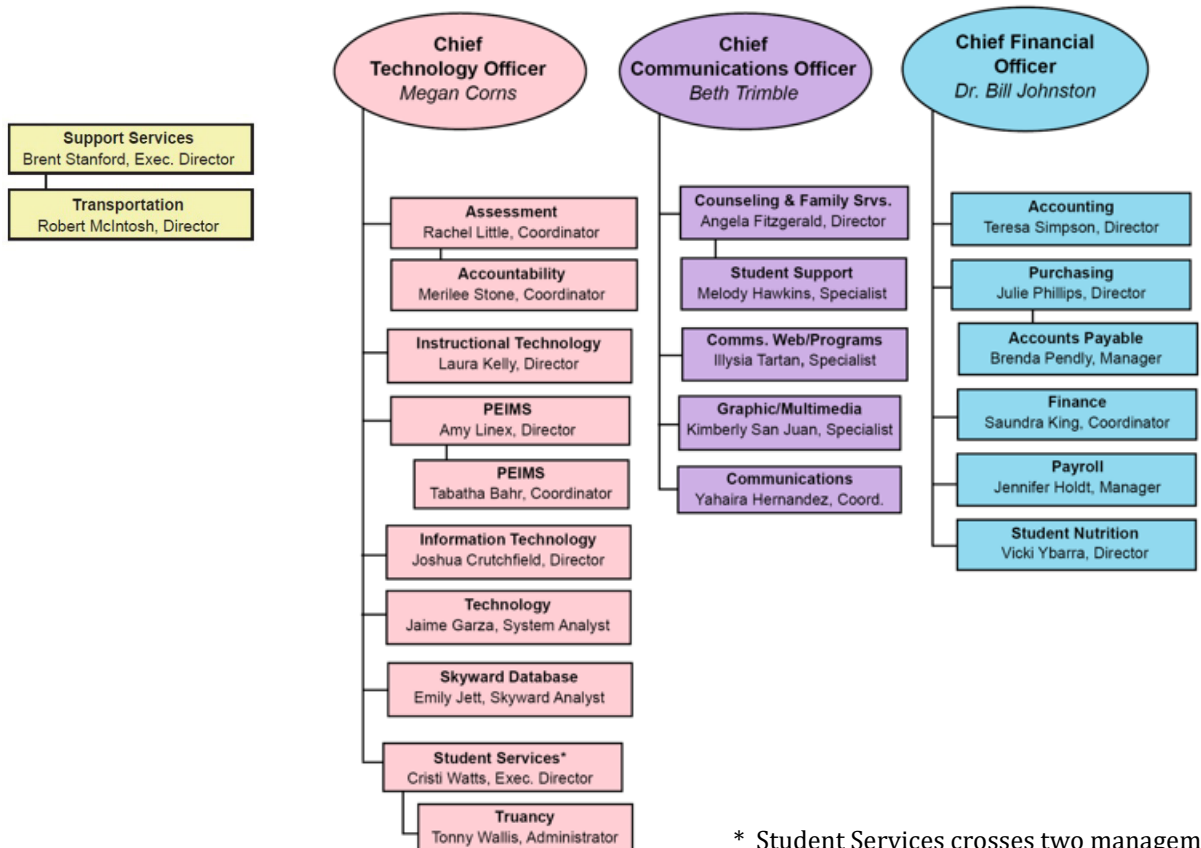
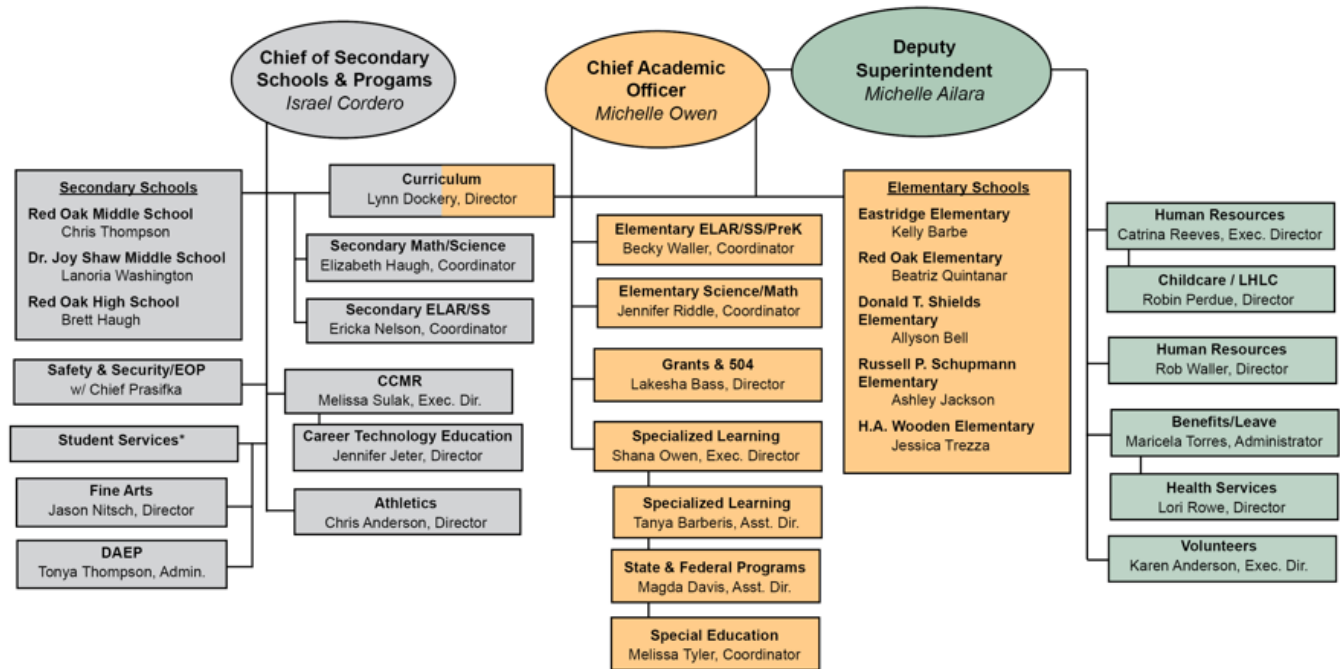
150 Louise Ritter Blvd., Building #1
Red Oak, TX 75154
972-617-2941

Robert McIntosh, Director of Transportation
Brent Stanford, Executive Director of Support Services

ORGANIZATIONAL CHART

Red Oak Independent School District 2025-2026 Leadership Team





* Student Services crosses two management lines

BUILDINGS AND LOCATIONS

The District operates five (5) elementary schools, two (2) middle schools and a high school.

<u>Campus</u>	<u>Grades</u>	Projected 2025-2026 <u>Enrollment</u>	<u>Capacity</u>	Year <u>Built</u>	<u>Dates of Additions/Renovations</u>
Donald T. Shields Elementary	Pre-K - 5	669	770	2009	2016
Eastridge Elementary	Pre-K - 5	550	616	1993	
H. A. Wooden Elementary	Pre-K - 5	526	616	1999	
Red Oak Elementary	Pre-K - 5	470	814	2005	
Russell P. Schupmann Elementary	Pre-K - 5	738	946	2001	
Red Oak Middle School	6-8	778	1,149	1976	1982, 1993, 1998, 2002, 2015
Joy Shaw Middle School	6-8	703	1,215	2025	
Red Oak High School	9-12	2,293	2,325	2010	
Total		<u>6,727</u>	<u>8,451</u>		

Eastridge Elementary
725 E. Ovilla Rd.
Red Oak, TX 75154
PH: 972-617-2266
FX: 972-617-4759

Principal: Kelly Barbe
Assistant Principal: Madelyn Lee

Red Oak Elementary
200 Valley Ridge Dr.
Red Oak, TX 75154
PH: 972-617-3523
FX: 972-576-3423

Principal: Beatriz Quintanar
Assistant Principal: Angela Barnes
ECSE Assistant Principal, Amanda Simone

Russell P. Schupmann Elementary
401 E. Ovilla Rd.
Glenn Heights, TX 75154
PH: 972-617-2685
FX: 972-576-5784

Principal: Ashley Jackson
Assistant Principal: Matt Northcutt

Donald T. Shields Elementary
223 W. Ovilla Rd.
Glenn Heights, TX 75154
PH: 972-617-4799
FX: 972-617-4798

Principal: Allyson Bell
Assistant Principal: Samantha Miller
ECSE Assistant Principal, Amanda Simone

H. A. Wooden Elementary
200 Louise Ritter Blvd.
Red Oak, TX 75154
PH: 972-617-2977
FX: 972-617-4760

Principal: Jessica Trezza
Assistant Principal: Emily Martinez

Red Oak Middle School
154 Louise Ritter Blvd.
Red Oak, TX 75154
PH: 972-617-0066
FX: 972-617-4786

Principal: Chris Thompson
Associate Principal: Jed Eisel
Assistant Principal: D'Jamalia Freeman
Assistant Principal: Brian Nelson
Assistant Principal: Rondell Tucker

Joy Shaw Middle School.
340 Westmoreland Rd.
Ovilla, TX 75154
PH: 972-617-
FX: 972-617-

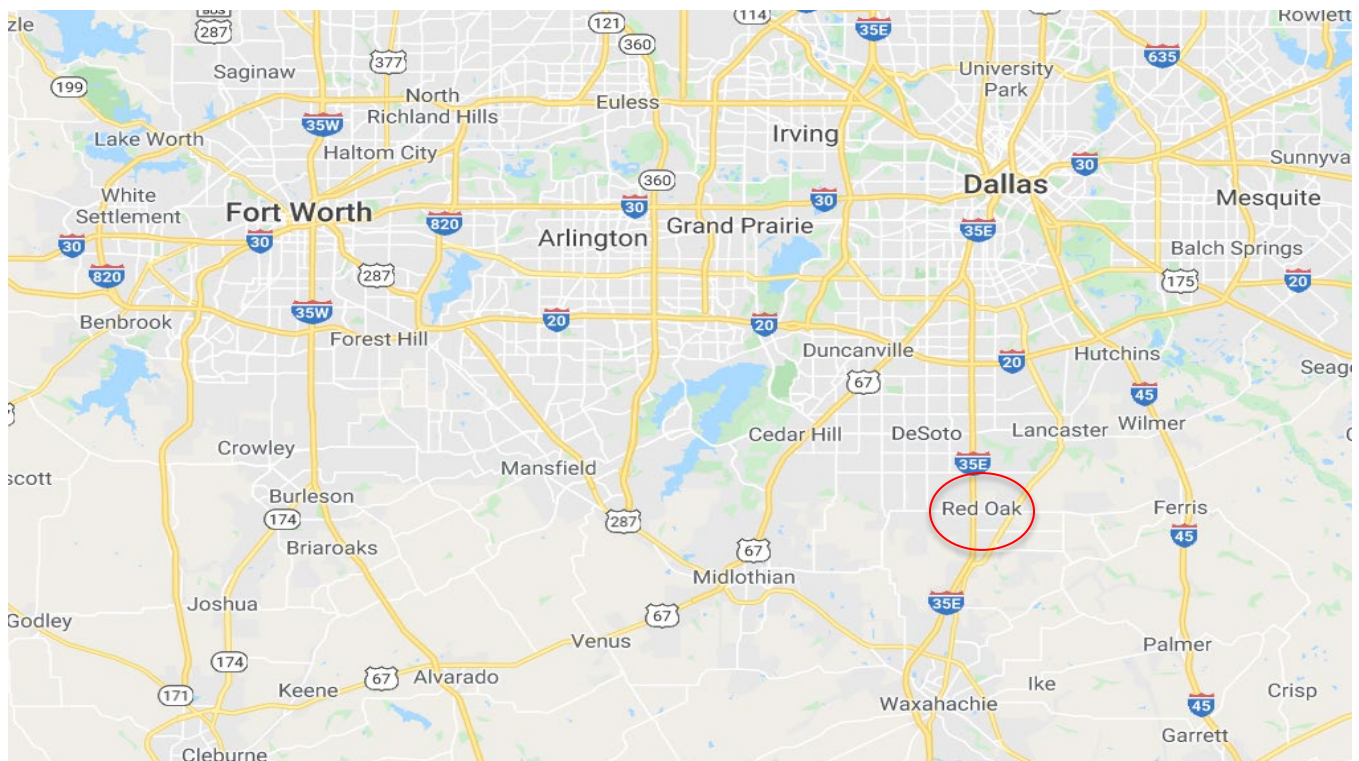
Principal: Lanoria Washington
Assistant Principal: Jed Eisel
Assistant Principal: Maurice Horton
Assistant Principal: Nicki Morrison
Assistant Principal: LaShonda Reid

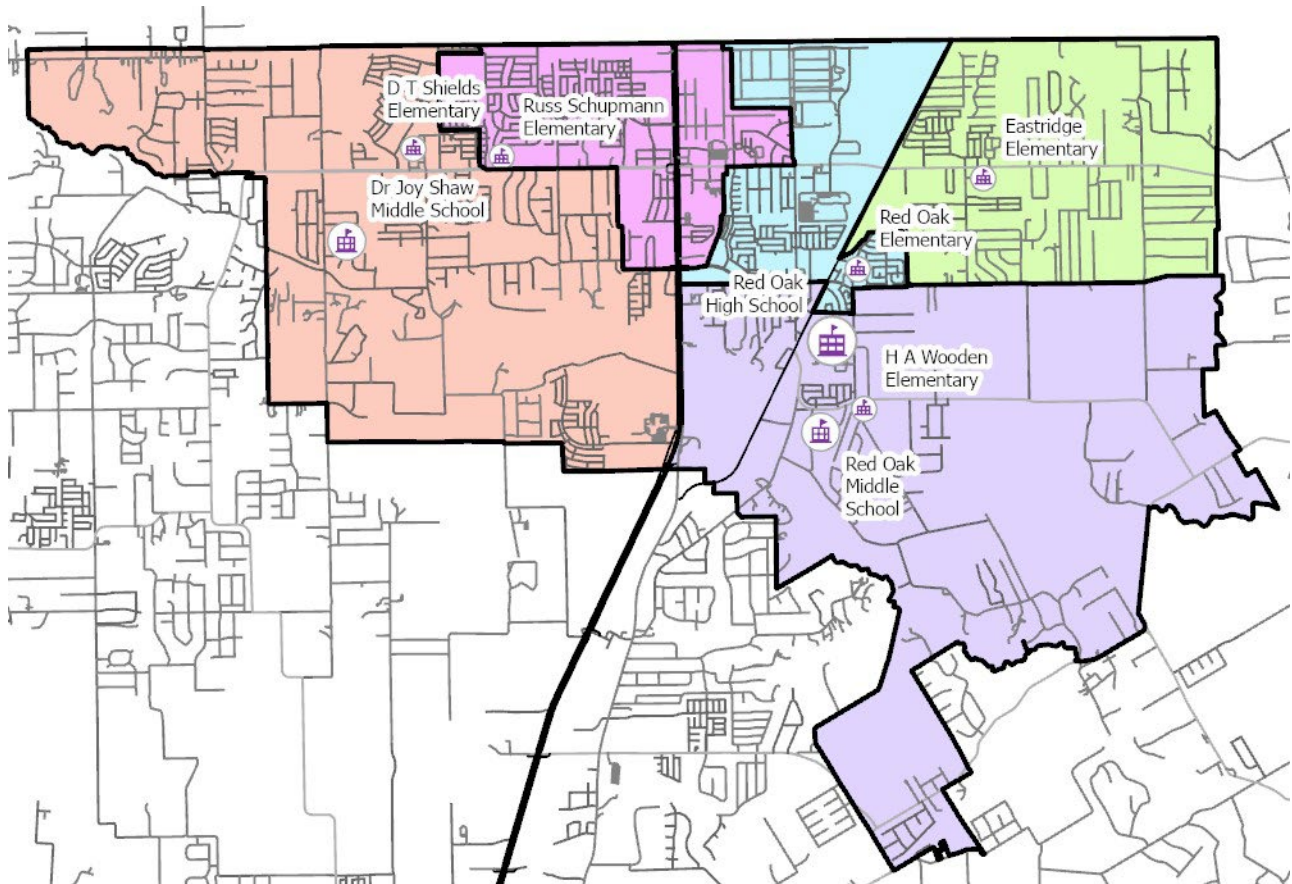
Red Oak High School
220 South SH 342
Red Oak, TX 75154
PH: 972-617-3535
FX: 972-617-4796

Principal: Brett Haugh
Associate Principal: Julie Wuerch
Assistant Principal: Jeff Ellis
Assistant Principal: Sharetha Hicks
Assistant Principal: Cassie Joffre
Assistant Principal: Miquel Nava
Assistant Principal: Paige Patterson
Assistant Principal: Sedeki Satcher
Assistant Principal: Jermarcus Webster

REGIONAL LOCATION

Red Oak ISD is a midsize, suburban district encompassing 42 square miles just 20 miles south of Dallas, in north Ellis County. The District is a public school system and serves students from Red Oak, Glenn Heights, Ovilla, Pecan Hill and Oak Leaf with eight (8) campuses. It is easily accessible by Interstate 35 East. Below and on the next page are maps that show the District and campus locations.





DISTRICT HISTORY

The Red Oak Independent School District has a long and rich history that is tied closely with the history of Red Oak. The town of Red Oak was founded in the 1840's and named after the Red Oak trees that lined the creek upon which the town was established. The late 1800's yielded growth and new settlement in the areas known as Red Oak and Ovilla. The railway lines spurred this growth and led to a greater need for education.

In 1860, the first public school opened in the area called the Red Oak Institute. The school was located near the intersection of Lowrance and FM 2377, very near the current site of Wooden Elementary. In 1894, the land and schoolhouse were sold. A new two-story schoolhouse was then erected near the corner of Red Oak Road and Methodist Street. Records show that the schoolhouse burned in 1900 but was rebuilt quickly within the same year.

In 1912, Ashwood and Red Oak School Districts consolidated into the Red Oak Independent School District. The schoolhouses from the two districts were moved and placed side-by-side at the corner of Red Oak Road and Methodist Street, the current location of the ROISD Education Service Center. All 245 district students attended that school.

The first secondary campus was built in 1963 on Live Oak Street. This facility served grades 7 through 12. Elementary students were bussed to this campus for lunch daily. In the Fall of 1965, enrollment was open to all school-aged children and the district was fully integrated. In 1972, a second wing was added to this campus as the enrollment neared 800. This building served as the high school until 1976. Starting in 1977, the junior high remained at the Live Oak campus.

As the district continued to grow, a \$1.25 million bond issue was passed for a new high school and gymnasium on FM 2377. When the building opened in 1976, enrollment had reached 1,133 students. The following spring, construction began on an athletic complex that included a 3,000-seat stadium, all-weather track, field house, baseball field and tennis courts. An expansion project was completed in 1993 that upgraded the front entrance and overall front wing of the High School. Classroom capacity doubled and a cafetorium was added. District enrollment reached 3,454 students. In 1998, a band hall was added to the campus and in 2004 a career and technology center opened behind the High School.

In 2010, a new \$75 million state-of-the-art High School building was opened. Enrollment for the District was 5,494 students. The new facility featured a 1,200 seat Performing Arts Center (PAC) along with premier athletic and academic facilities. The three-story building encompasses 370,000 square feet and has a capacity of 2,400 students. By 2012, the total District enrollment was 5,617 students.

The prior high school was renamed as Red Oak Junior High for the 7th and 8th grade students in 2011. It was further remodeled and renamed as Red Oak Middle School in 2015 for 6th - 8th grades. The building that used to be Wooden Elementary, then the 9th grade center, was remodeled and became the Middle School 6th grade center on the same campus. Prior to moving into this building, the junior high was located on the campus at the end of Live Oak Street near the downtown city park. This building was sold to the City of Red Oak in 2019.

The current Education Service Center (ESC) is located on the original site of the first school built in Red Oak in 1912 and then it became the Red Oak Elementary (ROE), the first elementary school in the District. The first portion of ROE was built in 1961 and was a section of the north wing. An expansion to the north wing was added in the 1970's. The wing along Methodist Street was added in 1981. The building remained an elementary school until the school relocated to the new campus in 2006. In 2014, the building became the Education Service Center for administrative offices.

In 2023 a Bond Election was passed by the community to construct a new middle school. The new middle school, Joy Shaw Middle School will open in the 2025-2026 school year. The new middle school is located on the west side of the school district and will serve students from Shields and Schupmann elementary schools.

In its first 113 years, Red Oak ISD has seen many changes. Growth, industry and technology have made Red Oak a premier destination. It maintains its small town feel, while enjoying the benefits of a thriving community.

MAJOR GOALS AND OBJECTIVES

Flight Plan 2028 is a five-year strategic plan that reflects on input and priorities that were identified through community feedback, steering committee meetings, community meetings, strategic planning questionnaires, in-depth interviews and School Board insights in the spring of 2023. Flight Plan 2028 will ensure that Red Oak ISD will continue to move forward as a strong school district and be prepared to face the challenges and opportunities ahead.

Flight Plan 2028 guides the visionary pursuits of **Realizing Our Individual Students Dreams (ROISD)** and the pervasive implementation of the daily mission of the 4 Talons: Prepared, GRIT, Character and Service. The strategic plan includes the vision, mission as well as a roadmap to build on the strengths and future potential of Red Oak ISD.

Flight Plan 2028 ensures that the District and all its stakeholders are moving forward together to make Red Oak ISD one of the best in the state and nation when it comes to serving our communities, impacting our students, helping our teachers be their best and using growth to enhance the collective experience for all.

The School Board was presented and approved the new Strategic Plan, Flight Plan 2028, on April 17, 2023. On the next several pages are the goals of the five (5) major priority areas for Flight Plan 2028. For the 2025-2026 school year, each department will create the action plan and desired outcomes to meet the goals for this year.

Vision Statement

Our Vision in Red Oak ISD is ***Realizing Our Individual Students' Dreams*** (ROISD)

Mission Statement

The daily Mission is to incorporate and instill the 4 Talons of the Red Oak Hawk for each and every one of our students.

- Prepared (1% better every day)
- GRIT (Growth, Resilience, Integrity & Tenacity)
- Character
- Service

Core Values

- Students exhibit academic readiness
- Students seek opportunities and challenges of learning
- Students and Staff demonstrates fair, respectful and well-rounded characteristics
- Everyone leaves a legacy through service

Core Beliefs

We believe that:

- Each student is equally important.
- Every student has value.
- Students are responsible for their decisions and actions.
- Each student deserves to be loved and respected.
- All students can learn.
- All students have the right to a safe school environment.
- Parental and community involvement strengthens the school environment.

District Initiatives

Academics

Develop critical thinkers that will transcend college and career goals by excelling in the 4 Talons.

Goal: Develop students who are college, career, and military ready that possess the academic skills for post-secondary success.

Action Steps:

1. Increase the number of pathways in CCMR for our students.
2. Identify Texas state standards that align to the Scholastic Assessment Test (SAT) and make them priority standards on each grade level Year at a Glance (YAG), 2-12.
3. Increase our student enrollment in practicums that lead to an Industry Based Certification (IBC) and increase IBC passing rates.
4. Offer Texas School Initiative beginning in the tenth grade.



Goal: Equip students to be well-rounded with interpersonal skills to manage day-to-day challenges.

Action Steps:

1. Offer Mentor's Care to students at the High School for student's identified as at-risk.
2. Provide lessons focused on interpersonal skills. (PK-8).

Goal: Engage students in meaningful learning that includes a variety of instructional strategies.

Action Steps:

1. Monitor data from Dimension 2.1 (The teacher supports all learners in their pursuit of high levels of academic and social-emotional success) from TTESS walkthroughs.
2. Model and implement high yield instructional strategies monthly at campus meetings.
3. Monitor data from Dimension 2.5 (The teacher formally and informally collects, analyzes and uses student progress data and makes needed lesson adjustments) from TTESS walkthroughs.

Communications

Ensure the District is connected to community in partnerships to further student success while communicating transparently and effectively.

Goal: Prioritize and enhance parent and teacher communications.

Action Steps:

1. Research and develop recommendation of tools and expectations.
2. Supplement with district and campus communication plans.

Goal: Provide opportunities to foster positive relationships between students, parents, schools and staff, and the community.

Action Steps:

1. Develop annual plan for engagement at district and campus level.
2. Develop volunteer recruitment and engagement plan.

Finance

Maintain fiscal stewardship and accountability to ensure financial stability and transparency.

Goal: Ensure fiscal accountability and responsibility of resources to support the District's mission.

Action Steps:

1. Continue to receive an unmodified (clean) annual financial audit and passing scores on state financial accountability reports.
2. Explore new revenue streams through grants and donations.

Goal: Ensure fiscal integrity by creating and maintaining a sufficient operating budget for the everyday operations of the District.

Action Steps:

1. Develop an Annual Budget that supports District priorities, objectives, and goals while maintaining fiscal responsibility, aligning with our District mission, and maintaining a healthy fund balance.
2. The Budget Development process will demonstrate the District's transparency, integrity and honesty in all financial reporting while submitting financial documents in line with fiscal and transparency awards.
3. Monthly individual Budget reviews to ensure meeting budget guidelines and student focus as well as monthly cash audits for all campuses/departments that manage cash.
4. Annual review and update of Financial Procedures to ensure purposefulness and support federal and state requirements, as well as, the District's priorities and mission.
5. Work with key administrators to strengthen and further define multi-year capital needs plans to see if the projects can be budgeted and fiscally sustainable.

Goal: Educate stakeholders about the public education financial system and the funding of Red Oak ISD through regular and transparent communication.

Action Steps:

1. Continuously monitor local, state and federal legislation that may impact our financial planning and communicate any financial impacts to the stakeholders.
2. Engage all stakeholders through different methods to communicate the District's ongoing financial position and educate stakeholders regarding school finance.
3. Offer school finance trainings to District and community groups on a regular basis.

Growth, Facilities and Security

Prioritize and allocate resources to ensure safety and security and appropriate facilities.

Goal: Provide facilities to accommodate current and future growth across the District.

Action Steps:

1. Review student enrollment projections and continue to review the current ROISD facility plan for opportunities to address documented needs.
2. Addition of a NEW Red Oak Middle School.

Goal: Ensure District facilities meet or exceed safety and security standards for physical requirements, technology systems, and implementation of procedures and protocols.

Action Steps:

1. Implementation of new safety and security mandates from TEA by Fall of 2024.
2. Evaluate and update District technology infrastructure, equipment and protocols to ensure implementation of legislative requirements and best practices.
3. Provide district wide safety training before each new school year to all staff members, training should include utilization of the Raptor ALERT an Accountability/Reunification system and the Standard Response Protocols (SRP). The same training should be provided by ROISD PD to all new hires as they are onboarded.

Goal: Attempt to have facilities meet or exceed minimum standards for all programs to provide opportunities for student participation.

Action Steps:

1. Review and analyze the student populations within ROISD.
2. Monitor student programs within the District in terms of student participation and facility needs.

Human Resources

Intentional progress to hire and retain high-quality staff to ensure best learning.

Goal: Attract, engage, and retain top talent through competitive compensation packages.

Action Steps:

1. Offer at least one additional employer-paid benefit per school year.
2. Maintain a competitive salary structure.

Goal: Foster a supportive and inclusive work environment through differentiated strategies that promotes employee retention.

Action Steps:

1. Develop team-building strategy ideas for campus/department leaders that will promote staff retention with their respective campuses/departments.
2. Conduct teacher and paraprofessional focus groups/surveys to gain insight into staff retention.

Goal: Develop innovative and targeted recruitment practices that meet the diverse District needs of all employees.

Action Steps:

1. Develop a grow-your-own program at all levels of the organization.
2. Expand recruitment strategies.

Most of the costs associated with the 2025-2026 initiatives from the Strategic Plan are being funded with existing campus and department budgets. The main additional costs that have been added to the 2025-2026 budget to support these initiatives is the addition of staff for Shaw Middle School and the educational programs that are expanding due to the overall growth of the District, additional funds for the retention of staff and for updating the curriculum for all grade levels that was not covered by the State Instructional Materials Allotment (IMA) annual allocation. Budget dollars have also been allocated to replace existing 1:1 technology devices that are about to or have outlived their life cycle.

The 2025-2026 theme for Red Oak is “SUMMIT: Hawk Strong”. The main component of the theme is that Red Oak ISD is a growing school district and the purpose is to ensure that all staff and students know how to climb the mountain to reach the Summit. The four main stages of the progress to climb up the mountain to the Summit are:

- What YOU build now, will carry you all the way UP;
- Growth happens step by step – each challenge shaping us for the climb ahead;
- Our greatest strength lies in what we can accomplish together; and
- Resilience is found in choosing to keep going, even when it’s hard.

Once you reach the Summit, you shouldn't stand still, but reach back, lift up and lead forward your staff and students. To support this climb to the Summit, the "Hawk Strong" principles for our staff to embrace are:

- Look around at your teammates;
- Trust, believe, embrace and have a positive attitude;
- This is your climbing team;
- Conquer barriers with a plan;
- We will NOT leave anyone behind
- We are strong, resilient, determined and capable; and
- All MUST summit for Hawk success.



Due to the District's location, the lack of a large commercial base in the community and the full utilization of all District facilities for student use, the District does not have access to any sustainable local revenue sources. These sources might consist of building leases or rentals, sustainable energy or partnerships with other local organizations or any alternative tax collections, such as sales tax.

The breakdown of the school and department budgets are delineated on pages 102 and 103.

The 2025-2026 Adopted Budget supports all of the current instructional programs and initiatives of the District. As always, the budget is developed and implemented with the ultimate goal of meeting the needs of all students. The budget is prepared in accordance with District policy and conforms to existing State of Texas requirements as set forth by the state constitution and Texas State Code as interpreted and implemented by the Texas Education Agency (TEA). It is always the desire of administration to present the School Board an appropriate balanced budget, taking into consideration the stated goals of the Strategic Plan and the ongoing instructional and fiscal responsibilities of administration. This budget specifically aligns with the Finance goal of fiscal stewardship and accountability to ensure financial stability and transparency in managing the District's resources to support the 4 Talons of the Hawk by developing and sustaining a balanced budget.



The Red Oak ISD central office staff celebrating the end of the school year

LEGAL STRUCTURE

The District includes all funds and account groups that are controlled by or dependent on the School Board of the District. School Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations and the primary accountability for fiscal matters. The District operates independently and is not included as a component of any other reporting entity. The District determines its own local property tax rate, based on State guidelines, which is filed with the Ellis County Tax Assessor. Taxes collected by the County Tax Collector are extended and disbursed directly to the District. All real property of the District is held in trust for the beneficial interest of the District by the School Board which has final authority for the control and disposition of such property. The District has complete responsibility for the preparation and modification of its annual budget and is solely accountable for its fiscal matters, including surpluses and deficits and issuance of debt.

Accounting principles and policies adopted by the Texas State Board of Education are official rules and constitute minimum budgeting, accounting, auditing and reporting requirements for Red Oak ISD. The State Board of Education's intent in prescribing these rules is to cause the budgeting and financial accounting and the reporting system of independent school districts to conform with generally accepted accounting principles (GAAP) established by the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB) for accounting treatments not specified in GASB pronouncements.

GOVERNMENTAL ACCOUNTING STRUCTURE

The District maintains individual funds as prescribed by the Texas State Board of Education. Funds are individual accounting entities with a self-balancing set of accounts. Each fund is set up to limit or restrict spending to the fund's intended purpose and to preserve the identity of its resources and obligations. The District maintains the following Governmental and Fiduciary funds.

Governmental funds are where most governmental functions are financed and include the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Fund as delineated on the next several pages. Fiduciary Funds include Trust and Agency Funds. Texas only requires that the School Board adopt budgets for the following funds – General Fund, Student Nutrition Fund and the Debt Service Fund.

GENERAL FUND

The General Fund, as is the generally accepted practice for Texas school districts, is the operating fund of the District. It is used to account for all financial resources except those that are required to be accounted for in another Fund. It accommodates all activities that relate to the direct instructional, support and administrative services provided for all District students, including Special Education.

SPECIAL REVENUE FUNDS

The Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes other than proceeds from trusts, private organizations or other governments or for major capital projects.

DEBT SERVICE FUND

The Debt Service Fund accounts for the accumulation of resources and the payment of general long-term debt principal, interest and related costs. Debt Service funds are required if they are legally mandated and/or if financial resources are being accumulated for principal and interest payments maturing in future years.

CAPITAL PROJECTS FUND

The Capital Projects Fund accounts for financial resources to be used for the acquisition, construction, or improvement of major capital facilities, including the furnishing and equipping of the capital facilities. Capital outlays financed from general obligation bond proceeds or otherwise mandated to be accounted for through the Capital Projects Fund.

FIDUCIARY FUNDS

Fiduciary Funds account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. The Agency Funds primarily consist of Student Activity Funds, which account for assets held by the District as an agent for the students and teachers. These funds are custodial in nature and cannot be used to support the government’s own programs and do not involve the measurement of the results of operations.

ACCOUNT NUMBER STRUCTURE

The District utilizes a condensed version of the Financial Accountability System Resource Guide (FASRG) that was adopted by 19 Texas Administrative Code § 109.41 and § 109.5001. The FASRG describes the rules of financial accounting for school districts, charter schools and education service centers using the following 21-digit account code structure as prescribed by Skyward, the District’s financial software system.

Fund	Type	Function	Object	Sub-Object	Org	Fiscal Yr	Program	Local
XXX	X	XX	XXXX	XX	XX	X	XX	XXX

Fund – An independent fiscal and accounting entity with a specific activity or objective to identify the fund group and specific fund. The most common fund used will be Fund 199 – General Fund.

Type – Classification of the account number by Revenue (R) and Expenditure (E) and also Assets (A) and Liabilities (L).

Function – The activity or educational purpose of the transaction. The activities of a school system are classified into multiple broad areas, such as:

Instruction (11) – The activities dealing directly with the teaching of students and the interaction between teachers and students and related costs which can be directly attributed to a program of instruction.

Instructional Resources and Media Services (12) – The activities related to resource centers, establishing and maintaining libraries and other major facilities dealing with educational resources and media.

Curriculum Development and Instructional Staff Development (13) – The activities used to aid instructional staff in planning, developing and evaluating the process of providing learning experiences for students.

Instructional Leadership (21) – The activities relating to the managing, directing, supervising and leadership of staff who are providing either instructional or instructional-related services.

School Leadership (23) – The activities related to directing and managing a school campus. This includes the general management and leadership of a school campus.

Guidance, Counseling and Evaluation Services (31) – The activities used for assessing and testing students' abilities, aptitudes and interests; counseling students with respect to career and educational opportunities and helping them establish realistic goals.

Social Work Services (32) – The activities such as investigating and diagnosing student social needs, casework and group work services for the child, parent or both, and interpreting the social needs of students for other staff members. This includes referrals to and interaction with other governmental agencies.

Health Services (33) – The activities relating to providing physical health services to students. This includes activities that provide students with appropriate medical, dental and nursing services.

Student (Pupil) Transportation (34) – The activities relating to transporting students to and from school.

Food Services (35) – The activities relating to food service operations, including the cost of food and labor, relating to and necessary for the preparation, transportation and storage of food to provide to students and staff.

Extracurricular Activities (36) – The activities relating to school-sponsored activities outside of the school day. These activities are generally designed to provide students with experiences such as motivation and the enjoyment and improvement of skills in either a competitive or noncompetitive setting.

General Administration (41) – The activities relating to the overall general administrative management or governing of the school district as an overall entity. These activities would include the school board, superintendent, fiscal operations, human resources and other central office services not categorized elsewhere.

Facilities Management and Operations (51) – The activities relating to keep the facilities and grounds open, clean, comfortable and in effective working condition and state of repair and insured.

Security and Monitoring Services (52) – The activities used to keep student and staff surroundings safe, whether in transit to or from school, on a campus or participating in school-sponsored events at another location.

Data Processing Services (53) – The activities relating to data processing services, whether in-house or contracted.

Community Services (61) – The activities or purposes other than regular public education and adult basic education services relating to the whole community or some segment of the community.

Debt Services (71) – The activities related to the retirement of recurring bond, capital lease principal and other debt, related debt service fees and for all debt interest.

Facilities Acquisition and Construction (81) – The activities used by school districts for expenditures that are for acquiring, equipping and/or making additions to real property and sites, including leases and capital leases.

Other Governmental Charges (99) – The activities relating to providing financial resources to other governmental entities for shared services or other services, such as the county appraisal district.

Object – Describes the purpose of the service or commodity obtained as a result of a specific expenditure. The object categories are salaries and benefits, professional services, supplies and materials, and capital outlay.

Payroll Costs (61XX) – Compensation regularly paid or stipulated to be paid to an individual, before deductions, for personal services rendered while on the payroll of the district. This also includes other compensation, in addition to regular salary, provided to an employee. Benefits include health insurance, life insurance, personal leave, FICA and District pension contributions.

Professional and Purchased Services (62XX) – Personal services rendered by persons not on the payroll of the district and any other services purchased.

Supplies & Materials (63XX) – An expendable item that is consumed, worn out, or deteriorated in use.

Other Operating Costs (64XX) – Items for travel costs, dues, fees and goods and services not otherwise classified in other objects.

Debt Service (65XX) – Expenditures for the payment of outstanding long-term debt owed by the District.

Capital Outlay(66XX) – Expenditures for the acquisition of fixed assets or additions to fixed assets such as land or existing buildings, improvements of grounds, construction of buildings, additions to buildings, remodeling of buildings, initial equipment, additional equipment and replacement of equipment.

Sub-Object – An optional code that allows for further delineation of the purpose of the expenditure.

Organization – Location numbers are used to track budgets by the schools and departments within the District. It does not necessarily correspond with a physical location. The Texas Education Directory (AskTED) specifies the organization code structure for campuses.

Fiscal Year – Identifies the fiscal year of a transaction or the beginning fiscal year of a grant project (a federally funded project that is accounted for as special revenue funds). The particular fiscal year is the last digit of that fiscal year.

Program Intent – Identifies the intent of an educational program provided to students based on the need of a student group toward which the instructional or other service is directed. Program Intent Code (PIC) is used to account for the cost of instruction and other services that are directed toward a particular need of a specific set of students.

Basic Services – To provide the basic services for education/instruction to students who are not in a specific program.

Enhanced Services – To provide specific services for education/instruction to students with different needs or in a specific program.

Support Services – To provide support services for education/instruction to students to assist in readiness for the next level.

Other Services – To provide services for athletics and related activities and also for all services not identified to a specific program intent.

Local – A second optional code that allows for further delineation of the purpose of the expenditure not provided in the function or object classifications. This code is mainly used to classify campus related expenditures, such as by grade level.

BUDGETARY BASIS OF ACCOUNTING AND CLASSIFICATION OF REVENUES AND EXPENDITURES

The governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting.

Under the modified accrual basis of accounting, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty (60) days after the end of the fiscal year. Revenue is the receipt of cash without creating a liability or without canceling an asset. For example, tax collections are revenues, but proceeds from general long-term debt, acquisitions under capital leases and transfers between funds are reported as other financing sources.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general-long term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent that they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

Transfers between funds are recognized in the accounting period in which the inter-fund receivable and payable arise.

DISTRICT FINANCIAL POLICIES

BALANCED BUDGET

The budget is considered to be balanced when the sum of estimated revenues and other sources equals appropriations and other uses for each fund. Whenever circumstances require the District to adopt a budget that is not balanced, full disclosure of the circumstances surrounding the decision are reported to the School Board and in District budget documents.

FISCAL YEAR

The District's fiscal year begins July 1 and ends June 30.

TRANSFER, REVENUE, EXPENDITURE AND EXPENSE ACCOUNT CLASSIFICATION

Transfers are classified separately from revenues and expenditures or expenses in the basic financial statements. Proceeds of general long-term debt issues are classified separately from revenues and expenditures in the governmental fund financial statements. Governmental fund revenues are classified by fund and source. Expenditures are classified by fund and source. Expenditures are classified by fund, function (or program), organization unit, activity, character and principal classes of objects. The statement of activities presents governmental activities at least at the level of detail required in the governmental fund statement of revenues, expenditures and changes in fund balance at a minimum by function.

INTERIM AND ANNUAL FINANCIAL REPORTS

Appropriate interim financial statements and reports of financial position, operating results and other pertinent information are prepared to facilitate management control of financial operations, legislative oversight and, where necessary or desired, for external reporting purposes.

An annual financial report is prepared and published, covering all activities of the District. The report includes an introductory section, the management's discussion and analysis (MD&A), basic financial statements, required supplementary information other than MD&A, individual fund statements, schedules, narrative explanations and statistics.

The annual financial report is submitted to the Texas Education Agency for review. The financial report is designed to meet specific monitoring needs of the Texas Education Agency.

GENERALLY ACCEPTED ACCOUNTING PRINCIPALS

The Red Oak ISD accounting system is maintained in accordance with generally accepted accounting principles and presents fairly and with full disclosure the funds, activities and results of financial operations in such a manner to determine and demonstrate compliance with finance-related legal and contractual provisions. Whenever conflicts exist between legal requirements and generally accepted accounting principles, the financial statements are prepared in conformity with generally accepted accounting principles and additional schedules and/or narrative explanations are attached as necessary to satisfy or report legal compliance responsibilities and accountabilities.

FUND ACCOUNTING

The accounting system is organized and operated on a fund basis. All funds are accounted for and included in the end-of-year combined balance sheet. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

FUND BALANCE

Fund balance means the gross difference between governmental fund assets and liabilities reflected on the balance sheet. The fund balance of the General Fund, one of the governmental fund types, is of primary significance because the General Fund is the operating fund, which finances most functions in the District. There are five classifications of the fund balance: Non-spendable such as inventories, prepaid items, long-term receivables; Restricted such as child nutrition, technology and construction programs; Committed such as campus activity funds; Assigned such as insurance deductibles and Unassigned.

The School Board has adopted a General Fund Reserve policy intended to provide a guideline for the management of reserve operating funds of the District. It is the intent of the School Board that funds shall be available for emergency needs of the District and to provide funds to be used for such purposes and such opportunities as shall arise which will benefit the District.

The policy is to maintain a minimum of three (3) months of operating funds in reserve. The Texas Education Agency (TEA) recommends a minimum unrestricted fund balance of two and one-half (2 ½) months of operating expenditures.

ENCUMBRANCES

The District utilizes an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbrances are documented by contracts, purchase orders or other evidence showing binding commitments for goods or services. Encumbered amounts lapse at year-end.

CAPITALIZED EQUIPMENT

Equipment purchases in excess of a \$10,000 threshold require that the District capitalize and depreciate the items. Capital equipment are accounted for at historical costs and have a useful life of at least one year and a per unit cost of \$5,000 or more. Depreciation of capital equipment is over their estimated useful lives.

RESTRICTED RESOURCES

Under terms of grant agreements, the District funds certain programs by a combination of specific cost reimbursement grants, categorical grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to apply cost-reimbursement grant resources to such programs, followed by categorical grant and then by general revenues.

BUDGET PROCESS AND POLICIES

The Red Oak Independent School District's budget process is guided by the Texas Education Code Sections § 44.002-44.006, which establishes the legal basis for school district budget development, as well as, Local Board Policy.

The budget is a detailed financial plan for the District and covers the fiscal year beginning July 1 through June 30. The Texas Education Code Sections § 44.002-44.006 establish the legal basis for school district budget development. This requires that the District's budget be prepared by June 20 (10 days before the start of the next fiscal year) and be adopted by the School Board by June 30 each year. A public hearing for the budget and proposed tax rate must occur before the School Board adopts the Budget. The District's Budget must be adopted prior to the adoption of the tax rate. The process used by Red Oak ISD meets these requirements.

The process of budgeting for the fiscal needs of the District is an ongoing process and consists of five phases – planning, preparation, adoption, implementation and evaluation. On the next several pages is the details on the process and Budget Calendar that was followed for the development of the 2025-2026 Budget. The planning phase began in the fall of 2024 with a review of the process used for the prior year with the process being updated, if needed, for the next year's budget development process. The process used is provided to the School Board and all stakeholders in January.

The preparation phase began with the initial projection of revenue expenditure changes for the next year. Revenue changes are based, in part, on the projection of the next year's student enrollment, based on the October Snapshot enrollment and average daily attendance (ADA). The October ADA is also used by the State for the annual school district profile which provides an overview of public education in Texas. The enrollment forecast is used primarily during the budget development stage to determine staffing needs and campus budget allocations.

The preparation phase continued with administrative meetings with each campus where budget guidelines and worksheets were distributed. The information received along with staffing plans for the 2025-2026 school year were used in preparing the budget. Each campus receives a per pupil allocation to be used for discretionary expenditures, such as supplies, materials, equipment, staff development and other appropriate instructional costs based on the campuses instructional and improvement plans. Budgets for departments are developed by budget managers, based on the prior year's allocation and expenditures. Additional budget allocations, called additional funding requests (AFRs), may be included or removed from the department budgets, based on the need to balance the budget.

The District prepares a budget calendar and presents the calendar to the School Board to commence the budgeting process. The fiscal year begins July 1 of each year with an end date of June 30. The District's budget must be adopted by the School Board by June 30. A public hearing for the budget and proposed tax rate must occur before the School Board's adoption of the budget. Budget information must also be published on the District's web site.

The administration and staff work in a collaborative manner to arrive at a detailed revenue and expenditure plan for operations on a fiscal year basis. The ultimate goal of this process is to recommend to the School Board a balanced General Fund budget that aligns with the District's Strategic Plan and campus improvement plans to provide continued world class education for 21st Century learners.

The District's administration begins preparing the budget calendar to share with the School Board and stakeholders in late fall of each year to prepare the budget for the year beginning the following July 1. The 2025-2026 budget development calendar was presented to the School Board at the January 27, 2025 School Board meeting.

BUDGETARY CONTROLS

Budgetary controls are maintained at line item levels and are built into administrative responsibility cost centers. All actual activity compared to the budget is reported to the District's management and the School Board in the form of monthly Finance Reports. Any extraordinary variances are disclosed in full detail.

The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the School Board. Activities of all General Fund, Student Nutrition Fund and the Debt Service Fund are included in the annual appropriated budget.

BUDGET MODIFICATION

The Business Office reviews the budget to determine if amending the budget is necessary. It is the goal of the Business Office to avoid notations of overspending in the annual audit, so any unplanned expenditures are reviewed to determine if an amended budget is necessary.

Budget amendments may be necessary during the course of the fiscal year to ensure that functional categories maintain a positive balance. Budget amendments are initiated by the designated staff member who oversees a budget or by the Business Office. School Board approval is required for budget amendments when funds are moved between functional categories or increasing revenue categories. The District's Business Office designee carefully monitors the budget for improper balances throughout the year.

FINANCIAL REPORTING

At each regular monthly School Board meeting, the District's Business Office prepares a fund by fund reporting for informational purposes. These reports are prepared showing the summary of revenues and expenditures both on a monthly and year-to-date basis. These reports also show a percentage of revenues collected and a percentage of budgets expended. In addition to these fund reports, information regarding investments are presented to the School Board on a monthly basis.

The Budget for the School Board approved Governmental Funds is prepared on the modified accrual basis of accounting, which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Sections § 44.002-44.006 of the Texas Education Code.

BUDGET CALENDAR

Below is the budget calendar for the 2025-2026 budget that was presented to the School Board on January 27, 2025.

December 2024	Review the budget process from the prior year and develop the process for the next fiscal year Discuss the Budget Strategy with the Superintendent's Cabinet
January 2025	Communicate the budget process to the School Board and all stakeholders Begin the employee salary and benefit cost projections for the next budget year
February	Meet with budget managers (campuses and departments) to review the budget process Determine the preliminary revenue and expenditure assumptions to be used in the budget development process Distribute the guidelines and process for Additional Funding Requests to all budget managers Determine the projected staffing needs for the next school year based on enrollment projections
March	Budget managers to submit any additional funding requests Preliminary budget position and requested additional funding requests reviewed and evaluated by the Superintendent's Cabinet Budget managers provided their proposed budget to enter into Skyward to match the school or department goals for the year Present the preliminary budget picture to the School Board, including any major staffing, programmatic, technology or building maintenance needs Finalize the projected salary and benefit costs for the next budget year
April	Tentative Budget position reviewed by the Superintendent's Cabinet Budget Workshop to be held with the School Board to discuss the Proposed Budget Preliminary property values received from the County Appraisal District
May	Update and present the Financial Planning Program that forecasts District revenue and expenditures for five (5) years Final Budget Workshop to be held with the School Board to discuss any additional budget assumptions (if necessary)

June	Notice of the Budget Hearing and Proposed Tax Rate published and then placed on public display for at least 10 days prior to date of the Hearing (Tex. Educ. Code § 44.004) Public Hearing to discuss the Budget and Proposed Tax Rate to be held School Board formally adopts the Budget (Tex. Educ. Code § 44.004) by June 30 Adopted Budget posted on the District's website and filed with the Texas Education Agency (TEA) by the date established by the State Board of Education
August	School Board formally adopts the Tax Rate (Tex. Educ. Code § 26.05) by the end of September or within 60 days after the Certified Property Values have been received from the County Appraisal District

CAPITAL IMPROVEMENT PROCESS AND TIMELINE

A Capital Improvement Budget is based on the recommendations of a Capital Improvement Committee that periodically meets and reviews the current building needs of the District. The Committee is comprised of District administration, a school board member and the District's architect.

The District's architect of record conducted a building assessment needs study in the spring of 2019. Due to the pandemic that started in the spring of 2020, the Capital Improvement presentation to the School Board was deferred until January 2021. A survey of potential funding facility options was shared with the community in May 2021 which led to the formation of a Citizens Facility Planning Committee in the fall of 2021. At the end of the 2020 fiscal year, there was a significant increase in the fund balance of the General Fund due to limited expenditures during the last few months of the 2019-2020 school year. In fiscal year 2021, \$2.5 million of excess General Fund revenue was transferred to Capital Projects and an additional \$3 million was transferred in fiscal year 2022 and 2023 and then \$1 million in fiscal year 2024. Any additional 2024-2025 fund balance may be transferred to the Capital Projects fund for important projects.

In May 2023, a Bond Election for a new Middle School in the amount of \$97.5 million was held and the proposition passed with construction of the new middle school beginning in the spring of 2024. The projected completion was scheduled for the summer of 2025, but due to a delay in the construction permit approval process, the school will not be completed until the fall of 2025 with the school projected to be open to students in January 2026.

In May 2025, a Bond Election for multiple projects in the amount of \$213.9 million was held and all three (3) propositions passed. The propositions included a new elementary school, a new Career & Technical Education (CTE) building, a new practice gym for the high school, high school athletic venue upgrades and a renovation to the Goodloe Stadium. In addition, all elementary school playgrounds will be upgraded to meet Americans with Disabilities Act (ADA) compliance and artificial turf at existing High School baseball and softball fields.

The initial bond in the amount of \$175 million will be issued in August 2025 with all projects starting in the fall with the projected completion date in the summer of 2027 so the new education buildings can open in the fall of 2027.

For the 2025-2026 Budget, the top priority is to manage the conclusion of the construction of the new middle school and then the start of the other major construction projects. The safety and security of all students, staff and campuses is a priority from the District capital project funds. Any other major priority needs will be identified and included in the 2025-2026 Capital Funds budget. The normal budget timeline and budgeting process is applicable to the District's Capital Improvement Budget and any budgetary needs will be incorporated into the appropriate budget.



Arial view of the new Shaw Middle School construction in June 2025

BUDGET ADMINISTRATION AND MANAGEMENT

FINANCIAL POLICIES

Investments - The Superintendent/Chief Financial Officer shall either appoint a Chief Investment Officer or serve as one. The Chief Investment Officer shall invest money that is not required for current operations, in accordance with this policy and State law. The Chief Investment Officer and Superintendent/Chief Financial Officer shall use the standard of prudence when making investment decisions. They shall use the judgment and care, under circumstances then prevailing, that persons of prudence, discretion and intelligence exercise in the management of their own personal affairs, not for speculation, but for investment, considering the safety of their capital as well as its probable income.

Investment Objectives - The objectives for the District's investment activities are:

1. Safety of Principal - Every investment is made with safety as the primary and over-riding concern. Each investment transaction shall ensure that capital loss, whether from credit or market risk, is avoided.
2. Liquidity - The investment portfolio shall provide sufficient liquidity to pay District obligations as they become due. In this regard, the maturity and marketability of investments shall be considered.
3. Rate of Return - The highest return on investments is sought, consistent with the preservation of principal and prudent investment principles.
4. Diversification - The investment portfolio is diversified as to materials and investments, as appropriate to the nature, purpose and amount of the funds.

Authorized Investments - The Chief Investment Officer may invest District funds in any investment as authorized by The Public Funds Investment Act, Chapter 2256 of the Texas Government Code. Except as provided herein, investments may be made only in banks, obligations of or guaranteed by governmental entities, certificates of deposits, mutual funds and investment pools that are insured by the Federal Deposit Insurance Corporation or other approved share insurer.

Debt - The Superintendent shall provide early notice to the School Board of the District's need to borrow money. The Superintendent or designee shall prepare all documents and notices necessary, at its discretion, to: (1) issue bonds, notes and other evidence of indebtedness, or (2) establish a line of credit with a bank or other financial institution. The Superintendent shall notify the State Board of Education before the District issues any form of long-term or short-term debt that will result in outstanding debt that exceeds 75% of any debt limit specified in Texas State law.

Cash Management - The Chief Financial Officer shall develop an effective cash management program to provide the District with additional revenues to fund essential programs and operations. Maximizing the return on invested funds while ensuring the safety and liquidity of investments is the main goal of the investment program. Effective cash management programs:

- Provide competitive rates of return through the use of various investment instruments.
- Are based on a comprehensive written investment policy approved by the School Board.
- Allow personnel to become skilled in investment procedures and techniques and stay abreast of current money markets.

The School Board has adopted a written investment policy regarding investment of funds as defined by the Public Funds Investment Act (latest Amendment). This policy authorizes the District to invest in:

1. Obligations of, or guaranteed by, governmental entities
2. Certificates of deposit
3. Fully collateralized repurchase agreements
4. A securities lending program
5. Banker's acceptances
6. Commercial paper
7. No-load money market mutual funds and no-load mutual funds
8. A guaranteed investment contract as an investment vehicle for bond proceeds
9. Public funds investment pools

The primary pools and investment accounts that the District uses are the Lone Star Investment Pool (Texas Association of School Boards), TexPool Investment Pool, TexSTAR Investment Pool and Prosperity Bank. PMA Asset Management is used for the investment and management of the bond funds.

Cash balances are monitored daily to minimize bank balances by only transferring into the accounts the sum of funds necessary to cover disbursements anticipated each day. Monthly reports are provided to the School Board on investment activity. The appropriate District staff receives the mandatory investment training of eight (8) hours every two years.

Debt Management - At certain times, the District has and may continue to experience bond elections authorizing new bonds and a continual issuance of bonds. The District receives a primary bond rating of AAA through the State of Texas Permanent School Fund (PSF). The District's secondary rating from Moody's Investors Service in 2025 is "Aa2". A financial advisor is engaged to assist the District in managing the outstanding debt.

As of June 30, 2025, the District has \$137,460,000 in outstanding general obligation bonds. The outstanding debt represents 3.59% of the District's total taxable wealth before property tax freeze calculation. This percentage is typical for fast growing districts.

Fund Balance Reserve Policies

The Chief Financial Officer shall maintain fund balances adequate to ensure the District's ability to maintain levels of service and pay its obligations in a prompt manner in spite of unforeseen events or unexpected expenses. The Chief Financial Officer shall inform the School Board to discuss drawing upon its reserves or borrowing money. Fund balance measures the net financial resources available to finance expenditures of future periods. The District's Unassigned General Fund Balance will be maintained to provide the District with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The Unassigned General Fund Balance may only be appropriated by resolution of the School Board. Fund Balance of the District may be committed for a specific source by formal action of the School Board. The School Board delegates authority to assign fund balance for a specific purpose to the Chief Financial Officer. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly, unassigned fund balance. The Chief Financial Officer has the authority to deviate from this policy if it is in the best interest of the District.

General Fund - A recognized sign of fiscal health for a school district is an appropriate undesignated, unreserved fund balance for the General Fund (operating fund). An appropriate fund balance level is one of the measurements for the School FIRST (Financial Integrity Rating System of Texas) program required for all school districts in the state. The policy of the District is to maintain of a minimum of three (3) months of operating funds in reserve. The Texas Education Agency (TEA) recommends a minimum unrestricted fund balance of approximately two and one-half (2 ½) months of operating expenditures.

The value of having an appropriate fund balance level can be expressed as follows:

- Contingency fund for unexpected costs
- Cushion of resources at the beginning of the year prior to the tax collection season
- Viewed as sign of fiscal stability and health by bond rating agencies

Student Nutrition Fund - The fund balance for the Student Nutrition Fund should not exceed three months of average daily expenditures. Any fund accumulation above the 3-month limit is used for major capital improvements to campus kitchens or cafeterias.

Debt Service Fund - The District attempts to maintain sufficient undesignated fund balance to cover the upcoming August principal and interest payments in the of Debt Service Fund balance. Periodically, fund balance is used as a one-time source of funds to lessen the debt service tax rate. The District refunds outstanding bonds under appropriate market conditions in order to reduce and level annual debt repayments over time.

Risk Management - The District's risk management program encompasses various means of protecting the District against loss. Property and casualty insurance is provided by commercial carriers and liability insurance while workers' compensation coverage is provided by an inter-local cooperative.

Independent Audit & Financial Reporting - The Texas Education Code requires that school districts are audited annually. The audit is made on an organization-wide basis and involves all fund types and account groups of the school district. The audit is also designed to meet the requirements of the Federal Single Audit Act of 1984 and the related provisions of the Education Department General Administrative Regulations (EDGAR).

FINANCIAL SECTION

FINANCIAL SECTION ROADMAP

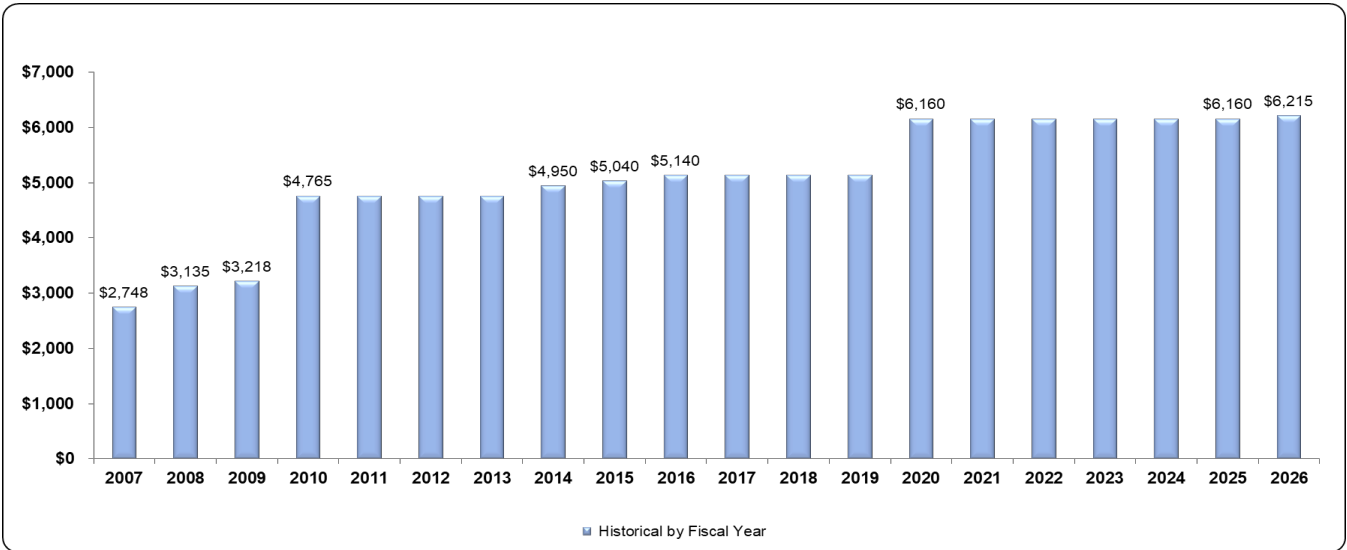
The Financial Section provides specific fiscal information regarding the School Board approved funds of the District. By State law, the School Board must approve annual budgets for the General Fund, the Student Nutrition Fund and the Debt Service Fund. These three funds are included in this section. This section begins with a review of the funding formula and the Combined Budget Summary of the General Fund, the Student Nutrition Fund and the Debt Service Fund. After the summary, the remaining portion of this Section provides the reader with specific information about each of the three funds approved by the School Board.

In addition to these funds, information on the current Capital Projects are included in this Section. The budget process for the Capital Projects Funds is established at the point in time that the School Board approves the allocation of resources or the sale of authorized bonds for specific projects. The Capital Projects budgets are typically multi-year budgets encompassing the entire construction period of each separate project. Separate sub-funds are created to account for each respective source of funds and unique program codes are used to track specific projects within each sub-fund. Capital Project Funds may also be used as Assigned Funds from the General Fund in order to cover insurance proceeds that are material in nature such as a tornado, hail storm or other projects that are not bond related.

THE FOUNDATION SCHOOL PROGRAM

The funding of public education is determined by a statutorily defined funding formula for each state which combines state aid with local resources to fund schools to equalize the per-pupil expenditures. Texas adopted the Minimum Foundation Program as part of the legislative education reform in 1949 and it established a base funding amount (foundation) per student of education funding financed by equalized tax effort and supplemented by state aid sufficient to cover the variations in local taxpaying ability. In 1975, revisions were made to the funding formula and renamed the Foundation School Program (FSP). The objective was that the state will provide the difference between the revenue raised from the local tax levy (based on a compressed flat tax rate) and the foundation level funding per student.

The foundation formula model is still the most common form of education funding in the United States. As of October 2024, a version of the foundation formula model, student-based foundation, was used by 39 states per the *Education Commission of the States*. While many states use this method, the “foundation” or basic level of funding varies widely by state. Texas’ per pupil basic allotment amount rose to \$6,160 starting in the 2019-2020 school year, but had not been increased until this year. Since the basic allotment had not increased for six (6) years, Texas ranked 41st in the nation in per pupil funding in 2024 per the *National Center for Education Statistics*.



Over time, the varying needs of students has caused the foundation model to be modified to include additional allocations based on student needs. Many states now have added multipliers or weights in their foundation formula in order to target more aid to children with greater needs. Other states use separate categorical allocations for specific programs, services or student populations, while still others use a combination of weights and categorical funding.

The Texas funding model has evolved to also incorporate the aspects of the power equalization formula into the foundation formula. Under this method there are two (2) tiers of funding that aim to provide similar levels of funding for similar tax effort. Within the tiers, districts are guaranteed a certain level of funding based on an established per student value.

The Foundation School Program (FSP) establishes the amount of state and local funding that is due to school districts under the Texas school finance law. Per the Texas Education Code § 42.001(b), this program is intended to ensure that all school districts, regardless of property wealth, receive “substantially equal access to similar revenue per student at similar tax effort”, considering all state and local tax revenues of districts. The main component consists of two (2) tiers that provide a basic level of funding (Tier I) that provides \$6,215 per student based on the district’s annual regular program average daily attendance (ADA). There is also a supplement to the basic foundation funding that provides additional funding for specific student groups referred to as special allotments that includes special education, state compensatory education, career and technical education, bilingual education, early education and dyslexia. Students funded through these allotments may require specialized services that raise the cost of their education beyond the regular allotment amount. Generally, the value of each allotment is determined by applying appropriate student weights to either the number of students in average daily attendance (ADA) or the number of full-time equivalent (FTE) students in each of the special allocation student group.

The Tier II component is a guaranteed yield program that provides additional funding for each penny of tax effort that is more than the district’s specified tax rate. This calculation factors in the district’s per pupil property wealth. The amount is set by the state and is broken down into two (2) categories. The first category (Level 1) is equal to the districts’ wealth per student based on the weighted average daily attendance (WADA) up to the first \$0.08 (golden pennies) of the tax rate above the district’s specified compressed rate and the second enrichment component (Level 2) is a lower allocation set by law for every penny above this additional \$0.08 of tax effort, up to a maximum of an additional \$0.09 (copper pennies). The Tier II maximum tax rate (enrichment pennies) is \$0.17 and must be approved by voters through a voter-approval tax rate election (VATRE).

The ADA component used in the Texas model calculates the attendance for the entire year, in six (6) weeks increments, divided by the number of school days in each six (6) week increment. The total yearly ADA of all six (6) week increments is then divided by six (6). Only six (6) states continue to use ADA for their student counts.

HOUSE BILL 3

In the 2019-2020 fiscal year, the State modified the existing state funding formula approved by the 86th Legislature with the goal of increasing the state’s share of public education spending from 38% to 45% through the Foundation School Program (FSP), known as House Bill 3 (HB 3). Since the FSP is based on the foundation formula funding model, one of the major updates was the increase in the basic allotment from \$5,140 to \$6,160 per student in the annual average daily attendance (ADA). The bill also transferred the state funding to new Chapter 48 of the Texas Education Code and eliminates Chapter 42. The bill eliminated Chapter 41 and creates new Chapter 49, *Options for Local Revenue Levels in Excess of Entitlement*. The new bill retained many of the special allotments that enhanced the prior basic allotment allocations and increased the weight of some of the allocations. Several new special allocations were added to the formula, such as a new dyslexia allotment, early education allotment and expanding the career and technology education allotment to include middle school students.

The tax rate prior to House Bill 3 had been a flat tax rate, irrespective of the change in property values. The tax rate was broken down into a compressed rate, golden pennies and copper pennies. Until the 2019-2020 budget, the state compression percentage is the percentage of the rate of \$1.00 at which a district must levy an M&O tax to receive the full amount of the district's tier one allotment. In the 2019 tax year, the state compression percentage for Tier I was a maximum of 93 percent of the current compressed rate (\$1.00). A compression of a portion of the Tier II tax rate (copper pennies) that a district received was also implemented based on the change in the guaranteed yield per penny.

Since tax year 2019, state and local compression of tax rates only applied to a district's Tier I tax rates. Districts receive the method which results in the greatest amount of compression to achieve the lowest tax rate. State compression will compare the extent in which the estimated statewide property value growth exceeds 2.5% to determine the State maximum compressed rate (MCR). For tax year 2020, this equated to a maximum State Tier I compressed rate of \$0.9164, \$0.9134 for tax year 2021, \$0.8941 for tax year 2022, \$0.6881 for tax year 2023 and \$0.6855 for tax year 2024. The 88th State Legislature also compressed the 2023 maximum tax rate by an additional \$0.1895 and the 89th State Legislature has proposed to compress the 2025 maximum tax rate by an additional \$0.0331.

The Comptroller's estimated statewide growth in property values for 2025 is 5.5% which will reduce the State MCR by \$0.0195. Since districts receive the greater of the MCR calculated under state compression or local compression, only districts whose local value growth exceeds 2.5% will have additional compression below the projected state compression of \$0.6660 for the 2025 tax year. The limit on the local tax rate compression is 90% of the State's maximum compressed tax rate. TEA will calculate and make available districts' maximum compressed rates in August.

For the last five (5) years, Red Oak ISD has been at the lowest maximum compressed rate due to an increase in taxable property values greater than 2.5%. For the 2025-2026 fiscal year, the District is looking at a Tier I maximum compressed rate of \$0.5994, the base minimum. This is a 2.84% reduction in the Tier I tax rate from the prior year.



Seniors celebrating Senior Rise at Red Oak High School

89TH LEGISLATIVE SESSION

In June of 2025 the Texas 89th Legislative Session approved significant funding for public schools for the 2025-2026 fiscal year. The Legislature allocated an additional \$8.5 billion education that included provisions for staff pay raises, increases to the basic allotment, and additional funding for special education, school safety and other critical areas.

House Bill 2 (HB 2) was a major component of the legislation and is a comprehensive school finance bill that supports students and infuses more dollars and resources into Texas public schools than ever before. This bill provides critical support for education in several key areas including teacher compensation increases, called Teacher Retention Allotment, in the amount of \$2,500 for 3 to 4 year teachers and \$5,000 for teachers with 5 or more years of teaching experience for school districts with an enrollment greater than 5,000 students for those teachers who teach students at a minimum of 4 hours a day.

The Bill increases the basic allotment per student by \$55, taking the basic allotment to \$6,215. The basic allotment is a key component of Texas school funding. New funding is provided for salary increases for non-administrative support staff like counselors, nurses and paraprofessionals in the amount of \$45 per student. Another new allotment of \$106 per student is designed to assist school districts cover rising operational costs like insurance, utilities, and transportation. The funding for school safety was also increased as part of the overall funding.



Students enjoying the Eastridge Elementary Field Day

RED OAK ISD FUNDING

Red Oak ISD's revenue sources are property taxes, state and federal grants, fees and interest income. The District is dependent on the State's Foundation School Program (FSP) and local property taxes as demonstrated in the Revenue by Source pie chart on page 76. In part, due to the demographics and learning needs for the students in the District, 41.6% of revenue comes from the Foundation School Program, 9.4% of revenues comes from state and federal grant programs. Property taxes comprise 45.6% of total revenue sources and 3.4% comes from other local sources.

The expenditure categories are payroll costs, purchased services, supplies, debt service, capital outlay and other expenditures. Over 68% of the District's expenditures are for staff salaries and benefits. For the 2025-2026 school year, with the 89th Legislative Session just ending, no increase in staff salary schedules is included in the Adopted Budget at this time other than the step increase for teachers. Once the State provides the guidelines for the changes to the State funding, an Amended Budget with salary increases will be presented to the School Board for approval. Purchased services include costs associated with non-staff providing professional and technical services, staff development, contracted food services, transportation and maintenance services.

In order to be able to approve a balanced budget for the 2024-2025 fiscal year, all campus and department budgets were reduced by 10% from their prior year budget. The main reason for this reduction in funding was that the basic allotment for the Foundation School Program had not increased since 2019. If the basic allotment would have increased consistent with Consumer Price Index (CPI), a 22% increase since 2019, the basic allotment would have been \$7,515 and provide Red Oak ISD about \$10 million more revenue for the 2024-2025 General Fund budget.

Campus and other department administrators are responsible for building, monitoring and adhering to their site budgets. The budget breakdown by campus and department budgets can be found on pages 102 and 103. Information regarding Red Oak ISD's debt can be found on pages 126 – 128 of the Informational Section. The District has received a rating of "Aa2" from Moody's Investors Service in 2025.

GOVERNMENTAL FUNDS

The Governmental Funds is a compilation of the District funds that are required to be approved by the School Board and consists of the General Fund, School Nutrition Fund and the Debt Service Fund. The combining of these funds is for discussion purposes only due to restrictions limiting the use of funds and the ability to transfer dollars between funds. Total revenue for all funds in the Adopted Budget is projected to increase by 4.03% in fiscal year 2026 while expenditures will increase by 4.06%. The reason for the increase in revenue is primarily due to the projected increase in the state funding formula due to increase in the Basic Allotment and the projected 6.15% increase in property values and the 90% limitation on the decrease in the 2025 tax rate. The increase in the expenditures is primarily due to increasing the staffing for the opening of the new middle school this year the adding the annual debt payment for the new bond issue that will be sold in August of this year.

The three (3) major revenue sources for public education are from local, state and federal sources. The majority of the revenue for Red Oak ISD is derived from state and local sources. These sources comprise 95.2% of all revenues, with local sources comprising 49.0% and state sources comprising 46.2%. Federal sources (4.8%) are mainly from formula grants for specific student populations, Medicaid reimbursement or the National School Lunch program. State sources are primarily from the state funding formula, the Foundation School Program (FSP), the Teacher Retirement System (TRS) on-behalf payment and two (2) facility financing programs to support the payment of certain existing eligible bond debt. Local sources are mainly from ad valorem tax collections on real property. The following Aggregate Budget Summary is broken down by major revenue sources and then by major expenditure objects. A second Budget Summary delineates in more detail the different revenue sources and then the expenditure budget by function.

The major expenditure classifications are payroll costs, professional and contracted services, supplies and materials, other operating costs, debt service and capital outlay. The majority of the expenditures (68.0%) are for salary and benefit costs for the District employees. Professional services account for 4.4% of expenditures, supplies and materials are 6.5%, operating costs are 2.2%, debt service is 18.3% and capital outlay is 0.6% of the School Board approved expenditures.

AGGREGATE BUDGET SUMMARY BY OBJECT

Red Oak Independent School District
Statement of Revenue, Expenditures and Change in Fund Balance
Governmental Funds by Object
Fiscal Year 2025-2026 Budget

<u>Revenue:</u>	General Fund	Student Nutrition Fund	Debt Service Fund	Total Funds
Local Sources	\$ 33,589,256	\$ 500,550	\$ 15,074,433	\$ 49,164,239
State Sources	44,635,296	98,500	1,514,243	46,248,039
Federal Sources	1,100,000	3,686,868	-	4,786,868
Other	-	-	-	-
Total Revenue	<u>\$ 79,324,552</u>	<u>\$ 4,285,918</u>	<u>\$ 16,588,676</u>	<u>\$ 100,199,146</u>
<u>Expenditures:</u>				
Payroll - Salaries	\$ 56,970,018	\$ 1,518,688	\$ -	\$ 58,488,706
Payroll - Benefits	10,552,658	391,012	-	10,943,670
Professional Services	4,470,174	69,100	-	4,539,274
Supplies & Materials	4,126,993	2,511,618	-	6,638,611
Operating Costs	2,214,081	19,500	-	2,233,581
Debt Service	448,750	-	18,214,938	18,663,688
Capital Outlay	541,878	76,000	-	617,878
Other	-	-	-	-
Total Expenditures	<u>\$ 79,324,552</u>	<u>\$ 4,585,918</u>	<u>\$ 18,214,938</u>	<u>\$ 102,125,408</u>
Excess (Deficiency) of Revenue over (under) Expenditures	\$ -	\$ (300,000)	\$ (1,626,262)	\$ (1,926,262)
<u>Other financing Sources (Uses):</u>				
Proceeds from Bond Issues	\$ -	\$ -	\$ -	\$ -
Proceeds from Property Sale	-	-	-	-
Proceeds from Loans	-	-	-	-
Other Sources (Uses)	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Change in Fund Balance	\$ -	\$ (300,000)	\$ (1,626,262)	\$ (1,926,262)
Beginning Fund Balance	\$ 22,075,893	\$ 1,152,806	\$ 9,118,431	\$ 32,347,131
Projected Ending Fund Balance	\$ 22,075,893	\$ 852,806	\$ 7,492,169	\$ 30,420,869

AGGREGATE BUDGET REVIEW SUMMARY BY FUNCTION

Red Oak Independent School District
Statement of Revenue, Expenditures and Change in Fund Balance
Governmental Funds by Function
Fiscal Year 2025-2026 Budget

	General Fund	Student Nutrition Fund	Debt Service Fund	Total Governmental Funds
<u>Revenue:</u>				
Local Sources				
Property Taxes	\$ 31,034,756	\$ -	\$ 14,694,433	\$ 45,729,189
Penalties, Interest & Other	200,000	-	30,000	230,000
Earnings on Investments	900,000	60,000	350,000	1,310,000
Tuition & Fees	10,000	-	-	10,000
Rent	125,000	-	-	125,000
Gifts & Bequests	16,500	5,000	-	21,500
Athletics	101,500	-	-	101,500
Food Service	-	425,550	-	425,550
Other Local	1,201,500	10,000	-	1,211,500
Total Local Revenue	<u>\$ 33,589,256</u>	<u>\$ 500,550</u>	<u>\$ 15,074,433</u>	<u>\$ 49,164,239</u>
State Sources				
Foundation School Program	37,669,711	20,000	1,514,243	39,203,954
Per Capita Funds	\$ 2,495,324	\$ -	\$ -	\$ 2,495,324
Food Service	-	-	-	-
TRS On-Behalf	4,470,261	53,500	-	4,523,761
Other State	-	25,000	-	25,000
Total State Sources	<u>\$ 44,635,296</u>	<u>\$ 98,500</u>	<u>\$ 1,514,243</u>	<u>\$ 46,248,039</u>
Federal Sources				
Food Service	\$ -	\$ 3,633,868	\$ -	\$ 3,633,868
Medicaid/SHARS	800,000	-	-	800,000
Other Federal	300,000	53,000	-	353,000
Total Federal Sources	<u>\$ 1,100,000</u>	<u>\$ 3,686,868</u>	<u>\$ -</u>	<u>\$ 4,786,868</u>
 Total Revenue	 <u><u>\$ 79,324,552</u></u>	 <u><u>\$ 4,285,918</u></u>	 <u><u>\$ 16,588,676</u></u>	 <u><u>\$ 100,199,146</u></u>

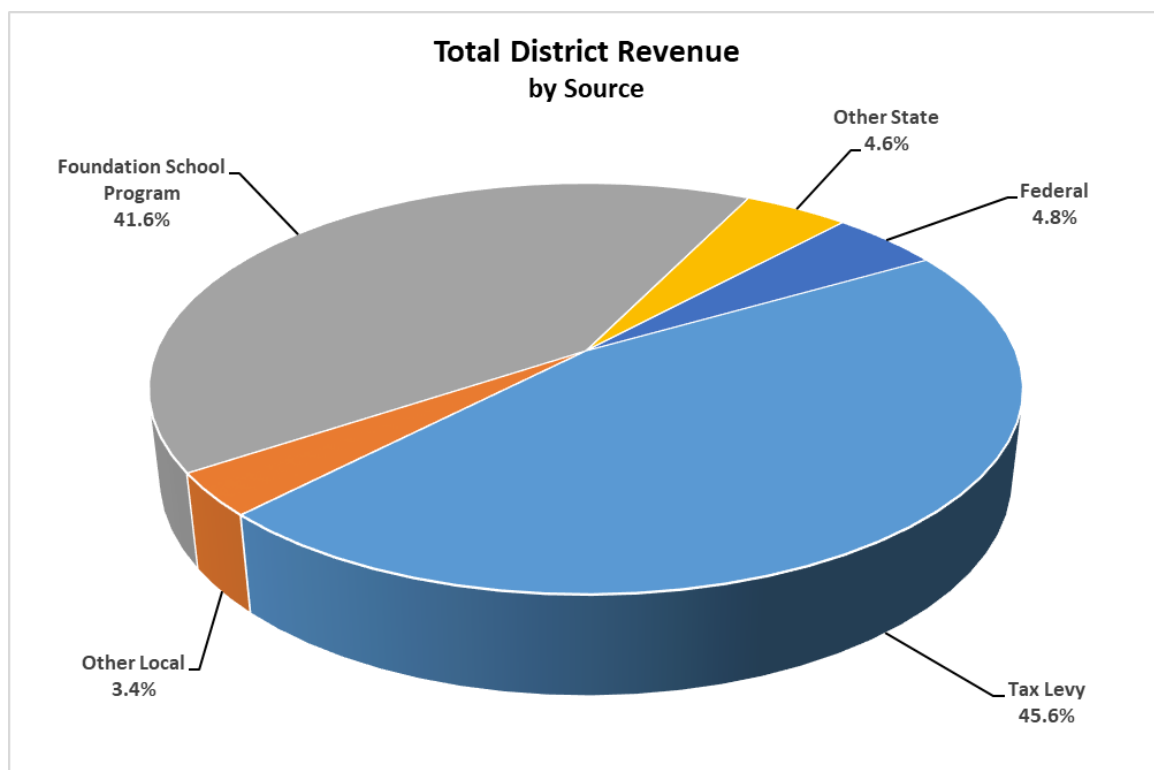
Red Oak Independent School District
Statement of Revenue, Expenditures and Change in Fund Balance
Governmental Funds by Function
Fiscal Year 2025-2026 Budget

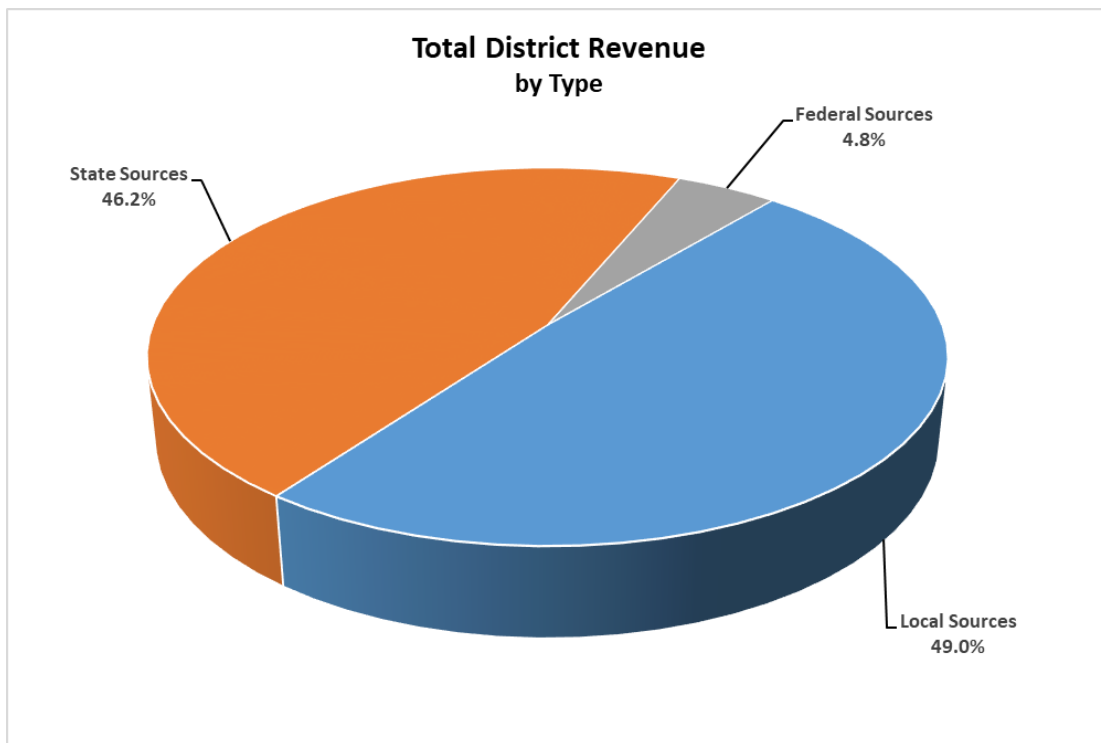
	General Fund	Student Nutrition Fund	Debt Service Fund	Total Governmental Funds
<u>Expenditures:</u>				
Instruction				
Instructional	\$ 40,444,168	\$ -	\$ -	\$ 40,444,168
Resources & Media Services	885,949	-	-	885,949
Curriculum & Staff Development	2,292,525	-	-	2,292,525
Total Instruction	<u>\$ 43,622,642</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,622,642</u>
Instructional Support				
Instructional Leadership	\$ 825,210	\$ -	\$ -	\$ 825,210
School Leadership	5,270,860	-	-	5,270,860
Guidance, Counseling & Evaluation	4,361,461	-	-	4,361,461
Social Services	182,012	-	-	182,012
Health Services	1,007,382	-	-	1,007,382
Extra-Curricular Activities	2,619,157	-	-	2,619,157
Total Support Services	<u>\$ 14,266,082</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,266,082</u>
Central Administration				
General Administration	\$ 3,105,135	\$ -	\$ -	\$ 3,105,135
Total Central Administration	<u>\$ 3,105,135</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,105,135</u>
District Operations				
Student Transportation	\$ 3,344,557	\$ -	\$ -	\$ 3,344,557
Student Nutrition	-	4,585,918	-	4,585,918
Plant Maintenance & Operations	8,419,911	-	-	8,419,911
Security & Monitoring Services	1,781,687	-	-	1,781,687
Data Processing Services	2,017,484	-	-	2,017,484
Total Support Services	<u>\$ 15,563,639</u>	<u>\$ 4,585,918</u>	<u>\$ -</u>	<u>\$ 20,149,557</u>
Debt Service				
Debt Service	\$ 448,750	\$ -	\$ 18,214,938	\$ 18,663,688
Total Debt Service	<u>\$ 448,750</u>	<u>\$ -</u>	<u>\$ 18,214,938</u>	<u>\$ 18,663,688</u>
Other Services				
Community Services	\$ 1,868,304	\$ -	\$ -	\$ 1,868,304
Facilities Acquisition/Construction	-	-	-	-
Other Intergovernmental Charges	450,000	-	-	450,000
Total Other Services	<u>\$ 2,318,304</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,318,304</u>
Total Expenditures	<u>\$ 79,324,552</u>	<u>\$ 4,585,918</u>	<u>\$ 18,214,938</u>	<u>\$ 102,125,408</u>
Excess (Deficiency) of Revenue over (under) Expenditures	\$ -	\$ (300,000)	\$ (1,626,262)	\$ (1,926,262)
<u>Other financing Sources (Uses):</u>				
Proceeds from Bond Issues	\$ -	\$ -	\$ -	\$ -
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Change in Fund Balance	<u>\$ -</u>	<u>\$ (300,000)</u>	<u>\$ (1,626,262)</u>	<u>\$ (1,926,262)</u>

FISCAL YEAR 2026 REVENUE BY SOURCE

For the fiscal year 2026 budget, the following assumptions have been made and factored into the budget for an increase of \$3,881,018 in revenue over the final fiscal year 2025 budget.

- The calculation of 2025 tax collections are projected to increase by 4.61% due primarily to the continued increase in the District's property values. The final number may change with the projected increase in the Homestead Exemption that was approved in the 89th Legislative Session this year. The increase in property values is projected to be 6.15% over the prior year. This is based on a tax rate of \$1.0858 and a 99% tax collection rate. The projected 2024 tax collections are 98.94% of the total tax collection calculation.
- The Foundation School Program (FSP) is projected to increase by \$1,653,971 for the General Fund and an increase of \$125,226 for the Debt Service Fund. The total amount of state funding budgeted in fiscal year 2026 is \$41,724,278, an increase of \$1,809,197 from the fiscal year 2025 state funding. The Student Nutrition Fund has an increase of \$30,000 projected for state grants. The overall state funding should increase once all of the components of the 89th Legislative Session are clarified and factored into the state funding formula.
- In the 2021-2022 school year, national waivers were issued regarding breakfast and lunch that provided free meals to all students. This provided more revenue than expenditures for several years, so a plan was implemented a few years ago to reduce the Student Nutrition fund balance. For 2024-2025, the Community Eligibility Provision (CEP) program was implemented to provide all students a free breakfast and lunch. This is projected to increase the Student Nutrition Fund revenue by \$282,946 for the 2025-2026 school year.
- Most of the other state and federal revenue categories are budgeted to only grow minimally or remain fairly flat with the exception of a decrease of \$500,000 in projected Medicaid reimbursement due to new limitations on the services reimbursed implemented by the Texas Health and Human Services based on a 2011 audit.



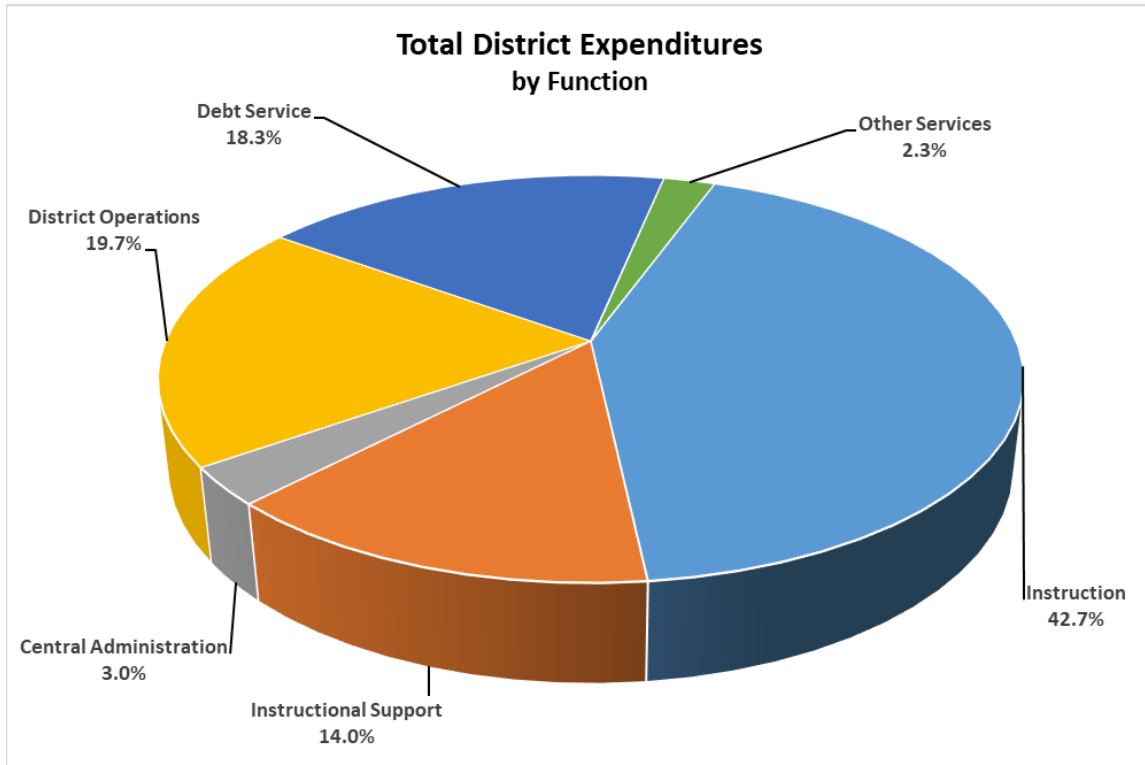


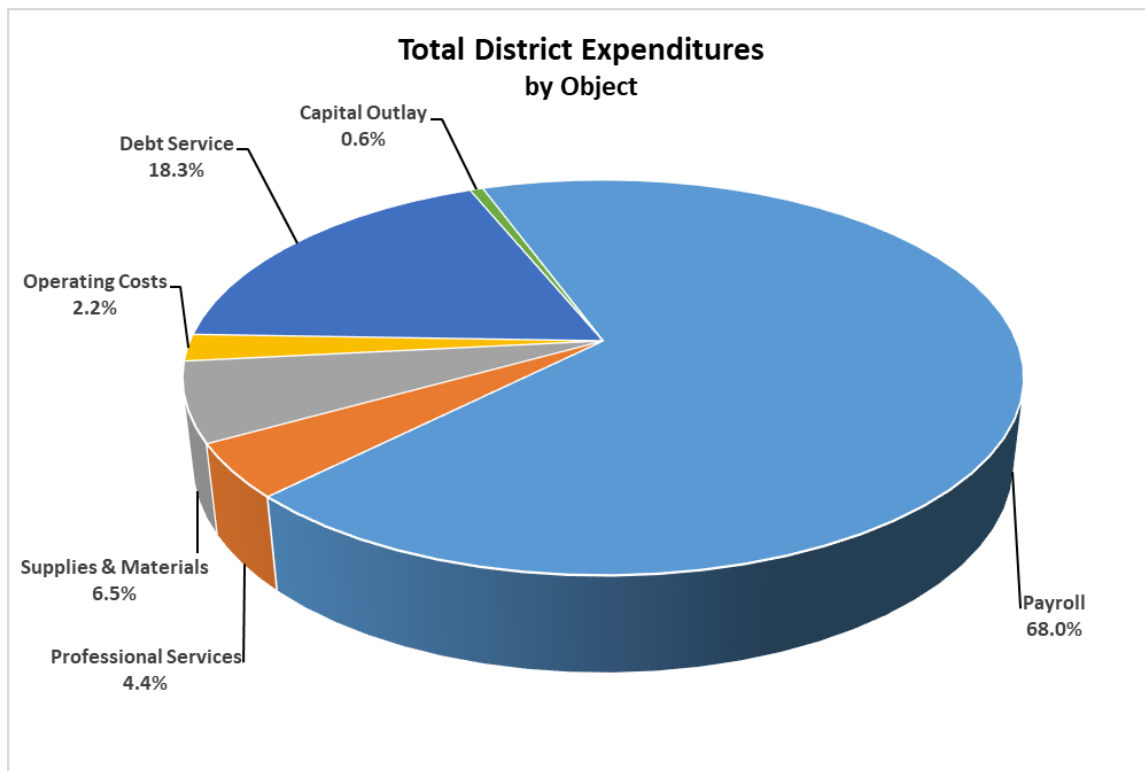
FISCAL YEAR 2026 EXPENDITURES

For the fiscal year 2026 budget, the following assumptions have been made and factored into the budget for an increase of \$3,988,033 in expenditures over the final fiscal year 2025 budget. These expenditure assumptions are comprised of:

- Projected increase of \$2,531,980 in total salaries and benefits for the addition of 25 staff members for the new Shaw Middle School that will be opening in the 2025-2026 school year and a few other positions referenced below. Due to the 89th Legislative Session just concluding and limited guidance provided, existing staff are not budgeted to get an increase in salary at this time. Once all the factors are known and the financial impact is calculated, a Budget Amendment will be provided to the Board for approval that will include salary increases for all staff.
- Additional funding for several existing incentive programs to continue to attract and retain staff.
- Additional funding for the substitute budget.
- An increase of three (2) position at the elementary schools due to program realignment for fine arts and physical education.
- An increase of three (3) positions at the high school due to some program realignments.
- An increase in the special education staffing of one (2) position to support the growth of students with unique needs of the students in the District.

- Three (3) librarians have been replaced with para-professionals this budget year.
- Several central office positions are also being eliminated to support the funding for the addition of a few other positions.
- A \$150,530 increase in the property and casualty insurance costs due to the recent severe weather in North Texas and the opening of the new Shaw Middle School.
- Other budget assumptions that represent program improvement, life/safety and support of the education program are included in the budget assumptions.
- An increase in the County Appraisal District costs to collect property taxes.
- An increase in the projected food service costs due to the budgeting of \$300,000 of fund balance for updating kitchen and cafeteria equipment.
- An increase in the Debt Service Fund to pay the 2025-2026 outstanding principal and interest payments and to start the payments for the Series 2025 bonds that will be sold in August 2025. In addition, the redemption (pay off) of the outstanding Series 2016 bond principal in February 2026 is also budgeted. The District redeemed Series 2015 bonds in the 2024-2025 budget.





On-Behalf Payments

In addition to the normal employee benefits consisting of Medicare, health and life insurance, the District also provides support for staff participating in the State retirement program, the Teacher Retirement System (TRS) of Texas. The employee (member), the district and the State all provide funds to the retirement plan. Effective September 2025, the state contribution rate will remain at 8.25% of the employee's annual salary. Effective September, the district rate will be 2.0%, the same as the prior year, and the member contribution rate will remain at 8.25%. Over the next five (5) fiscal years, the State Contribution rate, Member contribution rate and district rate is projected to increase slightly each year.

The Governmental Accounting Standards Board (GASB) Statement 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, establishes accounting and financial reporting standards for pass-through grants, food stamps and on-behalf payments for fringe benefits and salaries. GASB 24 requires reporting employers to recognize revenue and expenditures/expenses for on-behalf payments in their financial statements. On-behalf payments for fringe benefits and salaries are direct payments made by a paying entity to a third-party recipient for the employees of an employer entity.

Contributions made directly by the State of Texas to TRS on behalf of a reporting employer's employees is referred to as TRS On-Behalf and must be recognized as equal revenues and expenditures/expenses by the district in the financial statements. For the state revenue breakdown, the State's portion is listed as TRS On-Behalf.

Aggregate Fiscal Year 2026 Revenue and Expenditure Summary

Red Oak Independent School District
Statement of Revenue, Expenditures and Change in Fund Balance
Total Governmental Funds by Object
Fiscal Year 2025-2026 Budget

	2021-2022 Actual	2022-2023 Actual	Δ PY	2023-2024 Actual	Δ PY	2024-2025 Budget	Δ PY	2024-2025 Unaudited	2025-2026 Budget	Δ PY
Revenue:										
Local Sources	\$ 36,824,580	\$ 45,307,279	23%	\$ 43,605,012	-4%	\$ 47,202,724	8%	\$ 46,955,958	\$ 49,164,239	4%
State Sources	36,197,507	33,489,133	-7%	43,323,585	29%	44,052,404	2%	43,283,480	46,248,039	5%
Federal Sources	5,957,311	6,342,065	6%	4,171,912	-34%	5,063,000	21%	3,893,106	4,786,868	-5%
Other	-	-		-		-		-	-	
Total Revenue	<u>\$ 78,979,398</u>	<u>\$ 85,138,477</u>	8%	<u>\$ 91,100,509</u>	7%	<u>\$ 96,318,128</u>	6%	<u>\$ 94,132,543</u>	<u>\$ 100,199,146</u>	4%
Expenditures:										
Payroll - Salaries	\$ 44,731,818	\$ 47,591,833	6%	\$ 52,363,908	10%	\$ 56,283,034	7%	\$ 54,710,273	\$ 58,488,706	4%
Payroll - Benefits	7,387,328	8,649,751	17%	9,426,749	9%	10,617,362	13%	9,974,809	10,943,670	3%
Professional Services	3,779,579	4,203,222	11%	4,286,364	2%	4,424,859	3%	4,209,711	4,539,274	3%
Supplies & Materials	4,852,006	5,776,175	19%	6,037,072	5%	7,054,975	17%	6,545,562	6,638,611	-6%
Operating Costs	1,355,331	1,572,227	16%	1,840,509	17%	2,379,580	29%	1,997,268	2,233,581	-6%
Debt Service	10,842,604	10,296,738	-5%	13,886,117	35%	16,743,738	21%	16,742,038	18,663,688	11%
Capital Outlay	1,405,057	892,018	-37%	1,345,153	51%	633,827	-53%	611,760	617,878	-3%
Total Expenditures	<u>\$ 74,353,722</u>	<u>\$ 78,981,964</u>	6%	<u>\$ 89,185,873</u>	13%	<u>\$ 98,137,375</u>	10%	<u>\$ 94,791,421</u>	<u>\$ 102,125,408</u>	4%
Excess (Deficiency) of Revenue over (under) Expenditures	\$ 4,625,676	\$ 6,156,513		\$ 1,914,636		\$ (1,819,247)		\$ (658,878)	\$ (1,926,262)	
Other financing Sources (Uses):										
Proceeds from Bond Issues	\$ -	\$ -		\$ 47,955		\$ -		\$ -	\$ -	
Proceeds from Property Sale	-	-		-		-		-	-	
Proceeds from Loans	-	-		-		-		-	-	
Other Sources (Uses)	-	-		-		-		-	-	
Transfers In	-	-		-		-		-	-	
Transfers Out	(3,000,000)	(3,000,000)		(1,000,000)		-		(23,382)	-	
	<u>\$ (3,000,000)</u>	<u>\$ (3,000,000)</u>	0%	<u>\$ (952,045)</u>	-68%	<u>\$ -</u>		<u>\$ (23,382)</u>	<u>\$ -</u>	
Special and Extraordinary Items (Uses):										
Extraordinary Items - Resources	\$ -	\$ -		\$ -		\$ -		\$ -	\$ -	
Extraordinary Items - Uses	-	-		-		-		-	-	
	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	
Change in Fund Balance	\$ 1,625,676	\$ 3,156,513		\$ 962,591		\$ (1,819,247)		\$ (682,261)	\$ (1,926,262)	
Beginning Fund Balance	\$ 27,284,612	\$ 28,910,288		\$ 32,066,801		\$ 33,029,391		\$ 33,029,391	\$ 32,347,131	
Ending Fund Balance	\$ 28,910,288	\$ 32,066,801		\$ 33,029,391		\$ 31,210,144		\$ 32,347,131	\$ 30,420,869	

The District's fund balance consists of the total revenues by fund less the total expenditures by fund. At the bottom of the above chart the historical year-end fund balances are shown. The year-end fiscal year 2025 fund balance for all funds is projected to be \$32,347,131 or 34.1% of expenditures. The fund balance for the General Fund is projected to be 29.75% of General Fund expenditures. For the 2026 fiscal year, the fund balance for all budgeted funds is projected to be \$30,420,869 or 29.8% and then 27.8% for the General Fund. Typically, a good practice is to have a fund balance to cover three (3) months of expenditures, or 25%, so the District's General Fund balance is sufficient.

The revenue associated with the School Board approved budget has increased by 9.9% annually over the last several years primarily due to an increase in student enrollment and also an increase in the property value growth, which has increased tax revenue. The offsetting expenditures have increased by 8.8% over the last several years and is mainly due to the District's desire to make all staff's pay scales competitive with surrounding school districts. The Teacher's pay scale has increased by a total of \$11,000 over the last six (6) years. For this year, once the overall funding impact of the 89th Legislative Session is known, we will be increasing the teacher pay to ensure the District remains competitive.

Red Oak Independent School District
Statement of Revenue, Expenditures and Change in Fund Balance
Total Government Funds by Function
Fiscal Year 2025-2026 Budget

	2021-2022 Actual	2022-2023 Actual	Δ PY	2023-2024 Actual	Δ PY	2024-2025 Budget	Δ PY	2024-2025 Unaudited	2025-2026 Budget	Δ PY
Revenue:										
Local Sources										
Property Taxes	\$ 34,908,910	\$ 41,415,321	19%	\$ 39,448,276	-5%	\$ 43,712,752	11%	\$ 43,301,494	\$ 45,729,189	5%
Penalties, Interest & Other	253,120	322,951	28%	310,152	-4%	230,000	-26%	229,809	230,000	0%
Earnings on Investments	54,360	1,101,752	1927%	1,371,211	24%	1,310,000	-4%	1,319,344	1,310,000	0%
Tuition & Fees	-	-	-	-	-	10,000	-	-	10,000	0%
Rent	92,915	131,199	41%	137,022	4%	146,000	7%	115,430	125,000	-14%
Gifts & Bequests	12,630	14,539	15%	17,574	21%	24,872	42%	(1,869)	21,500	-14%
Athletics	75,231	97,457	-	100,131	-	96,000	-	100,006	101,500	6%
Food Service	436,741	1,143,572	162%	932,259	-18%	407,100	-56%	378,687	425,550	5%
Other Local	990,672	1,080,489	-	1,288,387	-	1,266,000	-	1,513,058	1,211,500	-4%
Total Local Revenue	\$ 36,824,580	\$ 45,307,279	23%	\$ 43,605,012	-4%	\$ 47,202,724	8%	\$ 46,955,958	\$ 49,164,239	4%
State Sources										
Foundation School Program	29,939,475	26,178,146	-13%	36,949,454	41%	37,475,254	1%	35,507,845	39,203,954	5%
Per Capita Funds	\$ 3,012,837	\$ 3,738,594	24%	\$ 2,549,334	-32%	\$ 2,439,827	-4%	\$ 3,780,873	\$ 2,495,324	2%
Food Service	-	-	-	-	-	-	-	-	-	-
TRS On-Behalf	3,245,194	3,546,253	9%	3,817,077	8%	4,137,323	8%	3,972,165	4,523,761	9%
Other State	-	26,140	-	7,721	-70%	-	-	22,596	25,000	-
Total State Sources	\$ 36,197,507	\$ 33,489,133	-7%	\$ 43,323,585	29%	\$ 44,052,404	2%	\$ 43,283,480	\$ 46,248,039	5%
Federal Sources										
Food Service	\$ 3,820,038	\$ 2,805,412	-27%	\$ 2,873,256	2%	\$ 3,360,000	17%	\$ 3,456,286	\$ 3,633,868	8%
Medicaid/SHARS	781,969	1,310,969	68%	406,205	-69%	1,300,000	220%	169,258	800,000	-38%
Other Federal	1,355,304	2,225,684	64%	892,451	-60%	403,000	-55%	267,562	353,000	-12%
Total Federal Sources	\$ 5,957,311	\$ 6,342,065	6%	\$ 4,171,912	-34%	\$ 5,063,000	21%	\$ 3,893,106	\$ 4,786,868	-5%
Total Revenue	\$ 78,979,398	\$ 85,138,477	8%	\$ 91,100,509	7%	\$ 96,318,128	6%	\$ 94,132,543	\$ 100,199,146	4%
Expenditures:										
Instruction:										
Instructional	\$ 31,543,255	\$ 33,248,517	5%	\$ 36,269,421	9%	\$ 38,280,468	6%	\$ 38,448,660	\$ 40,444,168	6%
Resources & Media Services	674,198	691,870	3%	745,124	8%	920,836	24%	627,897	885,949	-4%
Curriculum & Staff Developm	1,623,620	1,811,185	12%	1,788,166	-1%	2,371,663	33%	1,980,172	2,292,525	-3%
Total Instruction	\$ 33,841,072	\$ 35,751,572	6%	\$ 38,802,710	9%	\$ 41,572,967	7%	\$ 41,056,729	\$ 43,622,642	5%
Instructional Support										
Instructional Leadership	\$ 650,656	\$ 849,599	31%	\$ 1,088,788	28%	\$ 835,977	-23%	\$ 817,844	\$ 825,210	-1%
School Leadership	3,539,763	3,968,209	12%	4,480,978	13%	4,975,415	11%	4,816,797	5,270,860	6%
Guidance, Counseling & Evalu	2,374,261	2,749,971	16%	3,254,237	18%	4,017,864	23%	3,753,100	4,361,461	9%
Social Services	116,897	124,624	7%	127,781	3%	202,029	58%	128,551	182,012	-10%
Health Services	829,746	817,259	-2%	911,215	11%	1,038,878	14%	828,615	1,007,382	-3%
Extra Curricular Activities	2,188,473	2,532,849	16%	2,596,547	3%	2,687,265	3%	2,505,494	2,619,157	-3%
Total Support Services	\$ 9,699,797	\$ 11,042,511	14%	\$ 12,459,546	13%	\$ 13,757,428	10%	\$ 12,850,400	\$ 14,266,082	4%
Central Administration										
General Administration	\$ 2,633,593	\$ 3,004,890	14%	\$ 3,102,536	3%	\$ 3,447,849	11%	\$ 3,252,510	\$ 3,105,135	-10%
Total Central Admin	\$ 2,633,593	\$ 3,004,890	14%	\$ 3,102,536	3%	\$ 3,447,849	11%	\$ 3,252,510	\$ 3,105,135	-10%
District Operations										
Student Transportation	\$ 3,178,943	\$ 3,004,280	-5%	\$ 3,518,221	17%	\$ 3,442,777	-2%	\$ 3,025,411	\$ 3,344,557	-3%
Student Nutrition	3,123,770	3,933,140	26%	4,286,062	9%	5,087,972	19%	4,313,655	4,585,918	-10%
Plant Maintenance & Operati	6,069,069	6,867,191	13%	7,661,503	12%	8,073,007	5%	7,850,584	8,419,911	4%
Security & Monitoring Service	1,060,152	1,326,650	25%	1,582,682	19%	1,708,432	8%	1,696,960	1,781,687	4%
Data Processing Services	1,531,022	1,669,232	9%	1,828,836	10%	2,000,534	9%	1,963,450	2,017,484	1%
Total District Operations	\$ 14,962,956	\$ 16,800,493	12%	\$ 18,877,303	12%	\$ 20,312,722	8%	\$ 18,850,060	\$ 20,149,557	-1%
Debt Service										
Debt Service	\$ 10,842,604	\$ 10,296,738	-5%	\$ 13,886,117	35%	\$ 16,743,738	21%	\$ 16,742,038	\$ 18,663,688	11%
Total Debt Service	\$ 10,842,604	\$ 10,296,738	-5%	\$ 13,886,117	35%	\$ 16,743,738	21%	\$ 16,742,038	\$ 18,663,688	11%
Other Services										
Community Services	\$ 1,453,809	\$ 1,751,216	20%	\$ 1,690,013	-3%	\$ 1,858,671	10%	\$ 1,623,211	\$ 1,868,304	1%
Facilities Acquisition/Constru	655,205	-	-	-	-	-	-	-	-	-
Other Intergovernmental Cha	264,687	3,334,545	1160%	367,647	-89%	444,000	21%	416,474	450,000	1%
Total Other Services	\$ 2,373,700	\$ 5,085,761	114%	\$ 2,057,660	-60%	\$ 2,302,671	12%	\$ 2,039,685	\$ 2,318,304	1%
Total Expenditures	\$ 74,353,722	\$ 81,981,964	-	\$ 89,185,873	-	\$ 98,137,375	-	\$ 94,791,421	\$ 102,125,408	4%
Excess (Deficiency) of Revenue over (under) Expenditures	\$ 4,625,676	\$ 3,156,513	-	\$ 1,914,636	-	\$ (1,819,247)	-	\$ (658,878)	\$ (1,926,262)	-
Other financing Sources (Uses):										
Proceeds from Bond Issues	\$ -	\$ -	-	\$ 47,955	-	\$ -	-	\$ -	\$ -	-
Transfers In	-	-	-	-	-	-	-	-	-	-
Transfers Out	(3,000,000)	(3,000,000)	-	(1,000,000)	-	-	-	(23,382)	-	-
Extraordinary Items - Resources	-	-	-	-	-	-	-	-	-	-
Extraordinary Items - Uses	-	-	-	-	-	-	-	-	-	-
Change in Fund Balance	\$ 1,625,676	\$ 156,513	-	\$ 962,591	-	\$ (1,819,247)	-	\$ (682,261)	\$ (1,926,262)	-

FINANCIAL FORECAST AND PROJECTIONS

Each year, the District conducts a five (5) year budget forecast as part of its strategic planning process. This plan is based on a comprehensive financial model that takes into account assumptions for key variables impacting the financial health of the District in order to guide the decision-making process. This plan is updated at least once a year and is factored into the annual budget process. The process is a multi-year model that was developed by Forecast5, now Frontline, and is a web-based model that allows for the development of “what if” scenarios.

One of the most complex and also most critical area of the five (5) year forecast is the estimation of revenue. Revenue from the State is one of the District’s largest revenue source and the calculation and projection process is sometimes difficult to get a reliable projection. The way the funding model works in Texas relies very heavily on the projected student enrollment and the demographics of the students. Transportation reimbursement is designed to reimburse the District for special education, vocation and regular transportation costs projected for the current year.

The District’s forecast include: enrollment projections and the staffing levels required to meet those enrollments while maintaining appropriate class sizes. Estimated salaries and benefits are based on anticipated staffing requirements using the enrollment trends and projected salary increases to ensure the District maintains competitive compensation plans.

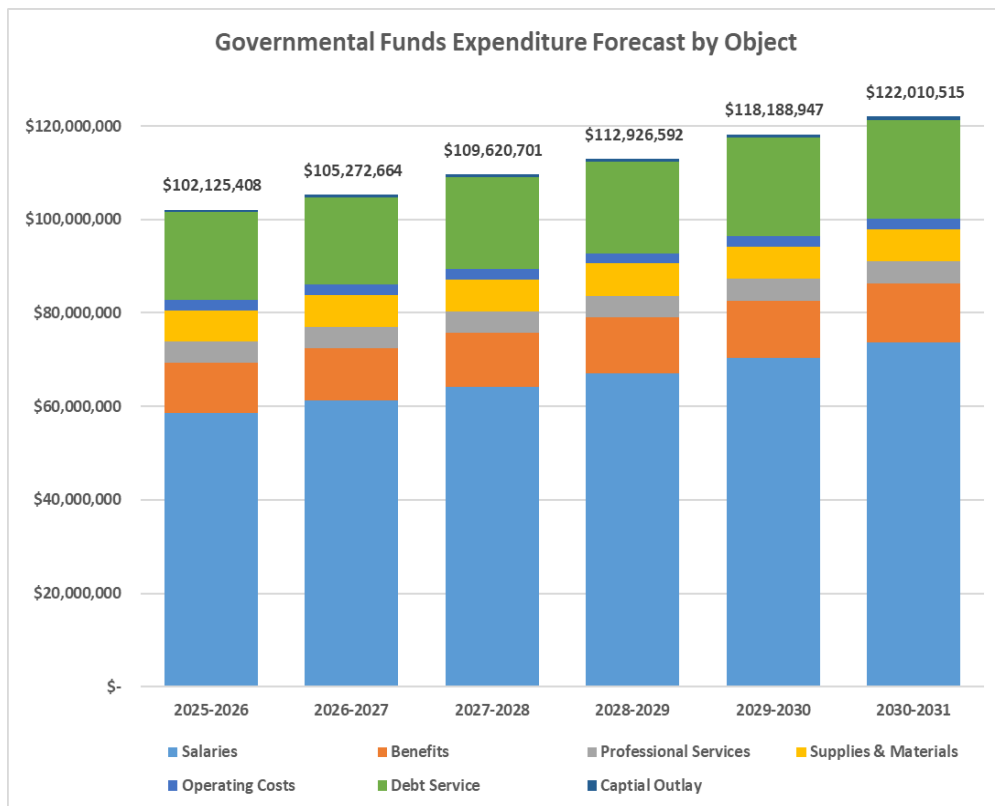
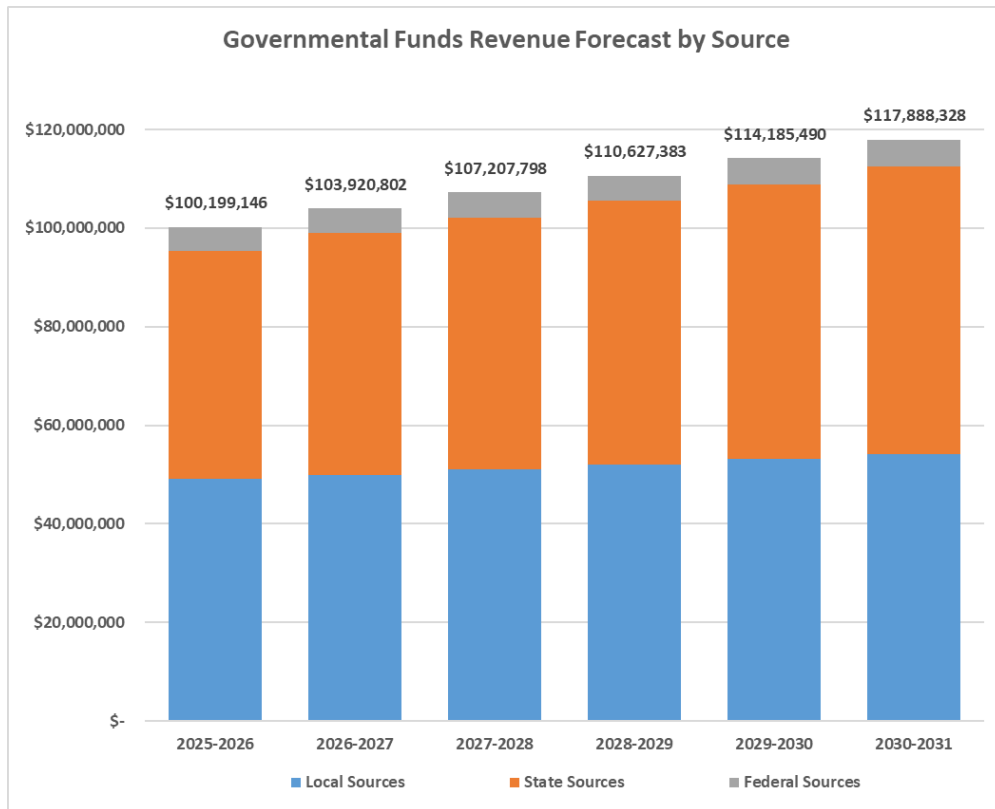
The major factors used in the financial forecast are:

- Includes the General Fund, Student Nutrition Fund and the Debt Service Fund
- Projects consistent revenue and expenditure changes for all funds, except for the Debt Service (Fund 599)
- The Debt Service (Fund 599) projections are based on known expenditures and future callable debt
- Enrollment is projected to continue to increase over the next several years based on the current projections.
- Staffing is projected to go up slightly in proportion to the increase in enrollment for all years of the forecast
- No additional State unfunded mandates are factored into the projections
- Most expenditure budgets are projected to remain the same
- The Tax Levy is projected to slightly increase each year due to the continued compression of the M&O tax rate
- The Taxable Assessed Value of property is projected to increase by 7.5% and then drop to around 5% per year
- State funding is projected to grow by 5% per year, primarily due to student growth, increase to the basic allotment and other student allocations
- Salaries for all staff are projected to increase by 4% and 5% per year (includes step and lane changes) depending on the employee group and employee benefits are projected to increase by 3% per year
- All other expenditures are projected to increase between 1% and 2% per year, even with inflation and other recurring financial commitments as a result of the pandemic

The five (5) year forecast for all funds are shown in total by object and then by function on the next several pages. The individual fund five (5) year forecast is also provided by major fund revenue and expenditures by object and function for each fund in this Section.

The current projection of the state revenue increase for the next five (5) years is based on the continued student enrollment growth and then the reduction in tax collections due to the State’s desire to continue to compress the M&O tax rate, which will result in an increase in state aid. The Foundation School Program (FSP) will increase the state funding component, if the tax revenue decreases. Even with the growth in the projected state funding, projected expenditures will still be greater than the projected revenue and will decrease the projected fund balance.

On the next page is a visual that shows the projected change in the three (3) main sources of revenue and then the major expenditure categories over the next five (5) forecasted years.



All Funds

Red Oak Independent School District
Statement of Revenue, Expenditures and Change in Fund Balance
Total Governmental Funds by Object
Five (5) Year Budget Projections

	2025-2026 Adopted Budget	2026-2027 Projected Budget	2027-2028 Projected Budget	2028-2029 Projected Budget	2029-2030 Projected Budget	2030-2031 Projected Budget
Revenue:						
Local Sources	\$ 49,164,239	\$ 49,996,247	\$ 51,005,071	\$ 52,039,548	\$ 53,100,432	\$ 54,188,504
State Sources	46,248,039	49,015,671	51,168,356	53,424,407	55,788,897	58,267,150
Federal Sources	4,786,868	4,908,884	5,034,371	5,163,428	5,296,160	5,432,674
Other	-	-	-	-	-	-
Total Revenue	<u>\$ 100,199,146</u>	<u>\$ 103,920,802</u>	<u>\$ 107,207,798</u>	<u>\$ 110,627,383</u>	<u>\$ 114,185,490</u>	<u>\$ 117,888,328</u>
Expenditures:						
Payroll - Salaries	\$ 58,488,706	\$ 61,236,287	\$ 64,119,505	\$ 67,145,116	\$ 70,320,214	\$ 73,652,246
Payroll - Benefits	10,943,670	11,244,107	11,556,900	11,882,617	12,221,855	12,575,241
Professional Services	4,539,274	4,586,367	4,634,620	4,684,065	4,734,729	4,786,644
Supplies & Materials	6,638,611	6,703,578	6,769,518	6,836,447	6,904,381	6,973,339
Operating Costs	2,233,581	2,238,690	2,243,848	2,249,055	2,254,313	2,259,620
Debt Service	18,663,688	18,640,213	19,667,288	19,494,613	21,113,063	21,117,263
Capital Outlay	617,878	623,423	629,023	634,679	640,392	646,162
Other	-	-	-	-	-	-
Total Expenditures	<u>\$ 102,125,408</u>	<u>\$ 105,272,664</u>	<u>\$ 109,620,701</u>	<u>\$ 112,926,592</u>	<u>\$ 118,188,947</u>	<u>\$ 122,010,515</u>
Excess (Deficiency) of Revenue over (under) Expenditures	\$ (1,926,262)	\$ (1,351,861)	\$ (2,412,904)	\$ (2,299,209)	\$ (4,003,458)	\$ (4,122,187)
Other financing Sources (Uses):						
Proceeds from Bond Issues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from Property Sale	-	-	-	-	-	-
Proceeds from Loans	-	-	-	-	-	-
Other Sources (Uses)	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Change in Fund Balance	\$ (1,926,262)	\$ (1,351,861)	\$ (2,412,904)	\$ (2,299,209)	\$ (4,003,458)	\$ (4,122,187)

Below is the projected fund balance for the next five (5) years. An annual review of the projected revenue and expenditures will take place to adjust the revenue and expenditure projections to ensure that the actual fund balance does not decrease, unless a desired reduction is budgeted.

Red Oak Independent School District
Statement of Revenue, Expenditures and Change in Fund Balance
Total Governmental Funds Change in Fund Balance
Five (5) Year Budget Projections

	2025-2026 Adopted Budget	2026-2027 Projected Budget	2027-2028 Projected Budget	2028-2029 Projected Budget	2029-2030 Projected Budget	2030-2031 Projected Budget
Beginning Fund Balance	\$ 32,347,130	\$ 30,420,868	\$ 29,069,007	\$ 26,656,103	\$ 24,356,895	\$ 20,353,437
Revenues	\$ 100,199,146	\$ 103,920,802	\$ 107,207,798	\$ 110,627,383	\$ 114,185,490	\$ 117,888,328
Expenditures	\$ 102,125,408	\$ 105,272,664	\$ 109,620,701	\$ 112,926,592	\$ 118,188,947	\$ 122,010,515
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 30,420,868	\$ 29,069,007	\$ 26,656,103	\$ 24,356,895	\$ 20,353,437	\$ 16,231,250

Red Oak Independent School District
Statement of Revenue, Expenditures and Change in Fund Balance
Total Government Funds by Function
Five (5) Year Budget Projections

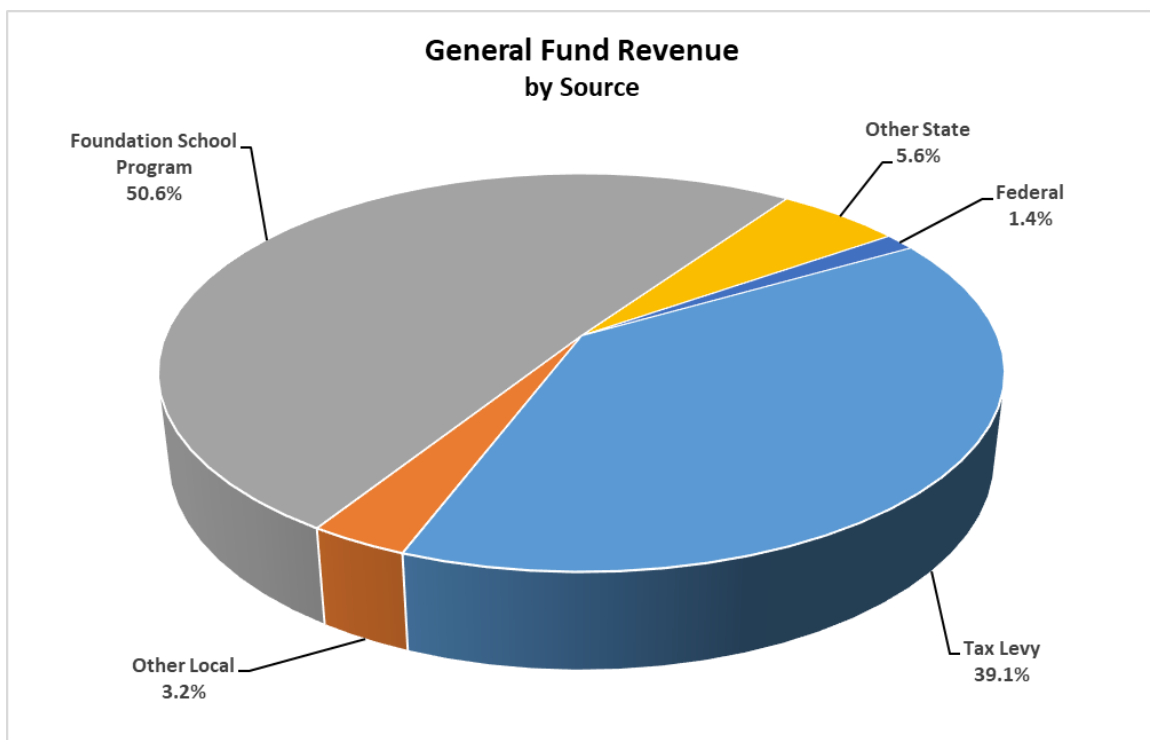
	2025-2026 Adopted Budget	2026-2027 Projected Budget	2027-2028 Projected Budget	2028-2029 Projected Budget	2029-2030 Projected Budget	2030-2031 Projected Budget
Revenue:						
Local Sources						
Property Taxes	\$ 45,729,189	\$ 46,550,092	\$ 47,547,733	\$ 48,570,949	\$ 49,620,494	\$ 50,697,147
Penalties, Interest & Other	230,000	230,000	230,000	230,000	230,000	230,000
Earnings on Investments	1,310,000	1,316,550	1,323,133	1,329,748	1,336,397	1,343,079
Tuition & Fees	10,000	10,100	10,201	10,303	10,406	10,510
Rent	125,000	125,200	125,401	125,603	125,806	126,010
Gifts & Bequests	21,500	21,500	21,500	21,500	21,500	21,500
Athletics	101,500	101,500	101,500	101,500	101,500	101,500
Food Service	425,550	429,806	434,104	438,445	442,829	447,257
Other Local	1,211,500	1,211,500	1,211,500	1,211,500	1,211,500	1,211,500
Total Local Revenue	\$ 49,164,239	\$ 49,996,247	\$ 51,005,071	\$ 52,039,548	\$ 53,100,432	\$ 54,188,504
State Sources						
Foundation School Program	\$ 39,203,954	\$ 41,823,397	\$ 43,823,758	\$ 45,923,230	\$ 48,126,758	\$ 50,439,537
Per Capita Funds	2,495,324	2,507,801	2,520,340	2,532,941	2,545,606	2,558,334
Food Service	-	-	-	-	-	-
TRS On-Behalf	4,523,761	4,659,474	4,799,258	4,943,236	5,091,533	5,244,279
Other State	25,000	25,000	25,000	25,000	25,000	25,000
Total State Sources	\$ 46,248,039	\$ 49,015,671	\$ 51,168,356	\$ 53,424,407	\$ 55,788,897	\$ 58,267,150
Federal Sources						
Food Service	\$ 3,633,868	\$ 3,739,884	\$ 3,849,051	\$ 3,961,462	\$ 4,077,215	\$ 4,196,409
Medicaid/SHARS	800,000	816,000	832,320	848,966	865,946	883,265
Other Federal	353,000	353,000	353,000	353,000	353,000	353,000
Total Federal Sources	\$ 4,786,868	\$ 4,908,884	\$ 5,034,371	\$ 5,163,428	\$ 5,296,160	\$ 5,432,674
Total Revenue	\$ 100,199,146	\$ 103,920,802	\$ 107,207,798	\$ 110,627,383	\$ 114,185,490	\$ 117,888,328
Expenditures:						
Instruction:						
Instructional	\$ 40,444,168	\$ 42,162,691	\$ 43,963,925	\$ 45,851,948	\$ 47,831,044	\$ 49,905,710
Resources & Media Services	885,949	914,762	944,947	976,573	1,009,709	1,044,430
Curriculum & Staff Development	2,292,525	2,386,082	2,484,129	2,586,888	2,694,591	2,807,481
Total Instruction	\$ 43,622,642	\$ 45,463,536	\$ 47,393,001	\$ 49,415,409	\$ 51,535,344	\$ 53,757,621
Instructional Support						
Instructional Leadership	\$ 825,210	\$ 861,439	\$ 899,438	\$ 939,295	\$ 981,102	\$ 1,024,956
School Leadership	5,270,860	5,506,779	5,754,233	6,013,794	6,286,064	6,571,672
Guidance, Counseling & Evaluation	4,361,461	4,549,966	4,747,661	4,954,999	5,172,461	5,400,546
Social Services	182,012	187,332	192,913	198,769	204,913	211,360
Health Services	1,007,382	1,050,459	1,095,626	1,142,986	1,192,648	1,244,725
Extra Curricular Activities	2,619,157	2,682,585	2,748,538	2,817,134	2,888,494	2,962,748
Total Support Services	\$ 14,266,082	\$ 14,838,560	\$ 15,438,410	\$ 16,066,978	\$ 16,725,682	\$ 17,416,007
Central Administration						
General Administration	\$ 3,105,135	\$ 3,220,731	\$ 3,341,895	\$ 3,468,903	\$ 3,602,044	\$ 3,741,622
Total Central Admin	\$ 3,105,135	\$ 3,220,731	\$ 3,341,895	\$ 3,468,903	\$ 3,602,044	\$ 3,741,622
District Operations						
Student Transportation	\$ 3,344,557	\$ 3,446,240	\$ 3,552,447	\$ 3,663,397	\$ 3,779,321	\$ 3,900,461
Student Nutrition	4,585,918	4,675,973	4,769,780	4,867,520	4,969,384	5,075,569
Plant Maintenance & Operations	8,419,911	8,664,123	8,919,122	9,185,415	9,463,532	9,754,030
Security & Monitoring Services	1,781,687	1,846,948	1,915,321	1,986,960	2,062,024	2,140,684
Data Processing Services	2,017,484	2,081,241	2,147,825	2,217,369	2,290,016	2,365,914
Total District Operations	\$ 20,149,557	\$ 20,714,524	\$ 21,304,494	\$ 21,920,661	\$ 22,564,277	\$ 23,236,658
Debt Service						
Debt Service	\$ 18,663,688	\$ 18,640,213	\$ 19,667,288	\$ 19,494,613	\$ 21,113,063	\$ 21,117,263
Total Debt Service	\$ 18,663,688	\$ 18,640,213	\$ 19,667,288	\$ 19,494,613	\$ 21,113,063	\$ 21,117,263
Other Services						
Community Services	\$ 1,868,304	\$ 1,945,100	\$ 2,025,614	\$ 2,110,029	\$ 2,198,538	\$ 2,291,344
Facilities Acquisition/Construction	-	-	-	-	-	-
Other Intergovernmental Charges	450,000	450,000	450,000	450,000	450,000	450,000
Total Other Services	\$ 2,318,304	\$ 2,395,100	\$ 2,475,614	\$ 2,560,029	\$ 2,648,538	\$ 2,741,344
Total Expenditures	\$ 102,125,408	\$ 105,272,664	\$ 109,620,701	\$ 112,926,592	\$ 118,188,947	\$ 122,010,515
Excess (Deficiency) of Revenue over (under) Expenditures	\$ (1,926,262)	\$ (1,351,861)	\$ (2,412,904)	\$ (2,299,209)	\$ (4,003,458)	\$ (4,122,187)
Other financing Sources (Uses):						
Proceeds from Bond Issues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Change in Fund Balance	\$ (1,926,262)	\$ (1,351,861)	\$ (2,412,904)	\$ (2,299,209)	\$ (4,003,458)	\$ (4,122,187)

GENERAL FUND

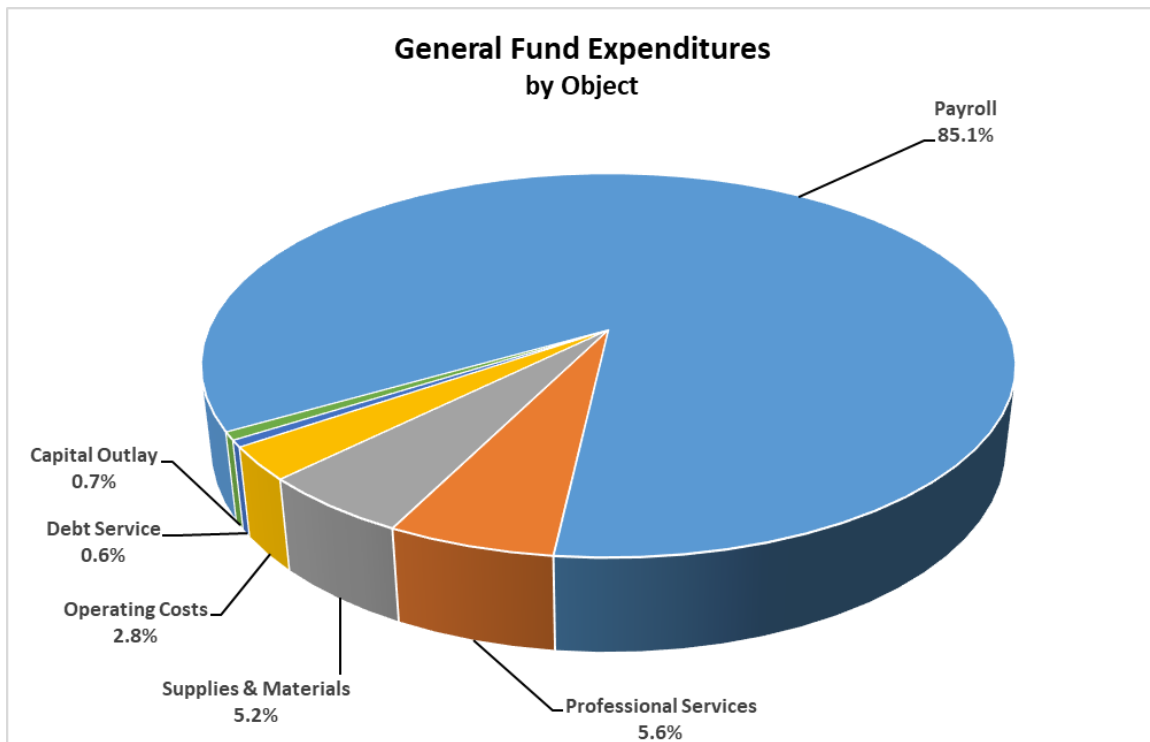
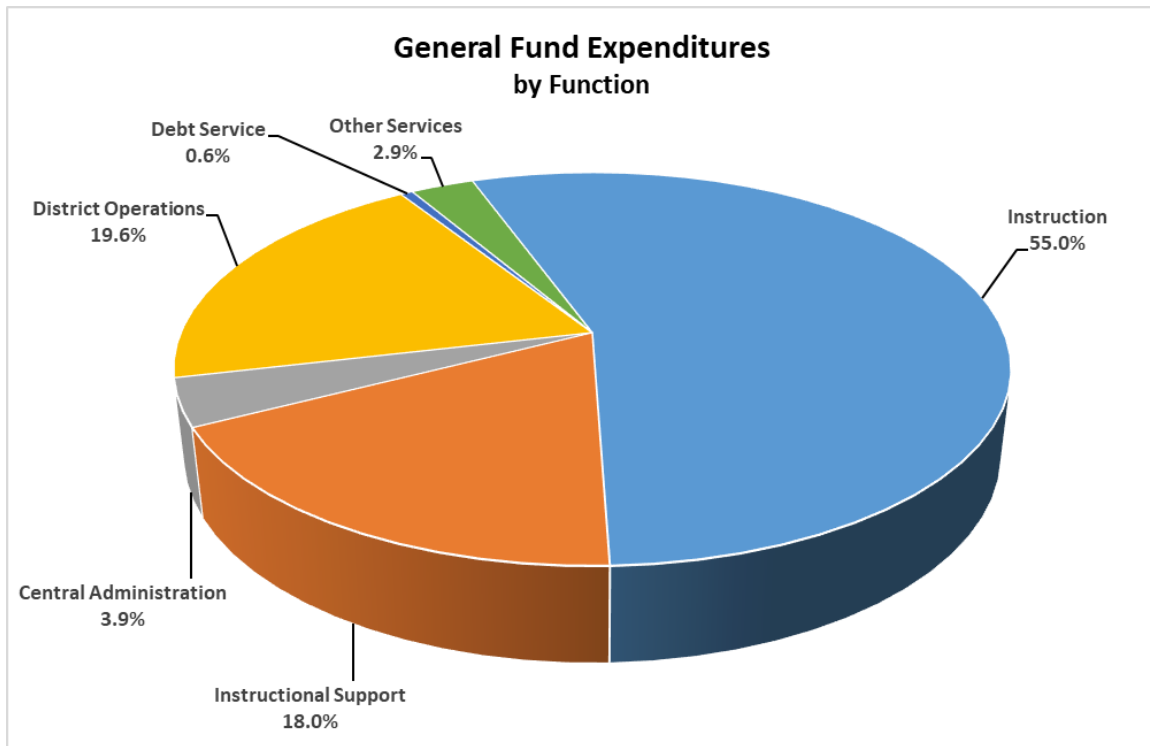
The General Fund is the District's largest financial fund, accounting for \$79,324,552 or 77.7% of budgeted fiscal year 2026 operating expenditures. Overall revenue for the General Fund, the operating fund of the District, is projected to increase by 3.35% in fiscal year 2026 compared to last year. The 2025 tax collections are projected to increase by 3.7% (\$1,113,728) primarily due to the increase in taxable property value, even with the increase in the Homestead Exemption from \$100,000 to \$140,000 for residential property. The amount of property tax revenue budgeted is \$31,034,756 in fiscal year 2026. This represents 39% of the General Fund budgeted revenue.

The Foundation School Program (FSP) component of the revenue budget is being increased by \$1,653,971 or an increase of 4.3% compared to last year, primarily based on the increase in student enrollment, the increase in the Basic Allotment, the budgeted receipt of the Fast Growth Allotment of \$327,497 and a lower tax rate and a projected increase in property values that provides more state funding revenue. The amount of state funding budgeted in this fiscal year is \$40,165,035, or 50.6% of the General Fund budgeted revenue.

The breakdown of the General Fund revenue and expenditures are shown in the Revenue by Source pie chart below and the Expenditure by Object and also by Function are found on the next page. The major budget assumptions and trends of budget changes from the prior budget can be found on pages 76 through 78. The financial goal is to ensure that the General Fund will have a balanced budget each year for the foreseeable future.



General Fund expenditures will also increase by 3.35%, since the General Fund is a balanced budget. All expenses for educational instruction and support services are paid from the General Fund, including \$56,970,018 in salaries and \$10,552,658 in benefits. Expenses for professional purchased services (\$4,470,174), classroom and other supplies (\$4,126,993) and other operating costs (\$2,214,081) directly supporting the educational mission are also paid from this fund.



The projected increase in total budgeted salaries and benefits for the General Fund is \$2,520,234 and consists of \$290,640 for existing teacher step increases, \$2,229,594 for the 26 new positions funded in the General Fund. The majority of the staff increases are for the opening of the new Shaw Middle School. No additional salary increases are currently budgeted, since the final state funding model has not been determined. Once that is known, a budget amendment will be presented to the School Board to provide all staff salary increases for the 2025-2026 school year.

The major expenditure classifications are payroll costs, professional and contracted services, supplies and materials, other operating costs, debt service and capital outlay. The majority of the General Fund expenditures (85.1%) is for salary and benefit costs for the District employees. Professional services account for 5.6% of expenditures, supplies and materials are 5.2%, operating costs are 2.8%, debt service is 0.6% and capital outlay is 0.7% of the General Fund expenditures.

A five (5) year forecast of this fund is located after the historical Fund by Object and Function charts. The forecast includes the current budget and then the five (5) year forecast for this fund of the major fund revenue and expenditures by object and function. Additionally, there is a brief delineation of the significant factors in the projections for this fund.

Red Oak Independent School District
Statement of Revenue, Expenditures and Change in Fund Balance
General Fund by Object
Fiscal Year 2025-2026 Budget

	2021-2022 Actual	2022-2023 Actual	ΔPY	2023-2024 Actual	ΔPY	2024-2025 Budget	ΔPY	2024-2025 Unaudited	2025-2026 Budget	ΔPY
Revenue:										
Local Sources	\$ 26,694,442	\$ 32,621,380	22%	\$ 29,637,798	-9%	\$ 32,553,528	10%	\$ 32,408,907	\$ 33,589,256	3%
State Sources	35,532,686	33,090,775	-7%	41,880,445	27%	42,600,887	2%	41,668,965	44,635,296	5%
Federal Sources	2,048,858	3,357,062	64%	1,261,020	-62%	1,600,000	27%	436,820	1,100,000	-31%
Other	-	-		-		-		-	-	
Total Revenue	<u>\$ 64,275,986</u>	<u>\$ 69,069,217</u>	7%	<u>\$ 72,779,264</u>	5%	<u>\$ 76,754,415</u>	5%	<u>\$ 74,514,691</u>	<u>\$ 79,324,552</u>	3%
Expenditures:										
Payroll - Salaries	\$ 43,652,510	\$ 46,426,019	6%	\$ 51,056,165	10%	\$ 54,775,199	7%	\$ 53,423,742	\$ 56,970,018	4%
Payroll - Benefits	7,140,557	8,396,204	18%	9,147,150	9%	10,227,243	12%	9,674,306	10,552,658	3%
Professional Services	3,738,271	4,146,946	11%	4,225,664	2%	4,361,659	3%	4,151,459	4,470,174	2%
Supplies & Materials	3,131,190	3,515,500	12%	3,753,722	7%	4,024,775	7%	3,962,300	4,126,993	3%
Operating Costs	1,347,165	1,556,010	16%	1,814,281	17%	2,355,080	30%	1,978,193	2,214,081	-6%
Debt Service	446,500	448,000	0%	448,750	0%	448,750	0%	448,750	448,750	0%
Capital Outlay	1,377,654	711,408	-48%	1,016,712	43%	561,709	-45%	545,729	541,878	-4%
Total Expenditures	<u>\$ 60,833,848</u>	<u>\$ 65,200,086</u>	7%	<u>\$ 71,462,444</u>	10%	<u>\$ 76,754,415</u>	7%	<u>\$ 74,184,478</u>	<u>\$ 79,324,552</u>	3%
Excess (Deficiency) of Revenue over (under) Expenditures	\$ 3,442,138	\$ 3,869,131		\$ 1,316,820		\$ -		\$ 330,212	\$ -	
Other financing Sources (Uses):										
Proceeds from Bond Issues	\$ -	\$ -		\$ -		\$ -		\$ -	\$ -	
Proceeds from Property Sale	-	-		-		-		-	-	
Proceeds from Loans	-	-		-		-		-	-	
Other Sources (Uses)	-	-		-		-		-	-	
Transfers In	-	-		-		-		-	-	
Transfers Out	(3,000,000)	(3,000,000)		(1,000,000)		-		(23,382)	-	
	<u>\$ (3,000,000)</u>	<u>\$ (3,000,000)</u>	0%	<u>\$ (1,000,000)</u>	-67%	<u>\$ -</u>		<u>\$ (23,382)</u>	<u>\$ -</u>	
Special and Extraordinary Items (Uses):										
Extraordinary Items - Resources	\$ -	\$ -		\$ -		\$ -		\$ -	\$ -	
Extraordinary Items - Uses	-	-		-		-		-	-	
	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	
Net Change in Fund Balance	\$ 442,138	\$ 869,131		\$ 316,820		\$ -		\$ 306,830	\$ -	
Beginning Fund Balance	\$ 20,140,975	\$ 20,583,112		\$ 21,452,243		\$ 21,769,063		\$ 21,769,063	\$ 22,075,893	
Ending Fund Balance	\$ 20,583,112	\$ 21,452,243		\$ 21,769,063		\$ 21,769,063		\$ 22,075,893	\$ 22,075,893	

Red Oak ISD
Financial Section

Annual Budget
Fiscal Year 2025-2026 | 89

Red Oak Independent School District
Statement of Revenue, Expenditures and Change in Fund Balance
General Fund by Function
Fiscal Year 2025-2026 Budget

	2021-2022 Actual	2022-2023 Actual	Δ PY	2023-2024 Actual	Δ PY	2024-2025 Budget	Δ PY	2024-2025 Unaudited	2025-2026 Budget	Δ PY
Revenue:										
Local Sources										
Property Taxes	\$ 25,297,906	\$ 30,251,305	20%	\$ 27,058,333	-11%	\$ 29,921,028	11%	\$ 29,659,016	\$ 31,034,756	4%
Penalties, Interest & Other	185,868	235,800	27%	221,518	-6%	200,000	-10%	159,691	200,000	0%
Earnings on Investments	40,323	818,113	1929%	857,483	5%	900,000	5%	877,803	900,000	0%
Tuition & Fees	-	-	-	-	-	10,000	-	-	10,000	0%
Rent	92,915	131,199	41%	137,022	4%	146,000	7%	115,430	125,000	-14%
Gifts & Bequests	12,630	7,990	-37%	17,574	120%	16,500	-6%	(1,869)	16,500	0%
Athletics	75,231	97,457	-	100,131	-	96,000	-	100,006	101,500	-
Food Service	-	-	-	-	-	-	-	-	-	-
Other Local	989,568	1,079,518	-	1,245,737	-	1,264,000	-	1,498,830	1,201,500	-5%
Total Local Revenue	\$ 26,694,442	\$ 32,621,380	22%	\$ 29,637,798	-9%	\$ 32,553,528	10%	\$ 32,408,907	\$ 33,589,256	3%
State Sources										
Foundation School Program	29,361,006	25,807,995	-12%	35,549,006	38%	36,071,237	1%	33,941,816	37,669,711	4%
Per Capita Funds	\$ 3,012,837	\$ 3,738,594	24%	\$ 2,549,334	-32%	\$ 2,439,827	-4%	\$ 3,780,873	\$ 2,495,324	2%
Food Service	-	-	-	-	-	-	-	-	-	-
TRS On-Behalf	3,158,843	3,518,046	11%	3,780,305	7%	4,089,823	8%	3,946,276	4,470,261	9%
Other State	-	26,140	-	1,800	-93%	-	-	-	-	-
Total State Sources	\$ 35,532,686	\$ 33,090,775	-7%	\$ 41,880,445	27%	\$ 42,600,887	2%	\$ 41,668,965	\$ 44,635,296	5%
Federal Sources										
Food Service	\$ -	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ -	-
Medicaid/SHARS	781,969	1,310,969	68%	406,205	-69%	1,300,000	220%	169,258	800,000	-38%
Other Federal	1,266,889	2,046,093	62%	854,816	-58%	300,000	-65%	267,562	300,000	0%
Total Federal Sources	\$ 2,048,858	\$ 3,357,062	64%	\$ 1,261,020	-62%	\$ 1,600,000	27%	\$ 436,820	\$ 1,100,000	-31%
Total Revenue	\$ 64,275,986	\$ 69,069,217	7%	\$ 72,779,264	5%	\$ 76,754,415	5%	\$ 74,514,691	\$ 79,324,552	3%
Expenditures:										
Instruction:										
Instructional	\$ 31,543,255	\$ 33,248,517	5%	\$ 36,269,421	9%	\$ 38,280,468	6%	\$ 38,448,660	\$ 40,444,168	6%
Resources & Media Services	674,198	691,870	3%	745,124	8%	920,836	24%	627,897	885,949	-4%
Curriculum & Staff Developm	1,623,620	1,811,185	12%	1,788,166	-1%	2,371,663	33%	1,980,172	2,292,525	-3%
Total Instruction	\$ 33,841,072	\$ 35,751,572	6%	\$ 38,802,710	9%	\$ 41,572,967	7%	\$ 41,056,729	\$ 43,622,642	5%
Instructional Support										
Instructional Leadership	\$ 650,656	\$ 849,599	31%	\$ 1,088,788	28%	\$ 835,977	-23%	\$ 817,844	\$ 825,210	-1%
School Leadership	3,539,763	3,968,209	12%	4,480,978	13%	4,975,415	11%	4,816,797	5,270,860	6%
Guidance, Counseling & Evalu	2,374,261	2,749,971	16%	3,254,237	18%	4,017,864	23%	3,753,100	4,361,461	9%
Social Services	116,897	124,624	7%	127,781	3%	202,029	58%	128,551	182,012	-10%
Health Services	829,746	817,259	-2%	911,215	11%	1,038,878	14%	828,615	1,007,382	-3%
Extra Curricular Activities	2,188,473	2,532,849	16%	2,596,547	3%	2,687,265	3%	2,505,494	2,619,157	-3%
Total Support Services	\$ 9,699,797	\$ 11,042,511	14%	\$ 12,459,546	13%	\$ 13,757,428	10%	\$ 12,850,400	\$ 14,266,082	4%
Central Administration										
General Administration	\$ 2,633,593	\$ 3,004,890	14%	\$ 3,102,536	3%	\$ 3,447,849	11%	\$ 3,252,510	\$ 3,105,135	-10%
Total Central Admin	\$ 2,633,593	\$ 3,004,890	14%	\$ 3,102,536	3%	\$ 3,447,849	11%	\$ 3,252,510	\$ 3,105,135	-10%
District Operations										
Student Transportation	\$ 3,178,943	\$ 3,004,280	-5%	\$ 3,518,221	17%	\$ 3,442,777	-2%	\$ 3,025,411	\$ 3,344,557	-3%
Student Nutrition	-	-	-	-	-	-	-	-	-	-
Plant Maintenance & Operati	6,069,069	6,867,191	13%	7,661,503	12%	8,073,007	5%	7,850,584	8,419,911	4%
Security & Monitoring Service	1,060,152	1,326,650	25%	1,582,682	19%	1,708,432	8%	1,696,960	1,781,687	4%
Data Processing Services	1,531,022	1,669,232	9%	1,828,836	10%	2,000,534	9%	1,963,450	2,017,484	1%
Total District Operations	\$ 11,839,186	\$ 12,867,353	9%	\$ 14,591,241	13%	\$ 15,224,750	4%	\$ 14,536,405	\$ 15,563,639	2%
Debt Service										
Debt Service	\$ 446,500	\$ 448,000	0%	\$ 448,750	0%	\$ 448,750	0%	\$ 448,750	\$ 448,750	0%
Total Debt Service	\$ 446,500	\$ 448,000	0%	\$ 448,750	0%	\$ 448,750	0%	\$ 448,750	\$ 448,750	0%
Other Services										
Community Services	\$ 1,453,809	\$ 1,751,216	20%	\$ 1,690,013	-3%	\$ 1,858,671	10%	\$ 1,623,211	\$ 1,868,304	1%
Facilities Acquisition/Constru	655,205	-	-	-	-	-	-	-	-	-
Other Intergovernmental Cha	264,687	334,545	26%	367,647	10%	444,000	21%	416,474	450,000	1%
Total Other Services	\$ 2,373,700	\$ 2,085,761	-12%	\$ 2,057,660	-1%	\$ 2,302,671	12%	\$ 2,039,685	\$ 2,318,304	1%
Total Expenditures	\$ 60,833,848	\$ 65,200,086	-	\$ 71,462,444	-	\$ 76,754,415	-	\$ 74,184,478	\$ 79,324,552	3%
Excess (Deficiency) of Revenue over (under) Expenditures	\$ 3,442,138	\$ 3,869,131	-	\$ 1,316,820	-	\$ -	-	\$ 330,212	\$ -	-
Other Financing Sources (Uses):										
Proceeds from Bond Issues	\$ -	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ -	-
Transfers In	-	-	-	-	-	-	-	-	-	-
Transfers Out	(3,000,000)	(3,000,000)	-	(1,000,000)	-	-	-	(23,382)	-	-
Extraordinary Items - Resources	-	-	-	-	-	-	-	-	-	-
Extraordinary Items - Uses	-	-	-	-	-	-	-	-	-	-
Change in Fund Balance	\$ 442,138	\$ 869,131	-	\$ 316,820	-	\$ -	-	\$ 306,830	\$ -	-

The current projection of state revenue for the General Fund is projected to increase by around 4.5% each year for the next five (5) years. This is due to the projected student growth and the increase in state funding formula due to the State continuing to reduce the property tax rate, even with the continued growth in property values, which will increase the state funding formula. For this budget forecast there is not a major increase in the state funding's basic allotment included in the projections, since the next legislative session does not start until January 2027. The tax levy is projected to increase by 1% for the next five (5) years, based on the Texas Property Tax Reform and Transparency Act of 2019. For the 2025 tax rate, the District is at the lowest compressed Tier 1 tax rate determined by the State.

Expenditures should increase by approximately 3.9% for the next year and then jump up to around 4% for the next four (4) years, based on the projected salary increases of 5% and benefits increasing at 2% and a modest 1% to 2% increase in most other expenditure categories. With the reduction in the property tax revenue over the next several years, the projected expenditures will be greater than the projected revenue and will decrease the projected fund balance.

The District will be reviewing all of the expenditure categories and a review of the projected revenue and expenditures will take place each year to adjust the revenue and expenditure projections to ensure that the fund balance does not decrease, unless a desired reduction is budgeted.

Red Oak Independent School District
Statement of Revenue, Expenditures and Change in Fund Balance
General Fund by Object
Five (5) Year Budget Projections

	2025-2026 Adopted Budget	2026-2027 Projected Budget	2027-2028 Projected Budget	2028-2029 Projected Budget	2029-2030 Projected Budget	2030-2031 Projected Budget
Revenue:						
Local Sources	\$ 33,589,256	\$ 33,902,404	\$ 34,374,375	\$ 34,853,377	\$ 35,339,517	\$ 35,832,901
State Sources	44,635,296	46,665,366	48,793,696	51,025,115	53,364,693	55,817,749
Federal Sources	1,100,000	1,116,000	1,132,320	1,148,966	1,165,946	1,183,265
Other	-	-	-	-	-	-
Total Revenue	<u>\$ 79,324,552</u>	<u>\$ 81,683,770</u>	<u>\$ 84,300,391</u>	<u>\$ 87,027,459</u>	<u>\$ 89,870,156</u>	<u>\$ 92,833,915</u>
Expenditures:						
Payroll - Salaries	\$ 56,970,018	\$ 59,648,904	\$ 62,460,009	\$ 65,409,918	\$ 68,505,545	\$ 71,754,149
Payroll - Benefits	10,552,658	10,845,981	11,151,439	11,469,592	11,801,030	12,146,368
Professional Services	4,470,174	4,516,439	4,563,845	4,612,420	4,662,193	4,713,194
Supplies & Materials	4,126,993	4,179,180	4,232,253	4,286,228	4,341,119	4,396,944
Operating Costs	2,214,081	2,219,072	2,224,111	2,229,198	2,234,334	2,239,519
Debt Service	448,750	448,750	448,750	448,750	448,750	448,750
Capital Outlay	541,878	546,903	551,978	557,104	562,281	567,510
Other	-	-	-	-	-	-
Total Expenditures	<u>\$ 79,324,552</u>	<u>\$ 82,405,229</u>	<u>\$ 85,632,384</u>	<u>\$ 89,013,209</u>	<u>\$ 92,555,251</u>	<u>\$ 96,266,433</u>
Excess (Deficiency) of Revenue over (under) Expenditures	\$ -	\$ (721,459)	\$ (1,331,993)	\$ (1,985,750)	\$ (2,685,095)	\$ (3,432,518)
Other financing Sources (Uses):						
Proceeds from Bond Issues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Change in Fund Balance	\$ -	\$ (721,459)	\$ (1,331,993)	\$ (1,985,750)	\$ (2,685,095)	\$ (3,432,518)
Beginning Fund Balance	\$ 22,075,893	\$ 22,075,893	\$ 21,354,434	\$ 20,022,441	\$ 18,036,691	\$ 15,351,596
Ending Fund Balance	\$ 22,075,893	\$ 21,354,434	\$ 20,022,441	\$ 18,036,691	\$ 15,351,596	\$ 11,919,078

Red Oak Independent School District
Statement of Revenue, Expenditures and Change in Fund Balance
General Fund by Function
Five (5) Year Budget Projections

	2025-2026 Adopted Budget	2026-2027 Projected Budget	2027-2028 Projected Budget	2028-2029 Projected Budget	2029-2030 Projected Budget	2030-2031 Projected Budget
Revenue:						
Local Sources						
Property Taxes	\$ 31,034,756	\$ 31,343,104	\$ 31,810,250	\$ 32,284,404	\$ 32,765,670	\$ 33,254,155
Penalties, Interest & Other	200,000	200,000	200,000	200,000	200,000	200,000
Earnings on Investments	900,000	904,500	909,023	913,568	918,135	922,726
Tuition & Fees	10,000	10,100	10,201	10,303	10,406	10,510
Rent	125,000	125,200	125,401	125,603	125,806	126,010
Gifts & Bequests	16,500	16,500	16,500	16,500	16,500	16,500
Athletics	101,500	101,500	101,500	101,500	101,500	101,500
Food Service	-	-	-	-	-	-
Other Local	1,201,500	1,201,500	1,201,500	1,201,500	1,201,500	1,201,500
Total Local Revenue	\$ 33,589,256	\$ 33,902,404	\$ 34,374,375	\$ 34,853,377	\$ 35,339,517	\$ 35,832,901
State Sources						
Foundation School Program	\$ 37,669,711	\$ 39,553,197	\$ 41,530,856	\$ 43,607,399	\$ 45,787,769	\$ 48,077,158
Per Capita Funds	2,495,324	2,507,801	2,520,340	2,532,941	2,545,606	2,558,334
Food Service	-	-	-	-	-	-
TRS On-Behalf	4,470,261	4,604,369	4,742,500	4,884,775	5,031,318	5,182,258
Other State	-	-	-	-	-	-
Total State Sources	\$ 44,635,296	\$ 46,665,366	\$ 48,793,696	\$ 51,025,115	\$ 53,364,693	\$ 55,817,749
Federal Sources						
Food Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Medicaid/SHARS	800,000	816,000	832,320	848,966	865,946	883,265
Other Federal	300,000	300,000	300,000	300,000	300,000	300,000
Total Federal Sources	\$ 1,100,000	\$ 1,116,000	\$ 1,132,320	\$ 1,148,966	\$ 1,165,946	\$ 1,183,265
Total Revenue	\$ 79,324,552	\$ 81,683,770	\$ 84,300,391	\$ 87,027,459	\$ 89,870,156	\$ 92,833,915
Expenditures:						
Instruction:						
Instructional	\$ 40,444,168	\$ 42,162,691	\$ 43,963,925	\$ 45,851,948	\$ 47,831,044	\$ 49,905,710
Resources & Media Services	885,949	914,762	944,947	976,573	1,009,709	1,044,430
Curriculum & Staff Development	2,292,525	2,386,082	2,484,129	2,586,888	2,694,591	2,807,481
Total Instruction	\$ 43,622,642	\$ 45,463,536	\$ 47,393,001	\$ 49,415,409	\$ 51,535,344	\$ 53,757,621
Instructional Support						
Instructional Leadership	\$ 825,210	\$ 861,439	\$ 899,438	\$ 939,295	\$ 981,102	\$ 1,024,956
School Leadership	5,270,860	5,506,779	5,754,233	6,013,794	6,286,064	6,571,672
Guidance, Counseling & Evaluation	4,361,461	4,549,966	4,747,661	4,954,999	5,172,461	5,400,546
Social Services	182,012	187,332	192,913	198,769	204,913	211,360
Health Services	1,007,382	1,050,459	1,095,626	1,142,986	1,192,648	1,244,725
Extra Curricular Activities	2,619,157	2,682,585	2,748,538	2,817,134	2,888,494	2,962,748
Total Support Services	\$ 14,266,082	\$ 14,838,560	\$ 15,438,410	\$ 16,066,978	\$ 16,725,682	\$ 17,416,007
Central Administration						
General Administration	\$ 3,105,135	\$ 3,220,731	\$ 3,341,895	\$ 3,468,903	\$ 3,602,044	\$ 3,741,622
Total Central Admin	\$ 3,105,135	\$ 3,220,731	\$ 3,341,895	\$ 3,468,903	\$ 3,602,044	\$ 3,741,622
District Operations						
Student Transportation	\$ 3,344,557	\$ 3,446,240	\$ 3,552,447	\$ 3,663,397	\$ 3,779,321	\$ 3,900,461
Student Nutrition	-	-	-	-	-	-
Plant Maintenance & Operations	8,419,911	8,664,123	8,919,122	9,185,415	9,463,532	9,754,030
Security & Monitoring Services	1,781,687	1,846,948	1,915,321	1,986,960	2,062,024	2,140,684
Data Processing Services	2,017,484	2,081,241	2,147,825	2,217,369	2,290,016	2,365,914
Total District Operations	\$ 15,563,639	\$ 16,038,552	\$ 16,534,714	\$ 17,053,141	\$ 17,594,894	\$ 18,161,089
Debt Service						
Debt Service	\$ 448,750	\$ 448,750	\$ 448,750	\$ 448,750	\$ 448,750	\$ 448,750
Total Debt Service	\$ 448,750	\$ 448,750	\$ 448,750	\$ 448,750	\$ 448,750	\$ 448,750
Other Services						
Community Services	\$ 1,868,304	\$ 1,945,100	\$ 2,025,614	\$ 2,110,029	\$ 2,198,538	\$ 2,291,344
Facilities Acquisition/Construction	-	-	-	-	-	-
Other Intergovernmental Charges	450,000	450,000	450,000	450,000	450,000	450,000
Total Other Services	\$ 2,318,304	\$ 2,395,100	\$ 2,475,614	\$ 2,560,029	\$ 2,648,538	\$ 2,741,344
Total Expenditures	\$ 79,324,552	\$ 82,405,229	\$ 85,632,384	\$ 89,013,209	\$ 92,555,251	\$ 96,266,433
Excess (Deficiency) of Revenue over (under) Expenditures	\$ -	\$ (721,459)	\$ (1,331,993)	\$ (1,985,750)	\$ (2,685,095)	\$ (3,432,518)
Other financing Sources (Uses):						
Proceeds from Bond Issues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Change in Fund Balance	\$ -	\$ (721,459)	\$ (1,331,993)	\$ (1,985,750)	\$ (2,685,095)	\$ (3,432,518)

STUDENT NUTRITION FUND

The Student Nutrition Fund accounts for \$4,585,918, or 4.5% of budgeted fiscal year 2026 expenditures. All expenses for the school year's student nutrition and food services are paid from this fund, including \$1,909,700 in compensation. Expenses for professional purchased services (\$69,100), food supplies (\$2,511,618), other operating costs (\$19,500) and capital projects (\$76,000) directly supporting the student nutrition programs are also paid from this fund. No additional salary increases are currently budgeted, since the final state funding model has not been determined. Once that is known, a budget amendment will be presented to the School Board to provide all staff salary increases.

Overall fund revenues are budgeted to increase by 7% and expenditures are budgeted to decrease by 10% compared to last year. The reduction in expenditures is due to the reduced allocation of budgeted expenditures in an effort to replace outdated cafeteria equipment to reduce the fund balance. The increase in revenue is due to the implementation of the Community Eligibility Provision (CEP) program last school year. The CEP allows the district to serve breakfast and lunch at no cost to all students without collecting household applications.

A five (5) year forecast of this fund is located after the historical Fund by Object and Function charts. The forecast includes the current budget and then the five (5) year forecast for this fund of the major fund revenue and expenditures by object and function. Additionally, there is a brief delineation of the significant factors in the projections for this fund.

Red Oak Independent School District
Statement of Revenue, Expenditures and Change in Fund Balance
Student Nutrition Fund by Object
Fiscal Year 2025-2026 Budget

	2021-2022 Actual	2022-2023 Actual	Δ PY	2023-2024 Actual	Δ PY	2024-2025 Budget	Δ PY	2024-2025 Unaudited	2025-2026 Budget	Δ PY
Revenue:										
Local Sources	\$ 440,713	\$ 1,221,296	177%	\$ 1,049,486	-14%	\$ 477,472	-55%	\$ 457,333	\$ 500,550	5%
State Sources	98,661	43,995	-55%	59,479	35%	62,500	5%	65,564	98,500	58%
Federal Sources	3,908,453	2,985,003	-24%	2,910,891	-2%	3,463,000	19%	3,456,286	3,686,868	6%
Other	-	-	-	-	-	-	-	-	-	-
Total Revenue	\$ 4,447,828	\$ 4,250,294	-4%	\$ 4,019,857	-5%	\$ 4,002,972	0%	\$ 3,979,183	\$ 4,285,918	7%
Expenditures:										
Payroll - Salaries	\$ 1,079,308	\$ 1,165,814	8%	\$ 1,307,743	12%	\$ 1,507,835	15%	\$ 1,286,531	\$ 1,518,688	1%
Payroll - Benefits	246,771	253,548	3%	279,599	10%	390,119	40%	300,503	391,012	0%
Professional Services	41,309	56,276	36%	60,701	8%	63,200	4%	58,252	69,100	9%
Supplies & Materials	1,720,815	2,260,675	31%	2,283,350	1%	3,030,200	33%	2,583,262	2,511,618	-17%
Operating Costs	8,165	16,217	99%	26,228	62%	24,500	-7%	19,075	19,500	-20%
Debt Service	-	-	-	-	-	-	-	-	-	-
Capital Outlay	27,402	180,610	559%	328,441	82%	72,118	-78%	66,031	76,000	5%
Total Expenditures	\$ 3,123,770	\$ 3,933,140	26%	\$ 4,286,062	9%	\$ 5,087,972	19%	\$ 4,313,655	\$ 4,585,918	-10%
Excess (Deficiency) of Revenue over (under) Expenditures	\$ 1,324,058	\$ 317,154		\$ (266,205)		\$ (1,085,000)		\$ (334,473)	\$ (300,000)	
Other financing Sources (Uses):										
Proceeds from Bond Issues	\$ -	\$ -		\$ -		\$ -		\$ -	\$ -	
Proceeds from Property Sale	-	-		-		-		-	-	
Proceeds from Loans	-	-		-		-		-	-	
Other Sources (Uses)	-	-		-		-		-	-	
Transfers In	-	-		-		-		-	-	
Transfers Out	-	-		-		-		-	-	
	\$ -	\$ -		\$ -		\$ -		\$ -	\$ -	
Special and Extraordinary Items (Uses):										
Extraordinary Items - Resources	\$ -	\$ -		\$ -		\$ -		\$ -	\$ -	
Extraordinary Items - Uses	-	-		-		-		-	-	
	\$ -	\$ -		\$ -		\$ -		\$ -	\$ -	
Net Change in Fund Balance	\$ 1,324,058	\$ 317,154		\$ (266,205)		\$ (1,085,000)		\$ (334,473)	\$ (300,000)	
Beginning Fund Balance	\$ 112,273	\$ 1,436,331		\$ 1,753,484		\$ 1,487,279		\$ 1,487,279	\$ 1,152,806	
Ending Fund Balance	\$ 1,436,331	\$ 1,753,484		\$ 1,487,279		\$ 402,279		\$ 1,152,806	\$ 852,806	

Red Oak Independent School District
Statement of Revenue, Expenditures and Change in Fund Balance
Student Nutrition Fund by Function
Fiscal Year 2025-2026 Budget

	2021-2022 Actual	2022-2023 Actual	Δ PY	2023-2024 Actual	Δ PY	2024-2025 Budget	Δ PY	2024-2025 Unaudited	2025-2026 Budget	Δ PY
Revenue:										
Local Sources										
Property Taxes	\$ -	\$ -		\$ -		\$ -		\$ -	\$ -	
Penalties, Interest & Other	-	-		-		-		-	-	
Earnings on Investments	2,868	70,204	2348%	74,578	6%	60,000	-20%	64,417	60,000	0%
Tuition & Fees	-	-		-		-		-	-	
Rent	-	-		-		-		-	-	
Gifts & Bequests	-	6,549		-		8,372		-	5,000	-40%
Athletics	-	-		-		-		-	-	
Food Service	436,741	1,143,572	162%	932,259	-18%	407,100	-56%	378,687	425,550	5%
Other Local	1,103	971		42,650		2,000		14,228	10,000	
Total Local Revenue	\$ 440,713	\$ 1,221,296	177%	\$ 1,049,486	-14%	\$ 477,472	-55%	\$ 457,333	\$ 500,550	5%
State Sources										
Foundation School Program	12,310	15,788	28%	16,787	6%	15,000	-11%	17,078	20,000	33%
Per Capita Funds	\$ -	\$ -		\$ -		\$ -		\$ -	\$ -	
Food Service	-	-		-		-		-	-	
TRS On-Behalf	86,351	28,207	-67%	36,772	30%	47,500	29%	25,890	53,500	13%
Other State	-	-		5,921		-		22,596	25,000	
Total State Sources	\$ 98,661	\$ 43,995	-55%	\$ 59,479	35%	\$ 62,500	5%	\$ 65,564	\$ 98,500	58%
Federal Sources										
Food Service	\$ 3,820,038	\$ 2,805,412	-27%	\$ 2,873,256	2%	\$ 3,360,000	17%	\$ 3,456,286	\$ 3,633,868	8%
Medicaid/SHARS	-	-		-		-		-	-	
Other Federal	88,416	179,591	103%	37,635	-79%	103,000	174%	-	53,000	-49%
Total Federal Sources	\$ 3,908,453	\$ 2,985,003	-24%	\$ 2,910,891	-2%	\$ 3,463,000	19%	\$ 3,456,286	\$ 3,686,868	6%
Total Revenue	\$ 4,447,828	\$ 4,250,294	-4%	\$ 4,019,857	-5%	\$ 4,002,972	0%	\$ 3,979,183	\$ 4,285,918	7%
Expenditures:										
Instruction:										
Instructional	\$ -	\$ -		\$ -		\$ -		\$ -	\$ -	
Resources & Media Services	-	-		-		-		-	-	
Curriculum & Staff Developm	-	-		-		-		-	-	
Total Instruction	\$ -	\$ -		\$ -		\$ -		\$ -	\$ -	
Instructional Support										
Instructional Leadership	\$ -	\$ -		\$ -		\$ -		\$ -	\$ -	
School Leadership	-	-		-		-		-	-	
Guidance, Counseling & Evalu	-	-		-		-		-	-	
Social Services	-	-		-		-		-	-	
Health Services	-	-		-		-		-	-	
Extra Curricular Activities	-	-		-		-		-	-	
Total Support Services	\$ -	\$ -		\$ -		\$ -		\$ -	\$ -	
Central Administration										
General Administration	\$ -	\$ -		\$ -		\$ -		\$ -	\$ -	
Total Central Admin	\$ -	\$ -		\$ -		\$ -		\$ -	\$ -	
District Operations										
Student Transportation	\$ -	\$ -		\$ -		\$ -		\$ -	\$ -	
Student Nutrition	3,123,770	3,933,140	26%	4,286,062	9%	5,087,972	19%	4,313,655	4,585,918	
Plant Maintenance & Operati	-	-		-		-		-	-	
Security & Monitoring Service	-	-		-		-		-	-	
Data Processing Services	-	-		-		-		-	-	
Total District Operations	\$ 3,123,770	\$ 3,933,140	26%	\$ 4,286,062	9%	\$ 5,087,972	19%	\$ 4,313,655	\$ 4,585,918	
Debt Service										
Debt Service	\$ -	\$ -		\$ -		\$ -		\$ -	\$ -	
Total Debt Service	\$ -	\$ -		\$ -		\$ -		\$ -	\$ -	
Other Services										
Community Services	\$ -	\$ -		\$ -		\$ -		\$ -	\$ -	
Facilities Acquisition/Constru	-	-		-		-		-	-	
Other Intergovernmental Cha	-	-		-		-		-	-	
Total Other Services	\$ -	\$ -		\$ -		\$ -		\$ -	\$ -	
Total Expenditures	\$ 3,123,770	\$ 3,933,140		\$ 4,286,062		\$ 5,087,972		\$ 4,313,655	\$ 4,585,918	
Excess (Deficiency) of Revenue over (under) Expenditures	\$ 1,324,058	\$ 317,154		\$ (266,205)		\$ (1,085,000)		\$ (334,473)	\$ (300,000)	
Other Financing Sources (Uses):										
Proceeds from Bond Issues	\$ -	\$ -		\$ -		\$ -		\$ -	\$ -	
Transfers In	-	-		-		-		-	-	
Transfers Out	-	-		-		-		-	-	
Extraordinary Items - Resources	-	-		-		-		-	-	
Extraordinary Items - Uses	-	-		-		-		-	-	
Change in Fund Balance	\$ 1,324,058	\$ 317,154		\$ (266,205)		\$ (1,085,000)		\$ (334,473)	\$ (300,000)	

The current projection of federal revenue for the Student Nutrition Fund is estimated to increase by 2.9% a year for the next five (5) years, based on the implementation of the CEP Program and the growth of student enrollment. The current forecast show the local revenue remain about the same due to the ability of students to purchase additional meal components in addition to the free meals provided. The federal revenue is also projected to increase due to the annual increase in reimbursement.

Normal expenditures should increase by approximately 4% for the next five (5) years, based on the projected increase in salaries of around 4.8% per year and 1.2% increase in benefits per year. A modest 1% to 2% increase in most other expenditure categories is also projected. With the continual need to keep the kitchens and cafeteria's updated, additional expenditures may be needed in the future.

An annual review of the projected revenue and expenditures will take place to adjust the revenue and expenditure projections to ensure that the fund balance does not decrease, unless a desired reduction is budgeted.

Red Oak Independent School District
Statement of Revenue, Expenditures and Change in Fund Balance
School Nutrition Fund by Object
Five (5) Year Budget Projections

	2025-2026 Adopted Budget	2026-2027 Projected Budget	2027-2028 Projected Budget	2028-2029 Projected Budget	2029-2030 Projected Budget	2030-2031 Projected Budget
Revenue:						
Local Sources	\$ 500,550	\$ 505,106	\$ 509,705	\$ 514,349	\$ 519,038	\$ 523,772
State Sources	98,500	100,305	102,160	104,067	106,027	108,041
Federal Sources	3,686,868	3,792,884	3,902,051	4,014,462	4,130,215	4,249,409
Other	-	-	-	-	-	-
Total Revenue	<u>\$ 4,285,918</u>	<u>\$ 4,398,295</u>	<u>\$ 4,513,916</u>	<u>\$ 4,632,878</u>	<u>\$ 4,755,280</u>	<u>\$ 4,881,223</u>
Expenditures:						
Payroll - Salaries	\$ 1,518,688	\$ 1,587,383	\$ 1,659,496	\$ 1,735,199	\$ 1,814,669	\$ 1,898,097
Payroll - Benefits	391,012	398,126	405,461	413,024	420,825	428,873
Professional Services	69,100	69,928	70,776	71,645	72,536	73,450
Supplies & Materials	2,511,618	2,524,398	2,537,265	2,550,219	2,563,262	2,576,395
Operating Costs	19,500	19,618	19,737	19,857	19,979	20,102
Debt Service	-	-	-	-	-	-
Capital Outlay	76,000	76,520	77,045	77,576	78,111	78,653
Other	-	-	-	-	-	-
Total Expenditures	<u>\$ 4,585,918</u>	<u>\$ 4,675,973</u>	<u>\$ 4,769,780</u>	<u>\$ 4,867,520</u>	<u>\$ 4,969,384</u>	<u>\$ 5,075,569</u>
Excess (Deficiency) of Revenue over (under) Expenditures	\$ (300,000)	\$ (277,678)	\$ (255,864)	\$ (234,643)	\$ (214,104)	\$ (194,346)
Other financing Sources (Uses):						
Proceeds from Bond Issues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Change in Fund Balance	\$ (300,000)	\$ (277,678)	\$ (255,864)	\$ (234,643)	\$ (214,104)	\$ (194,346)
Beginning Fund Balance	\$ 1,152,806	\$ 852,806	\$ 575,128	\$ 319,264	\$ 84,622	\$ (129,482)
Ending Fund Balance	\$ 852,806	\$ 575,128	\$ 319,264	\$ 84,622	\$ (129,482)	\$ (323,828)

Red Oak Independent School District
Statement of Revenue, Expenditures and Change in Fund Balance
School Nutrition Fund by Function
Five (5) Year Budget Projections

	2025-2026 Adopted Budget	2026-2027 Projected Budget	2027-2028 Projected Budget	2028-2029 Projected Budget	2029-2030 Projected Budget	2030-2031 Projected Budget
Revenue:						
Local Sources						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Penalties, Interest & Other	-	-	-	-	-	-
Earnings on Investments	60,000	60,300	60,602	60,905	61,209	61,515
Tuition & Fees	-	-	-	-	-	-
Rent	-	-	-	-	-	-
Gifts & Bequests	5,000	5,000	5,000	5,000	5,000	5,000
Athletics	-	-	-	-	-	-
Food Service	425,550	429,806	434,104	438,445	442,829	447,257
Other Local	10,000	10,000	10,000	10,000	10,000	10,000
Total Local Revenue	<u>\$ 500,550</u>	<u>\$ 505,106</u>	<u>\$ 509,705</u>	<u>\$ 514,349</u>	<u>\$ 519,038</u>	<u>\$ 523,772</u>
State Sources						
Foundation School Program	\$ 20,000	\$ 20,200	\$ 20,402	\$ 20,606	\$ 20,812	\$ 21,020
Per Capita Funds	-	-	-	-	-	-
Food Service	-	-	-	-	-	-
TRS On-Behalf	53,500	55,105	56,758	58,461	60,215	62,021
Other State	25,000	25,000	25,000	25,000	25,000	25,000
Total State Sources	<u>\$ 98,500</u>	<u>\$ 100,305</u>	<u>\$ 102,160</u>	<u>\$ 104,067</u>	<u>\$ 106,027</u>	<u>\$ 108,041</u>
Federal Sources						
Food Service	\$ 3,633,868	\$ 3,739,884	\$ 3,849,051	\$ 3,961,462	\$ 4,077,215	\$ 4,196,409
Medicaid/SHARS	-	-	-	-	-	-
Other Federal	53,000	53,000	53,000	53,000	53,000	53,000
Total Federal Sources	<u>\$ 3,686,868</u>	<u>\$ 3,792,884</u>	<u>\$ 3,902,051</u>	<u>\$ 4,014,462</u>	<u>\$ 4,130,215</u>	<u>\$ 4,249,409</u>
Total Revenue	<u>\$ 4,285,918</u>	<u>\$ 4,398,295</u>	<u>\$ 4,513,916</u>	<u>\$ 4,632,878</u>	<u>\$ 4,755,280</u>	<u>\$ 4,881,223</u>
Expenditures:						
Instruction:						
Instructional	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Resources & Media Services	-	-	-	-	-	-
Curriculum & Staff Development	-	-	-	-	-	-
Total Instruction	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Instructional Support						
Instructional Leadership	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School Leadership	-	-	-	-	-	-
Guidance, Counseling & Evaluation	-	-	-	-	-	-
Social Services	-	-	-	-	-	-
Health Services	-	-	-	-	-	-
Extra Curricular Activities	-	-	-	-	-	-
Total Support Services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Central Administration						
General Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Central Admin	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District Operations						
Student Transportation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Student Nutrition	4,585,918	4,675,973	4,769,780	4,867,520	4,969,384	5,075,569
Plant Maintenance & Operations	-	-	-	-	-	-
Security & Monitoring Services	-	-	-	-	-	-
Data Processing Services	-	-	-	-	-	-
Total District Operations	<u>\$ 4,585,918</u>	<u>\$ 4,675,973</u>	<u>\$ 4,769,780</u>	<u>\$ 4,867,520</u>	<u>\$ 4,969,384</u>	<u>\$ 5,075,569</u>
Debt Service						
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Debt Service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other Services						
Community Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Facilities Acquisition/Construction	-	-	-	-	-	-
Other Intergovernmental Charges	-	-	-	-	-	-
Total Other Services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 4,585,918</u>	<u>\$ 4,675,973</u>	<u>\$ 4,769,780</u>	<u>\$ 4,867,520</u>	<u>\$ 4,969,384</u>	<u>\$ 5,075,569</u>
Excess (Deficiency) of Revenue over (under) Expenditures	\$ (300,000)	\$ (277,678)	\$ (255,864)	\$ (234,643)	\$ (214,104)	\$ (194,346)
Other financing Sources (Uses):						
Proceeds from Bond Issues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Change in Fund Balance	<u>\$ (300,000)</u>	<u>\$ (277,678)</u>	<u>\$ (255,864)</u>	<u>\$ (234,643)</u>	<u>\$ (214,104)</u>	<u>\$ (194,346)</u>

DEBT SERVICE FUND

The District currently has five (5) bond issues outstanding as of June 30, 2025 totaling \$137,460,000. The details of the outstanding bonds are on pages 126 – 128. The District issued \$76.3 million of new debt in fiscal year 2024, due to the passage of the May 2023 bond election for an additional middle school. This year's budget services \$4,230,000 of principal reduction and \$5,784,938 of interest expense. The budget also includes paying an initial payment for the new Series 2025 bonds and potentially paying off a portion of the Series 2016 outstanding bond principal of \$8,490,000. All existing outstanding debt will be retired by the end of fiscal year 2053.

There is a feature in the Foundation School Program (FSP) that protects districts from lower tax collections if the residential homestead exemption increases. The homestead exemption is a legal provision that helps homeowners pay less taxes on their residence by reducing the amount reduced from the taxable value. In 2025, the homestead exemption will be increased to \$140,000 from \$100,000 and the appraised value compression for seniors over the age of 65. The District is projected to receive approximately \$1,514,243 of hold harmless funding in 2025-2026.

A five (5) year forecast of this fund is located after the historical Fund by Object and Function charts. The forecast includes the current budget and then the five (5) year forecast for this fund of the major fund revenue and expenditures by object and function.

Red Oak Independent School District
Statement of Revenue, Expenditures and Change in Fund Balance
Debt Service Fund by Object
Fiscal Year 2025-2026 Budget

	2021-2022 Actual	2022-2023 Actual	Δ PY	2023-2024 Actual	Δ PY	2024-2025 Budget	Δ PY	2024-2025 Unaudited	2025-2026 Budget	Δ PY
Revenue:										
Local Sources	\$ 9,689,425	\$ 11,464,603	18%	\$ 12,917,727	13%	\$ 14,171,724	10%	\$ 14,089,719	\$ 15,074,433	6%
State Sources	566,159	354,363	-37%	1,383,661	290%	1,389,017	0%	1,548,951	1,514,243	9%
Federal Sources	-	-		-		-		-	-	
Other	-	-		-		-		-	-	
Total Revenue	<u>\$ 10,255,584</u>	<u>\$ 11,818,966</u>	15%	<u>\$ 14,301,388</u>	21%	<u>\$ 15,560,741</u>	9%	<u>\$ 15,638,670</u>	<u>\$ 16,588,676</u>	7%
Expenditures:										
Payroll - Salaries	\$ -	\$ -		\$ -		\$ -		\$ -	\$ -	
Payroll - Benefits	-	-		-		-		-	-	
Professional Services	-	-		-		-		-	-	
Supplies & Materials	-	-		-		-		-	-	
Operating Costs	-	-		-		-		-	-	
Debt Service	10,396,104	9,848,738	-5%	13,437,367	36%	16,294,988	21%	16,293,288	18,214,938	12%
Capital Outlay	-	-		-		-		-	-	
Total Expenditures	<u>\$ 10,396,104</u>	<u>\$ 9,848,738</u>	-5%	<u>\$ 13,437,367</u>	36%	<u>\$ 16,294,988</u>	21%	<u>\$ 16,293,288</u>	<u>\$ 18,214,938</u>	12%
Excess (Deficiency) of Revenue over (under) Expenditures	\$ (140,519)	\$ 1,970,229		\$ 864,021		\$ (734,247)		\$ (654,618)	\$ (1,626,262)	
Other financing Sources (Uses):										
Proceeds from Bond Issues	\$ -	\$ -		\$ 47,955		\$ -		\$ -	\$ -	
Transfers In	-	-		-		-		-	-	
Transfers Out	-	-		-		-		-	-	
	<u>\$ -</u>	<u>\$ -</u>		<u>\$ 47,955</u>		<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	
Special and Extraordinary Items (Uses):										
Extraordinary Items - Resources	\$ -	\$ -		\$ -		\$ -		\$ -	\$ -	
Extraordinary Items - Uses	-	-		-		-		-	-	
	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	
Net Change in Fund Balance	\$ (140,519)	\$ 1,970,229		\$ 911,976		\$ (734,247)		\$ (654,618)	\$ (1,626,262)	
Beginning Fund Balance	\$ 7,031,364	\$ 6,890,844		\$ 8,861,073		\$ 9,773,049		\$ 9,773,049	\$ 9,118,431	
Ending Fund Balance	\$ 6,890,844	\$ 8,861,073		\$ 9,773,049		\$ 9,038,802		\$ 9,118,431	\$ 7,492,169	

Red Oak Independent School District
Statement of Revenue, Expenditures and Change in Fund Balance
Debt Service Fund by Object
Fiscal Year 2025-2026 Budget

	2021-2022 Actual	2022-2023 Actual	Δ PY	2023-2024 Actual	Δ PY	2024-2025 Budget	Δ PY	2024-2025 Unaudited	2025-2026 Budget	Δ PY
Revenue:										
Local Sources										
Property Taxes	\$ 9,611,004	\$ 11,164,016	16%	\$ 12,389,943	11%	\$ 13,791,724	11%	\$ 13,642,478	\$ 14,694,433	7%
Penalties, Interest & Other	67,252	87,151	30%	88,634	2%	30,000	-66%	70,117	30,000	0%
Earnings on Investments	11,170	213,436	1811%	439,151	106%	350,000	-20%	377,123	350,000	0%
Tuition & Fees	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-
Gifts & Bequests	-	-	-	-	-	-	-	-	-	-
Athletics	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Other Local	-	-	-	-	-	-	-	-	-	-
Total Local Revenue	\$ 9,689,425	\$ 11,464,603	18%	\$ 12,917,727	13%	\$ 14,171,724	10%	\$ 14,089,719	\$ 15,074,433	6%
State Sources										
Foundation School Program	566,159	354,363	-37%	1,383,661	290%	1,389,017	0%	1,548,951	1,514,243	9%
Per Capita Funds	\$ -	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ -	-
Food Service	-	-	-	-	-	-	-	-	-	-
TRS On-Behalf	-	-	-	-	-	-	-	-	-	-
Other State	-	-	-	-	-	-	-	-	-	-
Total State Sources	\$ 566,159	\$ 354,363	-37%	\$ 1,383,661	290%	\$ 1,389,017	0%	\$ 1,548,951	\$ 1,514,243	9%
Federal Sources										
Food Service	\$ -	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ -	-
Medicaid/SHARS	-	-	-	-	-	-	-	-	-	-
Other Federal	-	-	-	-	-	-	-	-	-	-
Total Federal Sources	\$ -	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ -	-
Total Revenue	\$ 10,255,584	\$ 11,818,966	15%	\$ 14,301,388	21%	\$ 15,560,741	9%	\$ 15,638,670	\$ 16,588,676	7%
Expenditures:										
Instruction:										
Instructional	\$ -	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ -	-
Resources & Media Services	-	-	-	-	-	-	-	-	-	-
Curriculum & Staff Developm	-	-	-	-	-	-	-	-	-	-
Total Instruction	\$ -	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ -	-
Instructional Support										
Instructional Leadership	\$ -	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ -	-
School Leadership	-	-	-	-	-	-	-	-	-	-
Guidance, Counseling & Evalu	-	-	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-	-	-
Health Services	-	-	-	-	-	-	-	-	-	-
Extra Curricular Activities	-	-	-	-	-	-	-	-	-	-
Total Support Services	\$ -	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ -	-
Central Administration										
General Administration	\$ -	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ -	-
Total Central Admin	\$ -	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ -	-
District Operations										
Student Transportation	\$ -	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ -	-
Student Nutrition	-	-	-	-	-	-	-	-	-	-
Plant Maintenance & Operati	-	-	-	-	-	-	-	-	-	-
Security & Monitoring Service	-	-	-	-	-	-	-	-	-	-
Data Processing Services	-	-	-	-	-	-	-	-	-	-
Total District Operations	\$ -	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ -	-
Debt Service										
Debt Service	\$ 10,396,104	\$ 9,848,738	-5%	\$ 13,437,367	36%	\$ 16,294,988	21%	\$ 16,293,288	\$ 18,214,938	12%
Total Debt Service	\$ 10,396,104	\$ 9,848,738	-5%	\$ 13,437,367	36%	\$ 16,294,988	21%	\$ 16,293,288	\$ 18,214,938	12%
Other Services										
Community Services	\$ -	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ -	-
Facilities Acquisition/Constru	-	-	-	-	-	-	-	-	-	-
Other Intergovernmental Cha	-	-	-	-	-	-	-	-	-	-
Total Other Services	\$ -	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ -	-
Total Expenditures	\$ 10,396,104	\$ 9,848,738	-5%	\$ 13,437,367	36%	\$ 16,294,988	21%	\$ 16,293,288	\$ 18,214,938	12%
Excess (Deficiency) of Revenue over (under) Expenditures	\$ (140,519)	\$ 1,970,229		\$ 864,021		\$ (734,247)		\$ (654,618)	\$ (1,626,262)	
Other Financing Sources (Uses):										
Proceeds from Bond Issues	\$ -	\$ -	-	\$ 47,955	-	\$ -	-	\$ -	\$ -	-
Transfers In	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-
Extraordinary Items - Resources	-	-	-	-	-	-	-	-	-	-
Extraordinary Items - Uses	-	-	-	-	-	-	-	-	-	-
Change in Fund Balance	\$ (140,519)	\$ 1,970,229		\$ 911,976		\$ (734,247)		\$ (654,618)	\$ (1,626,262)	

The maximum Interest and Sinking (I&S) tax rate that the District can adopt for the Debt Service Fund cannot exceed \$0.50 per \$100 of valuation for any debt authorized after April 1, 1991 and issued after September 1, 1992. The District must demonstrate its ability to pay the principal and interest requirements within these tax rate limitations. The current I&S tax rate is \$0.3481 per \$100 of taxable property value and this tax rate is projected to remain the same for the next five (5) years due to the issuance of a new bond in August 2025 for the construction of a new middle school and then the Series 2025 bonds issued for other new construction projects. The property values are projected to continue to increase, which will provide an increase in local tax revenue. The projected revenue is based on the actual current annual debt repayment and an annual 3.4% increase in the tax revenue, since the I&S tax rate is not compressed each year, like the M&O tax rate is compressed.

There is an outstanding bond issue that will be eligible to be redeemed in February 2026. The 2025-2026 Budget includes the amount to redeem (pay off) a portion of the Series 2016 bond that is callable in February 2026. The future years have principal and interest payments for the upcoming Series 2025 bond and also the defeasance of other current outstanding bonds.

Red Oak Independent School District
Statement of Revenue, Expenditures and Change in Fund Balance
Debt Service Fund by Object
Five (5) Year Budget Projections

	2025-2026 Adopted Budget	2026-2027 Projected Budget	2027-2028 Projected Budget	2028-2029 Projected Budget	2029-2030 Projected Budget	2030-2031 Projected Budget
Revenue:						
Local Sources	\$ 15,074,433	\$ 15,588,738	\$ 16,120,991	\$ 16,671,821	\$ 17,241,876	\$ 17,831,830
State Sources	1,514,243	2,250,000	2,272,500	2,295,225	2,318,177	2,341,359
Federal Sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total Revenue	<u>\$ 16,588,676</u>	<u>\$ 17,838,738</u>	<u>\$ 18,393,491</u>	<u>\$ 18,967,046</u>	<u>\$ 19,560,054</u>	<u>\$ 20,173,189</u>
Expenditures:						
Payroll - Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payroll - Benefits	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-
Supplies & Materials	-	-	-	-	-	-
Operating Costs	-	-	-	-	-	-
Debt Service	18,214,938	18,191,463	19,218,538	19,045,863	20,664,313	20,668,513
Capital Outlay	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total Expenditures	<u>\$ 18,214,938</u>	<u>\$ 18,191,463</u>	<u>\$ 19,218,538</u>	<u>\$ 19,045,863</u>	<u>\$ 20,664,313</u>	<u>\$ 20,668,513</u>
Excess (Deficiency) of Revenue over (under) Expenditures	\$ (1,626,262)	\$ (352,724)	\$ (825,046)	\$ (78,817)	\$ (1,104,259)	\$ (495,323)
Other financing Sources (Uses):						
Proceeds from Bond Issues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Change in Fund Balance	\$ (1,626,262)	\$ (352,724)	\$ (825,046)	\$ (78,817)	\$ (1,104,259)	\$ (495,323)
Beginning Fund Balance	\$ 9,118,431	\$ 7,492,169	\$ 7,139,445	\$ 6,314,399	\$ 6,235,582	\$ 5,131,323
Ending Fund Balance	\$ 7,492,169	\$ 7,139,445	\$ 6,314,399	\$ 6,235,582	\$ 5,131,323	\$ 4,636,000

Red Oak Independent School District
Statement of Revenue, Expenditures and Change in Fund Balance
Debt Service Fund by Function
Five (5) Year Budget Projections

	2025-2026 Adopted Budget	2026-2027 Projected Budget	2027-2028 Projected Budget	2028-2029 Projected Budget	2029-2030 Projected Budget	2030-2031 Projected Budget
Revenue:						
Local Sources						
Property Taxes	\$ 14,694,433	\$ 15,206,988	\$ 15,737,483	\$ 16,286,545	\$ 16,854,824	\$ 17,442,993
Penalties, Interest & Other	30,000	30,000	30,000	30,000	30,000	30,000
Earnings on Investments	350,000	351,750	353,509	355,276	357,053	358,838
Tuition & Fees	-	-	-	-	-	-
Rent	-	-	-	-	-	-
Gifts & Bequests	-	-	-	-	-	-
Athletics	-	-	-	-	-	-
Food Service	-	-	-	-	-	-
Other Local	-	-	-	-	-	-
Total Local Revenue	<u>\$ 15,074,433</u>	<u>\$ 15,588,738</u>	<u>\$ 16,120,991</u>	<u>\$ 16,671,821</u>	<u>\$ 17,241,876</u>	<u>\$ 17,831,830</u>
State Sources						
Foundation School Program	\$ 1,514,243	\$ 2,250,000	\$ 2,272,500	\$ 2,295,225	\$ 2,318,177	\$ 2,341,359
Per Capita Funds	-	-	-	-	-	-
Food Service	-	-	-	-	-	-
TRS On-Behalf	-	-	-	-	-	-
Other State	-	-	-	-	-	-
Total State Sources	<u>\$ 1,514,243</u>	<u>\$ 2,250,000</u>	<u>\$ 2,272,500</u>	<u>\$ 2,295,225</u>	<u>\$ 2,318,177</u>	<u>\$ 2,341,359</u>
Federal Sources						
Food Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Medicaid/SHARS	-	-	-	-	-	-
Other Federal	-	-	-	-	-	-
Total Federal Sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Revenue	<u>\$ 16,588,676</u>	<u>\$ 17,838,738</u>	<u>\$ 18,393,491</u>	<u>\$ 18,967,046</u>	<u>\$ 19,560,054</u>	<u>\$ 20,173,189</u>
Expenditures:						
Instruction:						
Instructional	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Resources & Media Services	-	-	-	-	-	-
Curriculum & Staff Development	-	-	-	-	-	-
Total Instruction	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Instructional Support						
Instructional Leadership	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School Leadership	-	-	-	-	-	-
Guidance, Counseling & Evaluation	-	-	-	-	-	-
Social Services	-	-	-	-	-	-
Health Services	-	-	-	-	-	-
Extra Curricular Activities	-	-	-	-	-	-
Total Support Services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Central Administration						
General Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Central Admin	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District Operations						
Student Transportation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Student Nutrition	-	-	-	-	-	-
Plant Maintenance & Operations	-	-	-	-	-	-
Security & Monitoring Services	-	-	-	-	-	-
Data Processing Services	-	-	-	-	-	-
Total District Operations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Debt Service						
Debt Service	<u>\$ 18,214,938</u>	<u>\$ 18,191,463</u>	<u>\$ 19,218,538</u>	<u>\$ 19,045,863</u>	<u>\$ 20,664,313</u>	<u>\$ 20,668,513</u>
Total Debt Service	<u>\$ 18,214,938</u>	<u>\$ 18,191,463</u>	<u>\$ 19,218,538</u>	<u>\$ 19,045,863</u>	<u>\$ 20,664,313</u>	<u>\$ 20,668,513</u>
Other Services						
Community Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Facilities Acquisition/Construction	-	-	-	-	-	-
Other Intergovernmental Charges	-	-	-	-	-	-
Total Other Services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 18,214,938</u>	<u>\$ 18,191,463</u>	<u>\$ 19,218,538</u>	<u>\$ 19,045,863</u>	<u>\$ 20,664,313</u>	<u>\$ 20,668,513</u>
Excess (Deficiency) of Revenue over (under) Expenditures	\$ (1,626,262)	\$ (352,724)	\$ (825,046)	\$ (78,817)	\$ (1,104,259)	\$ (495,323)
Other financing Sources (Uses):						
Proceeds from Bond Issues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Change in Fund Balance	<u>\$ (1,626,262)</u>	<u>\$ (352,724)</u>	<u>\$ (825,046)</u>	<u>\$ (78,817)</u>	<u>\$ (1,104,259)</u>	<u>\$ (495,323)</u>

CAPITAL PROJECTS

The Capital Project Fund is maintained to pool financial resources for major capital projects. In fiscal year 2020, the District sold \$5.225 million of Maintenance Tax Notes (MTN). The annual payment for the maintenance tax note is budgeted in the General Fund at approximately \$450,000 a year for the next nine (9) years.

The projects and items covered by the MTN included the replacement of buses, creating two (2) turf practice athletic fields at the High School, replacement of the lighting at the High School with more efficient LED Lights, replacement of obsolete sound and audio equipment at the Middle School Cafeteria, replacement and upgrade of some District technology infrastructure and started the replacement plan for the HVAC systems at all facilities.

The District received a total of \$5.6 million from the Maintenance Tax Notes due to a premium on the bonds when they were sold. The actual cost on several of the items were lower than the projected costs, so the additional funds were used for the same type of identified projects. Due to the savings on the high school lighting project, the lighting at Schupmann Elementary was able to be upgraded to LED lights. Similarly, more HVAC systems were upgraded last year. Some of the recently added portables were also purchased from these funds.

A Capital Improvement Committee reviews the capital project needs quarterly and recommendations will be factored into the Capital Projects Fund in the future. A multi-year capital projects plan has been developed and is updated periodically to include any new projects. The projects would include replacement of major building systems (including roofs and heating, ventilation, and air conditioning) and some minor renovation of school buildings and facilities. An annual review of the proposed capital needs will take place to identify funding needs and adjust the revenue and expenditure projections to ensure that funding is available for these projects.

No taxes are levied to contribute to the District capital project fund balance and the only additional sources of revenue come from an inter-fund transfer from the General Fund and investment earnings of funds held for capital projects. The current projection of revenue for the Capital Projects Fund is dependent on capital projects that are identified and the transfer of funding from the General Fund to support the expenditures for the additional capital projects. At the end of the 2020 fiscal year, there was a significant increase in the fund balance of the General Fund due to limited expenditures during the last four (4) months of the 2019-2020 school year. As a result, the fund balance significantly increased to provide funding for capital projects. In fiscal year 2021, \$2.5 million was transferred to Capital Projects and an additional \$3 million was transferred in fiscal year 2022 and fiscal year 2023. In the 2024 fiscal year, \$1 million was also transferred for a total of \$9.5 million over the last four (4) years. The plan is to be able to transfer any increase in the 2024-2025 fund balance from the General Fund dollars to Capital Projects.

For the 2022-2023 fiscal year, due to the growing student enrollment, portable classrooms for the middle school and two (2) elementary schools were approved by the School Board and were installed in the fall of the school year. A total of seven (7) portables were added that added a total of 14 classrooms.

In the 2023-2024 school year, to provide more classroom space at the middle school, most of the high school Career and Technology Education (CTE) classes that were housed at the Career and Technology Education (CATE) building on the middle school campus have been moved to the high school. The CATE building was renovated to provide approximately six (6) new middle school classrooms.

To plan for a potential bond election, the District formed a Citizens Facility Planning Committee in 2021 to evaluate the current District campuses and to recommend if additional facilities or improvements are needed. A school district may not issue bonds that are to be paid from ad valorem taxes unless the issuance is first approved by the qualified voters of the school district in an election. The Committee's recommendation was to go out for a bond in the amount of \$230 million for a new middle school, additions to two (2) elementary schools, new playgrounds and renovations to existing athletic facilities. The four (4) Bond Propositions were placed on the May 2022 election and all four (4) did not pass.

Based on feedback from voters and discussions with each school and department, it became apparent that there were too many projects on the ballot for the Bond Election. A new middle school for \$97.5 million was placed on the May 2023 ballot. That bond passed, so the main capital project for the last several years has been the construction of the new middle school. The expected completion date was to be in the summer of 2025 with the school opening in August 2025, but due to the delay in obtaining construction permits, the construction did not start until the spring of 2024. The revised expected completion date is the fall of 2025 with the new middle school to open in January 2026.

In May 2025, a Bond Election for multiple projects in the amount of \$213.9 million was held and all three (3) propositions passed. The propositions included a sixth (6th) elementary school, a new Career & Technical Education (CTE) building, a new practice gym for the high school, high school sub-varsity athletic facility upgrades and a renovation to the Goodloe Stadium. In addition, all elementary school playgrounds will be upgraded to meet Americans with Disabilities Act (ADA) compliance and artificial turf will be added at the existing High School baseball and softball fields. The initial bond in the amount of \$175 million will be issued in August 2025 with all projects starting in the fall with the projected completion date in the summer of 2027 so the new education buildings can open in the fall of 2027.

For the 2025-2026 Budget, the top priority is to manage the conclusion of the construction of the new middle school and then the start of the major construction projects from the 2025 Bonds. The safety and security of all students, staff and campuses is also a priority from the District capital project funds. Any other major priority needs will be identified and included in the 2025-2026 Capital Funds budget. Known projects at this time are to replace roofs at the middle school and one elementary school and upgrade HVAC machines at several elementary schools. The amount of available funds for these projects is around \$2.5 million. The normal budget timeline and budgeting process is applicable to the District's Capital Improvement Budget and any budgetary needs will be incorporated into the appropriate budget.

SCHOOL AND DEPARTMENT BUDGETS

Each spring, a Budget Preparation Manual is prepared to facilitate the preparation of school or department budgets for the next fiscal year. For the schools, the 2025-2026 School Budgets are based on a per pupil allocation as shown on the next page. This approach provides an equitable allocation of resources to each school (campus) and ensures the District is in compliance with comparability standards regarding allocation of federal grant dollars. Meeting comparability means that a district provides services to the schools receiving federal funds that are at least comparable to the schools not receiving federal funds. For Red Oak ISD, all schools receive federal funds, with all five (5) of the elementary schools receiving Title I funds.

For the 2024-2025 fiscal year, all of the school and department budgets were reduced by 10% to ensure that the District could adopt a balanced budget for that fiscal year. With the lack of an increase in the state funding over the last several years, many Texas school districts adopted a deficit budget for the 2024-2025 school year. Red Oak ISD was only around 20% of the districts in the State of Texas to not adopt a deficit budget for the 2024-2025 school year.

The 10% reduction in the campus budgets consisted of the per pupil allocation being reduced by 10% over the prior year's per pupil allocation. The department budgets also had their 2024-2025 budget reduced by 10% from their 2023-2024 discretionary budget.

The goal for this year was to increase all campuses and departments by the 10% reduction that was removed from their 2024-2025 budgets. Due to the 89th Legislative Session only increasing the Basic Allotment by \$55, in order to adopt a districtwide balanced General Fund budget, the additional funding was not included in the adopted budget.

The school allocations also include an amount of funding for the at-risk student through the State Compensatory Education Program (SCE). The goal of the SCE is to provide funding to reduce disparity in performance on assessment instruments or the disparity in the rates of high school completion between educationally disadvantaged students, at-risk students and all other students. The purpose of the SCE program is to increase academic achievement and reduce the dropout rate for these students by providing supplemental programs and services. This component was not reduced by 10% in the 2024-2025 school year.

The per pupil allocation by campus type is shown below.

	<u>25-26</u>	<u>23-24</u>
➤ Elementary Schools	\$108.00	\$120.00
➤ Middle School	\$115.00	\$128.00
➤ High School	\$130.00	\$144.00
➤ At-Risk Allocation	\$ 52.00	\$ 52.00

The campus allocations are based on the March 2025 enrollment numbers. The At-Risk enrollment is from the Fall 2024 PEIMS student data submission. Both components are used to provide the allocation for the 2025-2026 campus discretionary budgets. Campus budget expenditures may not exceed the total allocation for the school and consists of supplies, materials, equipment, purchase services and travel. All budget transfers between budget code must be correctly completed and transferred to the on-line budget entry form in the financial software by the budget manager.

Campus	Budget Location	March 3rd Enrollment	At Risk Enrollment	Per Pupil Allocation	At Risk Allocation	Discretionary Budget	Comp Ed Budget	Budget Adjustment	2025-2026 Allocation
Red Oak HS	001	2,265	1227	\$130	\$52	\$ 294,450	\$ 63,804		\$ 358,254
Red Oak MS	041	798	452	\$115	\$52	\$ 91,770	\$ 23,504		\$ 115,274
Shaw MS	042	691	392	\$115	\$52	\$ 79,465	\$ 20,384		\$ 99,849
Red Oak ES	101	508	169	\$108	\$52	\$ 54,864	\$ 8,788		\$ 63,652
Wooden ES	102	522	322	\$108	\$52	\$ 56,376	\$ 16,744		\$ 73,120
Eastridge ES	103	526	186	\$108	\$52	\$ 56,808	\$ 9,672		\$ 66,480
Shields ES	105	637	249	\$108	\$52	\$ 68,796	\$ 12,948		\$ 81,744
Schupmann ES	107	754	376	\$108	\$52	\$ 81,432	\$ 19,552		\$ 100,984
		6,701	3,373			\$ 783,961	\$ 175,396	\$ -	\$ 959,357

The discretionary department budgets have historically been based on a set allocation each year, based on the prior year, with any one-time additions, called annual funding requests (AFRs) for that year removed the following year. Each department determines the purpose of where the spending of their budget will occur based on their goals and commitments for the year.

The below allocation chart shows the approved budget changes for the 2025-2026 fiscal year budget.

Department	Budget Location	2024-2025 Discretionary Budget	2024-2025 One-Time AFRs	2025-2026 Recurring AFRs	2025-2026 One Time AFRs	2025-2026 Budget Adjust	2025-2026 Budget Allocation
Fund 199							
Superintendent's Office	701	\$ 41,182					\$ 41,182
School Board	702	59,007				1,000	\$ 60,007
Tax Collections	703	369,000				76,000	\$ 445,000
Direct Costs	720	95,700					\$ 95,700
Business Office	726	40,680					\$ 40,680
Public Relations	728	117,810					\$ 117,810
Human Resources	729	85,732					\$ 85,732
Indirect Costs	750	224,901				1,837	\$ 226,738
Child Care	870	160,577					\$ 160,577
Curr & Instruction	871	417,962					\$ 417,962
Assessment & Accountability	872	166,418					\$ 166,418
Bilingual	873	38,970					\$ 38,970
Fine Arts	874	416,048					\$ 416,048
CTE	875	232,930	(30,340)				\$ 202,590
Library	876	126,900					\$ 126,900
Counselors	877	105,615					\$ 105,615
DAEP	878	8,550					\$ 8,550
Truancy	879	1,755					\$ 1,755
Health Services	880	28,411					\$ 28,411
Student Services	881	2,700					\$ 2,700
Secondary Programs	882	22,300					\$ 22,300
Ed Foundation	898	5,670					\$ 5,670
Special Education	899	213,353					\$ 213,353
Operations	990	29,833					\$ 29,833
Transportation	991	1,248,826					\$ 1,248,826
PEIMS	992	9,500					\$ 9,500
Grounds	993	160,065					\$ 160,065
Custodial	994	202,592					\$ 202,592
Maintenance	995	545,399					\$ 545,399
Police	996	219,863				17,400	\$ 237,263
Technology	997	564,071					\$ 564,071
District	999	2,662,726			350,000	(48,008)	\$ 2,964,718
Athletics	ATH	391,131				30,000	\$ 421,131
		\$ 9,016,177	\$ (30,340)	\$ -	\$ 350,000	\$ 78,229	\$ 9,414,066

The fiscal year 2025-2026 department budget changes include an increase in the services for the collection of property taxes, a decrease in the District's property and casualty insurance, an increase in the incentive pay budget due to more staff, a slight increase in the legal services budget and additional funding for police services and athletic events.

Starting in the 2021-2022 school year, a budget amount was reduced from the high school and middle school budgets and transferred to the Career and Technical Education (CTE) budget based on the number of students in the program. The purpose of this reallocation was to support the educational materials that are needed for the CTE programs at the High School. That transfer of funds was discontinued in the 2025-2026 school year.



District Mascot welcoming students and staff to school

INFORMATIONAL SECTION

Realizing Our Individual Students' Dreams

LOCAL PROPERTY TAX

The Texas Property Tax Code governs the policies and procedures for establishing and calculating the tax revenue each year. Ad Valorem property taxes are the only type of tax revenue received by Texas school districts and the primary source of local funding. Local officials value all properties, set the tax rate and then collect taxes. Texas law governs how the process works. Property taxes are based on tax rates set by the various local governments (taxing units) that levy a tax on the value of the property. The valuation or appraisal process, which is performed by the Ellis County Appraisal District, serves to allocate the tax burden among property owners. Property taxes help pay for public schools, city streets, county roads, police, fire protection and many other services.

The Texas State Constitution established five (5) standards for property taxes:

1. Taxation must be equal and uniform. All property must be valued and taxed in an equal and uniform manner. This provision, which is an equity standard, helps ensure that no single property or type of property pays more than its fair share of taxes.
2. With some exceptions, all tangible property must be taxed on its January 1 market value each year. The exceptions include certain agricultural; timber; and recreational, park and scenic land subject to special appraisal. A property's market value is the price for which it would sell when both buyer and seller want the best price and neither is under pressure to buy or sell.
3. All property is taxable unless federal or state law provides an exemption for it. An exemption excludes all or part of a property's value from taxation.
4. Property owners have a right to reasonable notice of increases in appraised property values.
5. Each property in a given appraisal district must have one appraised value. An appraisal district's boundaries generally follow the boundaries of the county in which it is located.

There are three main parts to the property tax system in Texas. An appraisal district in each county sets the value of taxable property each year. The chief appraiser is the appraisal district's chief administrator and is responsible to a board of directors for its operation. An appraisal review board (ARB) settles any disagreements between taxpayers and the appraisal district about the value of property. Local taxing units, including the county, cities, school districts and special districts, decide how much money they will spend each year. This in turn helps determine the tax rate they need to set and the total amount of taxes that are needed.

Tax Cycle Timeline

The Texas tax levy cycle extends over several calendar years and comprises four (4) stages: valuing taxable property, protesting the values, adopting the tax rates and collecting the taxes. On January 1 each year the property values are rendered for appraisal based on what the property is used for on that date, market conditions at that time and who owns the property on that date. These factors determine whether the property is taxed, what is the value, the qualifications for exemptions and who is responsible for paying the tax. The area appraisal process is conducted by the Ellis County Appraisal District (Ellis CAD). Properties are required to be appraised at 100% market value. A 10% appraisal cap controls runaway residential property value growth.

Between January 1 and April 30, the Ellis CAD processes applications for tax exemptions, agricultural and timber appraisals and other tax relief. The preliminary values are required to be submitted to the school district by April 30. These values are usually a conservative estimate of the actual certified values that are to be provided by July 25. The preliminary values are good estimates upon which to base the tax levies for the operating and debt service budgets.

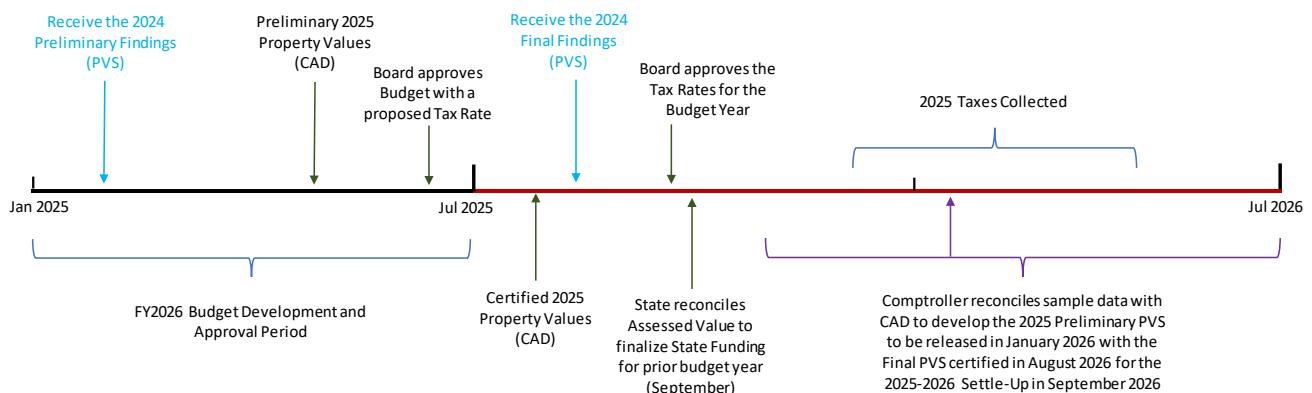
Around May 15, the appraisal review board (ARB) begins hearing protests from property owners who believe their property values are incorrect, or who feel they were improperly denied an exemption or agricultural/timber appraisal.

The ARB is an independent panel of citizens responsible for handling protests about the appraisal district's work. When the ARB finishes its work, the chief appraiser gives each taxing unit a certified value of taxable property known as the appraisal roll by July 25 each year. Once the certified values are received by the District, the tax rate adoption and any changes to the adopted budget can be completed for the new fiscal year. The final 2025 certified property values are to be provided by July 25, 2025.

Based on State Code, in August or September, the School Board adopts tax rates for their operations and debt payments. Typically, each property is taxed by several taxing units. For example, every property in Ellis County is taxed by both the county and a school district. Taxes may also be payable to a city or special district, including such entities as municipal utility districts, rural fire protection districts, junior college districts and others.

Tax collection starts in October and November as tax bills go out. Taxpayers have until January 31 of the following year to pay their taxes. On February 1, penalty and interest charges begin accumulating on most unpaid tax bills. Taxing units may start legal action to collect unpaid property taxes once they become delinquent.

Below is an illustration of the multi-year process from property assessment to actual tax collections.



Assessed Property Value

Assessed value is the dollar value assigned by the county tax assessor for the purpose of placing a value on the property in order to establish the property tax levy. To develop the assessed property value, the assessor looks at what similar properties are selling for, the value of any recent improvements and any income being made from the property. The assessor determines an assessment value of the property and then deducts any tax exemptions for which the property qualifies.

While a home's value in the market can rise and fall fairly quickly, based on local and economic conditions, assessed values are typically not as sensitive to fluctuations. Texas tax laws prohibit the assessment of residential property from being increased by more than 10% a year for those properties that have a homestead exemption, even if the market value goes up more. If the market value is less than 10%, the assessed value can only increase by the increase in market value from the prior year's assessed value. Market value is the price at which an asset would trade in a competitive sales market, which is typically higher than the assessed value. The assessed value takes into consideration any productivity loss from the market value.

The assessed value is determined by removing the Homestead Exemptions and Agricultural Productivity Loss from the appraised value. The taxable value reduces the appraised value even further by removing any other exemptions, such as the Over-65 and Disabled Veteran Exemptions. On the next page is a historical comparison of market values to assessed values.

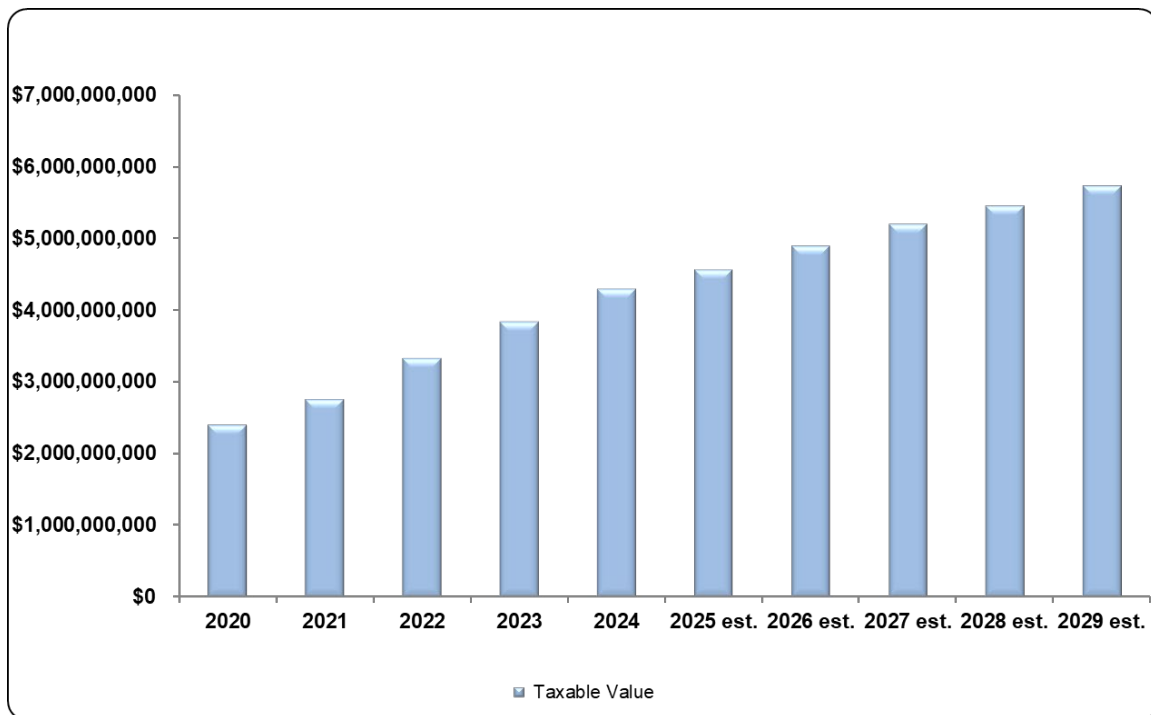
Year	Market Value	Assessed Value	Difference
2014	\$1,730,049,502	\$1,653,379,463	4.64%
2015	\$1,932,389,964	\$1,856,675,571	4.08%
2016	\$2,088,851,250	\$2,001,396,039	4.37%
2017	\$2,281,493,279	\$2,180,885,322	4.61%
2018	\$2,600,013,315	\$2,442,922,699	6.43%
2019	\$3,028,376,850	\$2,855,300,904	6.06%
2020	\$3,219,027,484	\$3,026,304,107	6.37%
2021	\$3,698,829,660	\$3,442,940,356	7.43%
2022	\$4,728,069,884	\$4,159,621,646	13.67%
2023	\$5,997,597,371	\$5,140,744,781	16.67%
2024	\$6,377,746,491	\$5,828,678,190	9.42%
2025	\$7,049,493,018	\$6,012,360,783	17.25%

Note: The 2025 values are estimates at this time

Below and on the next page are charts that illustrate the net taxable property value over the last ten (10) years and the projected change in the taxable property value for the current budget year and the next four (4) years. The change in taxable property value increased by 20.45% in levy year 2022, 15.19% in levy year 2023, 11.93% in levy year 2024 and is projected to increase by 6.15% this year with the increase in the Homestead Exemption and then start decreasing slightly each year to get to 5% increase in levy year 2029.

The following charts depict the projected growth rate of taxable property values.

Taxable Value History		
2015	\$1,463,857,755	3.70%
2016	\$1,595,173,935	8.97%
2017	\$1,747,735,130	9.56%
2018	\$1,921,143,807	9.92%
2019	\$2,192,586,347	14.13%
2020	\$2,399,823,473	9.45%
2021	\$2,762,907,727	15.13%
2022	\$3,327,988,150	20.45%
2023	\$3,833,423,738	15.19%
2024	\$4,290,868,583	11.93%
2025 est.	\$4,554,808,775	6.15%
2026 est.	\$4,896,419,433	7.50%
2027 est.	\$5,190,204,599	6.00%
2028 est.	\$5,449,714,829	5.00%
2029 est.	\$5,722,200,571	5.00%



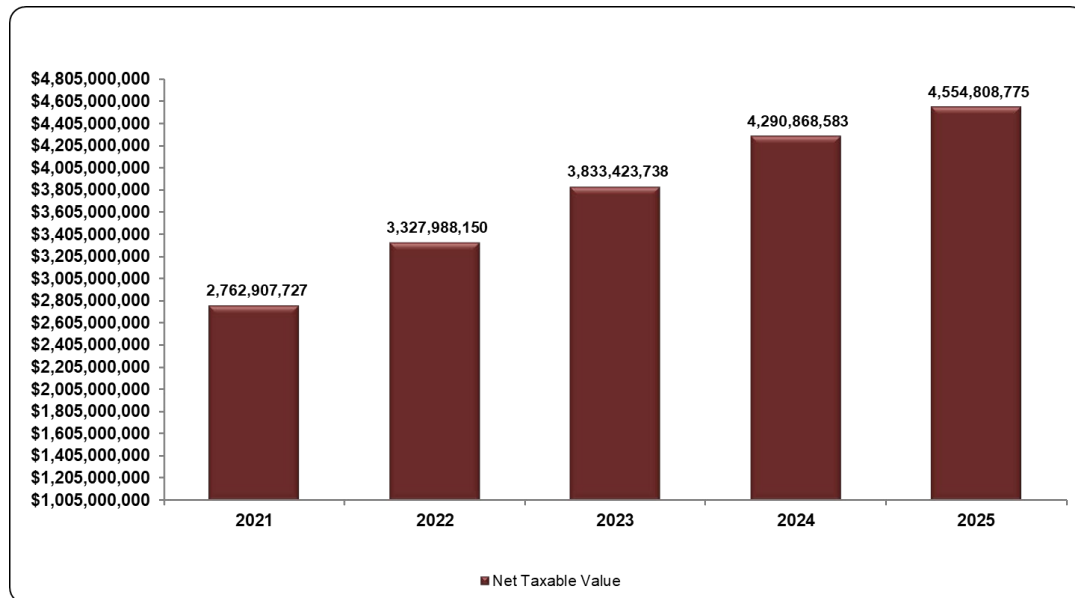
Chapter 313

The Texas Economic Development Act is a tool to improve the investment and economic growth to Texas. While there are many reasons to invest in Texas a couple of barriers exist for large investment projections. One of them is high property taxes in some areas of the State. To ease the burden of high property taxes and improve the economics of potential investments, Texas law allows school districts to offer lesser benefits under Chapter 313. Since school districts often account for the biggest share of the property tax bill, Chapter 313 is the state's single most important incentive in its economic development toolbox.

The Texas Economic Development Act (Chapter 313 of the Tax Code) allows school districts to attract new taxable property development by offering up to a 10-year limit on a portion of the taxable value (ranging from \$10 million to \$100 million) of a new investment project in manufacturing and certain environmentally friendly energy projects. The limitation applies only to school district taxes levied on the appraised value of the property for the maintenance and operations (M&O) portion of the school district's property tax. Taxes for debt service (I&S) are not subject to the limitation, nor do business inventories qualify. State law requires the agreement to provide that the applicant will protect the school district from any loss of state aid resulting from the limitation (so called 'revenue protection payments'). Most agreements also require the project to pay additional amounts termed 'supplemental payments' (sometimes called 'Payments in Lieu of Taxes').

The District entered into an agreement with Triumph Aerostructures, LLC in 2013 to assist in the development of their new facilities and the economic development of the region. The Agreement limits the appraised value on their property for the M&O taxes on their property and started in the 2016 tax year and ended in the 2024 tax year.

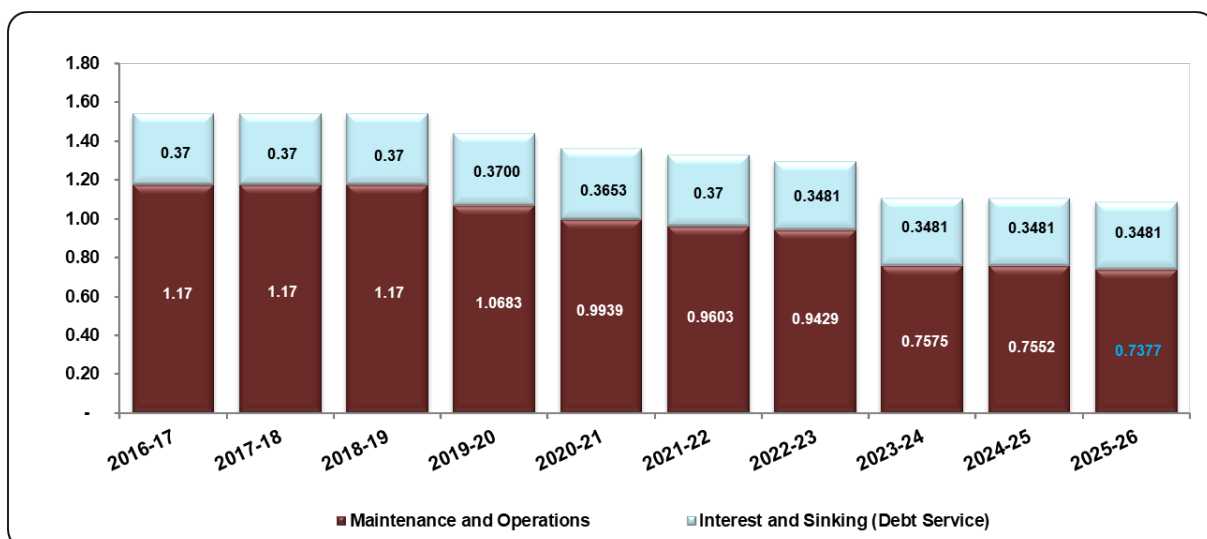
The District's total taxable Assessed Valuation over the last four (4) years and the projected value for this year is shown below.



Property Tax Rates

School districts adopt two tax rates each year, a maintenance and operations tax rate (M&O rate) and a debt service or interest and sinking fund tax rate (I&S rate), if the district has debt. Property taxes are levied on all real property, including business personal property, based on the total property tax rate (the sum of the two parts). Tax rates are expressed in dollars and cents per \$100 of taxable property value. Additionally, at least once every two (2) years the state comptroller conducts a property value study to determine the accuracy of local appraisals.

Below is a historical breakdown of the tax rates from the 2016 tax year to the tax rates for the 2025 tax year. The final tax levy information is not finalized until late July and not projected to change based on the final property values used for the 2025 tax collection. The 2025 M&O tax rate is shown below in blue to signify that the rate is not final.



The property tax had been a fairly consistent form of revenue with the growth of tax revenue based on the positive change in property values in the District. This was primarily due to the Texas school funding model that included a flat tax rate that supplemented the Foundation School Program state aid. With the passage of the Texas Property Tax Reform and Transparency Act of 2019, or Senate Bill 2, in the Texas State 86th Legislative Session, significant changes have occurred to the setting of local tax rates. Starting in the 2019 tax year, most taxing units, including cities and counties, do need voter approval to increase their property tax levy (revenue) by more than 3.5%. For school districts, lower property tax rates will occur each year if the total value of its tax base rises more than 2.5%. The tax rate reduction affects only a school district's maintenance and operations (M&O) tax rate and not the debt service (I&S) tax rate that is used to reduce bonds and other debt. The 88th Legislature further compressed the M&O tax rate by 18.25 cents for the 2023 tax year. After the 2025-2026 Budget was developed, the 89th Legislature approved compressing the 2025 M&O tax rate by \$0.0331. The plan under House Bill 3 (HB 3) with the State increasing school funding was to lower school district property taxes by including any loss of tax revenue in the Foundation School Program funding.

Below are the annual changes in a homeowner's tax levy extension from 2020 through 2024 and then projected for the next five (5) years. Below is the impact to the individual taxpayer with a home projected to be valued at \$348,888 for the 2025 tax year and then a slight increase in the home value through the 2029 tax year. This demonstrates how the annual changes in the tax rate, the change in the average home value and other property value changes could affect the total tax revenue for the school district. The 2024 median home value in the District was \$345,987. The taxable assessed value takes the actual value of the property and reduces the value each year by the Homestead exemption.

Tax Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Value of Home	\$240,616	\$275,247	\$339,445	\$339,312	\$345,987	\$348,888	\$366,332	\$362,844	\$362,844	\$380,986
Change in Value	4.65%	14.39%	23.32%	-0.04%	1.97%	0.84%	5.00%	4.00%	4.00%	4.00%
Taxable Value *	\$215,616	\$250,247	\$299,445	\$239,312	\$245,987	\$208,888	\$226,332	\$222,844	\$222,844	\$240,986
Property Tax Rate **	1.3592	1.3256	1.2910	1.1056	1.1033	1.0858	1.0738	1.0503	1.0621	1.0390
Property Tax Due	\$2,930.65	\$3,317.27	\$3,865.83	\$2,645.83	\$2,713.97	\$2,268.11	\$2,430.38	\$2,340.56	\$2,366.74	\$2,503.93
Change from Prior year	-\$17	\$387	\$549	-\$1,220	\$68	-\$378	-\$284	-\$373	-\$347	\$236
Percentage Change	-0.57%	13.19%	16.54%	-31.56%	2.58%	-14.28%	-10.45%	-13.76%	-12.79%	10.40%

* Includes a Homestead exemption of \$25,000 up through 2021, \$40,000 for 2022, \$100,000 for 2023 and then \$140,000 starting in 2025

** Tax rate per \$100 of assessed property value

Every homeowner should receive a state mandated homestead exemption of \$140,000 for the school district taxes starting in the 2025 tax year to reduce the amount of taxes owed. In the 2016 tax year, the homestead exemption was increased by \$10,000, to \$25,000, in 2022 it was increased to \$40,000. In 2023 it was increased to \$100,00. The 89th Legislature approved increasing the State's Homestead Exemption to \$140,000 this year, but requires voter approval in the November election. Based on Homestead Exemption elections in prior years, this is anticipated to be approved by the citizens and implemented in the 2025 tax year. An additional exemption is provided for those 65 years and older and disabled taxpayers. The school district tax levy for those over 65 is frozen at the amount when they receive the exemption and can never go up even as their home value or the tax rate increases. Starting in 2020, the Over 65 Frozen tax levy can go down each year, based on the compression of the M&O tax rate. The 89th Legislative also increased their State Homestead Exemption for Over 65 residents to \$200,000 for all other property taxes with voter approval.

The State of Texas places limits on how much tax rates can increase over the previous year's rate. Each taxing entity must calculate its voter-approved tax rate. This is the maximum rate that can be adopted before an automatic voter-approval tax rate election (VATRE) is held. If a rate is adopted that is higher than the voter-approved tax rate, the voters have an opportunity to affirm the proposed higher rate through an election or roll it back to the voter-approved tax rate. The 2025 Red Oak ISD projected tax rate of \$1.0858 is comprised of an \$0.7377 M&O tax rate and a \$0.3481 I&S tax rate, but could change based on the final 89th Legislative Session and the certified property values.

Individual residential taxable property value increases are capped annually at ten (10%) percent. This prevents the taxable housing market value increases from becoming rampant.

Taxpayers of the District

The breakdown of property values of the District is between residential, commercial, land, agriculture and tangible property. The estimated distribution for the 2025 tax year of market values is:

Residential	\$4,585,553,603	65.1%
Commercial	1,785,542,818	25.3%
Agriculture	179,094,011	2.5%
Tangible Property	<u>499,302,018</u>	7.1%
	\$7,049,493,018	

The District does not have access to any sustainable local revenue sources, such as building leases or rentals, sustainable energy or partnerships with other local organizations or any alternative tax collections, such as sales tax.

Since the final 2025 taxable values are not yet known, below is the Top Ten Taxpayers of the District in tax year 2024.

Red Oak Independent School District Principal Taxpayers Tax Year 2024		
	Taxpayer	Taxable Value
1.	Compass Datacenters DFW III LLC	\$ 172,848,805
2.	Qarbon Aerospace Foundation LLC	98,297,375
3.	TC/F Red Oak LP	58,000,000
4.	CZ GA I LLC	57,637,008
5.	LMBP Red Oak LP	57,503,361
6.	Red Oak Town Village LP	52,373,441
7.	Alamo Mission LLC	34,629,152
8.	Oncor Electric Delivery CO LLC	32,518,080
9.	CLS Red Oak 2018 LLC	28,000,000
10.	Bombardier US Aerostructures LLC	23,918,705
	TOTAL	\$ 615,725,927
	Total Taxable Value	\$ 3,784,107,328
	Principal Taxpayer Taxable Value	\$ 615,725,927
	Principal Taxpayer % of Total	16.2714%

Tax Collections

Property taxes are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The District's taxes are levied on October 1 on the assessed (appraised) value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. The Net Taxable Value of the property tax roll may be different than the values used to set the tax levy due to the freeze (senior freeze) of taxable property value on some of the property. Taxes are delinquent if not paid by June 30. Delinquent taxes are subject to both penalty and interest charges plus 15% delinquent collection fees for attorney costs.

Fiscal Year	Net Taxable Valuation	Tax Rate	Adjusted Levy	Collection %age Current	Total
2010-2011	\$1,197,724,325	\$1.54	\$17,916,727	97.13%	100.30%
2011-2012	\$1,185,469,843	\$1.54	\$17,769,382	97.61%	100.66%
2012-2013	\$1,191,457,639	\$1.54	\$17,899,390	97.81%	99.79%
2013-2014	\$1,234,419,659	\$1.54	\$18,596,169	98.73%	100.52%
2014-2015	\$1,411,626,025	\$1.54	\$21,253,238	99.02%	100.60%
2015-2016	\$1,463,857,754	\$1.54	\$21,996,274	99.02%	100.57%
2016-2017	\$1,595,173,938	\$1.54	\$23,578,307	98.55%	99.78%
2017-2018	\$1,747,735,129	\$1.54	\$25,479,563	97.31%	99.57%
2018-2019	\$1,921,143,807	\$1.54	\$27,554,400	97.45%	99.00%
2019-2020	\$2,192,586,347	\$1.4384	\$29,525,425	97.14%	98.69%
2020-2021	\$2,399,823,473	\$1.3592	\$31,337,907	98.07%	99.28%
2021-2022	\$2,762,907,727	\$1.3256	\$35,051,633	98.52%	99.59%
2022-2023	\$3,327,988,150	\$1.2910	\$41,930,670	98.49%	98.77%
2023-2024	\$3,833,423,738	\$1.1056	\$39,654,933	98.64%	99.48%
2024-2025	\$4,308,923,295	\$1.1033	\$43,712,751	98.15%	98.94%

Homeowner Impact

The Red Oak Independent School District is comprised of five (5) communities, each with varying property values. The calculation of the District's tax rate takes the sum of all of the taxable property values as a lump sum. Unfortunately, the annual change in the taxable property values may not be consistent from city to city. Each city may have different property values, new housing developments and also the amount of commercial property within the city. Since the certified taxable values are not known until the end of July, the estimated overall District's change in the 2025 taxable property value is 6.15%, but each city's change in taxable property value as of June 23, 2025 is estimated to change by:

Red Oak	24.68% increase
Ovilla	9.20% increase
Glenn Heights	5.82% increase
Oak Leaf	5.04% increase
Pecan Hill	10.72% increase

If each property owner's home value changed the same as the aggregate taxable value used in the tax levy calculation, then a homeowner's tax would increase by the average tax levy extension increase for the District which would be the tax rate used for the 2025 tax collection calculation (\$1.0858 per \$100 of taxable property value). Below is an example of how this variability in the change of the assessed value of property between the communities impacts homeowners. The example presumes that the average change in taxable property value for the District is 10% and that the tax rate remains the same as the prior year. If a homeowner's taxable property value increases less than the value used in the final calculation (Home 1), their change in taxes will be less than the projected tax collection. If the homeowner's taxable property value increases more than the value used (Home 3), their change in taxes will be greater than the projected tax collection. If the homeowner's taxable property value increases the same as the total projected change for the entire District (Home 2), then their taxes would only go up by the percentage built into the overall calculation, provided the tax rate stayed the same from year to year.

	Home 1	Home 2	Home 3
Change in Taxable Value	7.50%	10.00%	12.50%
Change in Taxes Due	\$206.87	\$275.83	\$344.78
%age Change in Taxes Due	7.50%	10.00%	12.50%

Notes: Tax Value of Property was \$250,000 the prior year
The property value includes the \$140,000 Homestead Exemption
ROISD Tax Rate of \$1.1033 for the prior and current year

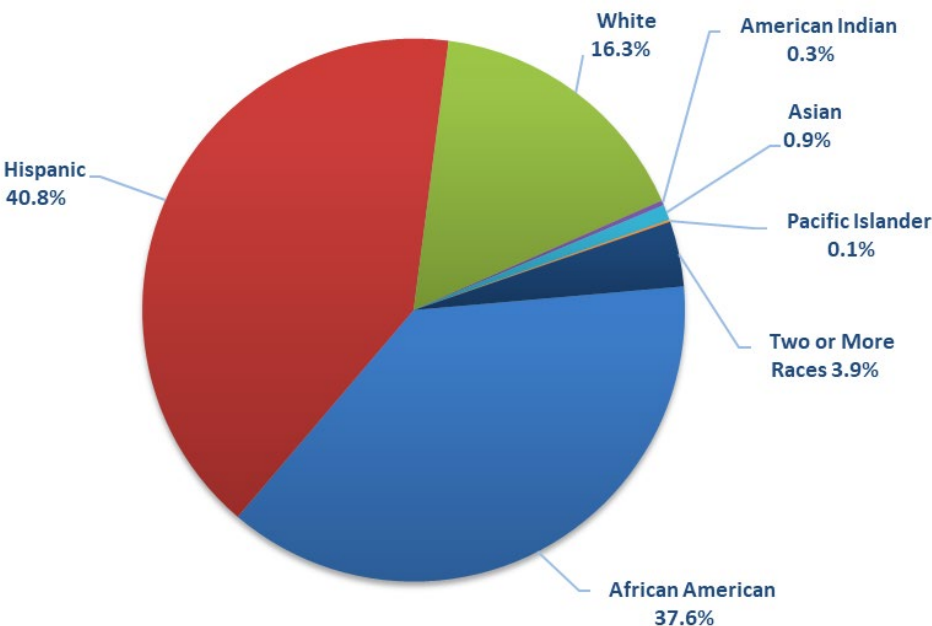
Under the current Texas tax laws, the tax rate may decrease based on the increase in the District's overall taxable value. In the below example, for a home with a 10% growth in taxable property value, based on the projected 2025 tax rate, which is reduced by \$0.0175 from the prior tax year, thus reducing the taxes due by the 1.5862% reduction in the tax rate and an additional 0.1586% in tax revenue, based on the difference in taxes due and the lower tax rate. Taxes Due percentage changes will be different for each homeowner based on the varying changes in taxable property value.

	Home 1	Home 2	Home 3
Change in Taxable Value	7.50%	10.00%	12.50%
Change in Taxes Due	\$159.84	\$227.70	\$295.56
%age Change in Taxes Due	5.79%	8.26%	10.72%

Notes: Tax Value of Property was \$250,000 the prior year
The property value includes the \$140,000 Homestead Exemption
ROISD Tax Rate of \$1.0858 for the current year

STUDENT ENROLLMENT HISTORY

District enrollment has increased during the last ten (10) years, rising by 14.65% from 5,837 students in the 2015-2016 school year to 6,692 in 2024-2025. The 2020-2021 enrollment dropped by 66 due to the pandemic and the different educational programs utilized that year. The 2024-2025 enrollment increased by 100 students over the prior year. Approximately 41% of the students are Hispanic and almost 62% of the students qualify as low income from the District's low-income survey, based on the Federal National School Lunch Program. The District's 2024 Public Education Information Management System (PEIMS) Fall data shows the following distribution of student demographics.



To assess future growth, the District works with MGT, formerly Davis Demographics & Planning, Inc., to develop and maintain a ten-year demographic study. The purpose of a demographic study is to identify the demographic trends occurring within the community and project how these trends may affect future student populations. This analysis is used to help illustrate potential facility adjustments and assist the District in evaluating future site requirements and the potential need for boundary changes. The process includes reviewing, developing and researching pertinent demographic data in and around the District, identifying current and future residential development plans and preparing a ten-year student population projection. This data will also be used in the development and ongoing evaluation of a District Facilities Master Plan.

The study uses five (5) geographic data layers for use in the ten-year student population projections:

Street Centerline Data – This data is essentially used in the geocoding process. The geocoding process places a point on the map for every student in the exact location that each student resides based on their provided address. This enables the analysis of student data geographically. The digital street database is also vital in the construction of study areas because freeways and streets typically serve as the boundaries for study areas.

Study Areas – This data consists of small geographic areas that are the building blocks of school district attendance zones. Each study is geographically defined by following logical boundaries of neighborhoods such as roads, railroad tracks or waterways. Study areas are coded with the corresponding elementary, middle school and high school that the residence students will attend. By gathering information about the district at the study area level, MGT and Red Oak ISD can closely monitor growth and demographic trends to identify potential need for boundary or facility adjustments.

Schools - District staff provided school facility information including school name, address, grade ranges and permanent student capacity.

Student Data – Student data for the past six school years was provided for the study. The historic student data from school year 2022 through school year 2024 is used to analyze student population trends and mobility, which refers to student movement in or out of existing housing throughout the district. The most recent student data from school year 2024-2025 served as the basis for student population projections.

Active and Planned Residential Development - Residential development data was obtained through discussions with district staff, city and county agencies and major developers within the Red Oak ISD boundaries. Residential development sites were visited to verify construction status, update phasing and review information with ROISD. This data includes development name, location, housing type, total number of units of development, remaining number of units in development and project phasing (projected move in dates). The phasing for active and planned housing development is factored into the ten-year projections. The planned residential development information and phasing estimates are a snapshot of the district at the time of the study. Because this information is subject to changes in the marketplace, this data is reevaluated annually.

The data used to develop the ten-year enrollment projections include birth data, mobility factors and student yield factors. Birth data by postal zip code (roughly correlated to the Red Oak ISD boundary) was obtained from the Texas Department of State Health Services for the years 2019-2023. Past changes in historical birth rates are used to estimate future incoming kindergarten and pre-kindergarten student populations from existing housing. A rolling average is used to generate birth rates for future years when birth data is unavailable. Mobility refers to the increase or decrease in the movement of students within and out of the District boundary. Mobility, which is essentially a modified cohort, is applied as a percentage of increase/decrease among each grade for every year of the projections. Student Yield Factors (sometimes referred to as “Student Generation Rates”) were calculated from a housing count of existing residential units throughout the Red Oak ISD boundary. The survey focuses on one main housing type: single-family detached (SFD). The student yield factors combined with planned residential development units are used to determine the number of students potentially generated from new residential housing development projects.

The projection methodology used combines historic student population counts, past and present demographic data and planned residential developments to project future student population at the study area level. Districtwide projections are summarized from the individual study area projections. These projections are based on where the students reside and their assigned school according to current attendance zones. MGT uses the location of where the students reside as opposed to their school of enrollment in order to provide the most accurate estimate of where future facilities may be needed. The best way to plan for future student population shifts is to know where incoming students will be living. The following details the methodology used in preparing the student population projections by residence.

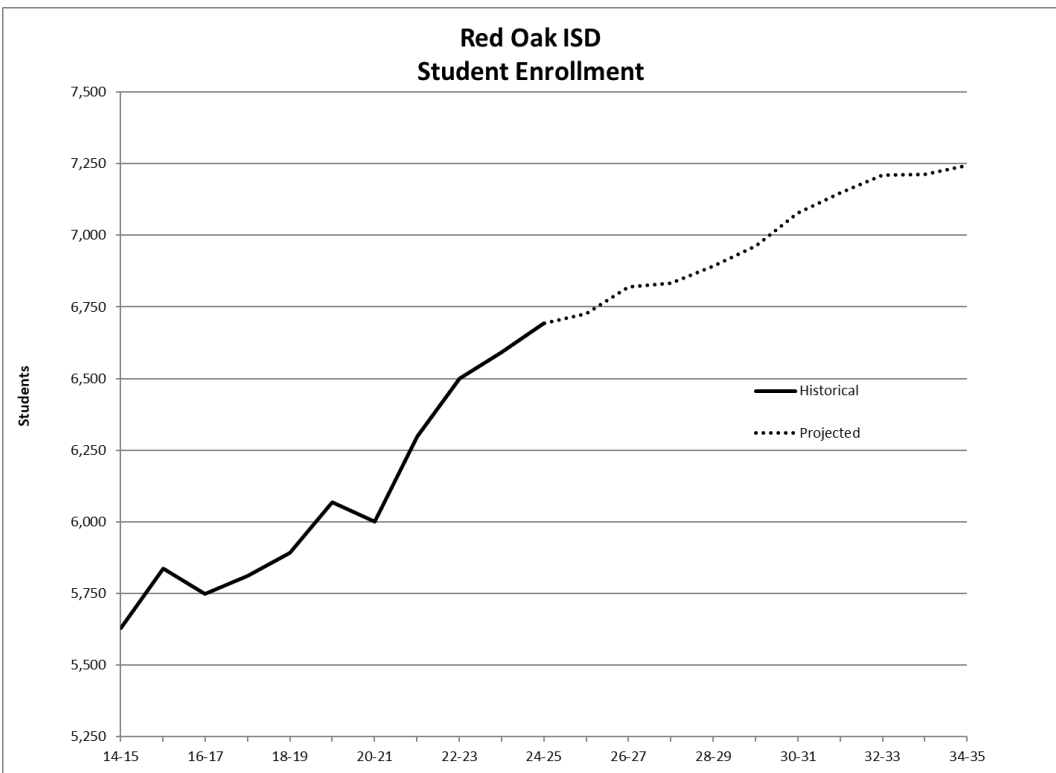
Projections are calculated out ten (10) years from the date of the most recent school year. Facility planning typically takes at least five (5) years, so the ten-year projections allow for adequately planning any new facilities. Projection beyond ten (10) years are less reliable due to lack of information on birth rates, residential development and potential changes in economic conditions. It is recommended that projections be updated annually as additional data becomes available.

The methodology used by MGT modifies a standard cohort projection with demographic factors and student residence. The standard cohort projection is a commonly used demographic technique called the “cohort survival method” to forecast future enrollment. The five-year cohort survival ratio averages the percent of students who advanced to a higher grade level in the previous five years. This ratio is used to project the enrollment at each grade level for next year. For example, the total incoming 2nd grade students are projected from the total 1st grade enrollment in the prior year in each school. The demographer bases projections on the belief that school facility planning is more accurate when facilities are located where the greatest number of students reside. The best way to plan for facility requirements is to know where incoming students will be residing.

The variables used in the ten-year projections include removing the 12th grade students that graduate and then progress the existing students through to the next grade level. This normal progression of students is modified by the incoming pre-kindergarten and kindergarten students, mobility factors and the growth of planned residential development.

The actual District enrollment for the last several years had been less than the projected enrollment mainly due to the pandemic. The District adopted the demographer’s cohort percentages used in the study, but applies them to the actual October student enrollment by grade and campus. The demographer’s projected 2024 enrollment (6,766) was actually higher than the actual enrollment of 6,692. Over the next few years, the trend continues to indicate a continued enrollment growth. These figures are a best estimate based upon historical and current information. Changes in the economy, sociological patterns of behavior, state and/or federal legislative educational reform initiatives and enrollment numbers could significantly alter the assumptions that trigger these projections.

Below is a chart projecting the potential student growth for the next ten (10) years based on the 2024-2025 student enrollment. The trend shows continued student growth over the ten (10) years with a slowing down of the growth in about eight (8) years. The actual student growth increased a little more than projected this last year and is projection to increase by 553 additional students by fiscal year 2034-2035, for a projected student enrollment of 7,245.



Wooden Elementary school has historically housed the Bilingual Education Program for grades Pre-K to 5th grade. Starting in the 2020-2021 school year, the Bilingual program expanded to Schupmann Elementary, so there is a bilingual program on each side of the District.

Below are tables that show the enrollment history from 2020-2021 to 2024-2025 by grade level and also by school. The official fiscal year 2025-2026 student enrollment is not known until the annual “Snapshot” date, which is the last Friday in October. The projected enrollment for the 2025-2026 school year and for the following years up to 2029-2030 are also shown in the below tables. The projected total District enrollment for 2025-2026 school year is 6,727, a projected increase of 35 students from the October 2024 enrollment. The actual 2024-2025 enrollment was a 57 student increase from the budgeted 2024-2025 projected enrollment.

By Grade Level	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Early Childhood	34	38	38	41	59	52	58	60	60	60
Pre-Kindergarten	99	167	154	201	182	184	208	216	207	211
Kindergarten	349	366	413	358	380	341	348	363	362	361
1st Grade	381	421	415	438	396	425	474	477	501	494
2nd Grade	400	383	435	431	457	487	520	568	575	595
3rd Grade	391	431	416	475	452	438	411	427	463	476
4th Grade	412	428	454	456	502	526	526	495	506	547
5th Grade	456	469	462	484	479	500	515	506	483	483
6th Grade	486	487	486	474	499	486	535	499	525	475
7th Grade	532	501	512	513	463	502	492	535	501	529
8th Grade	501	585	551	555	526	493	535	522	568	533
9th Grade	489	588	695	598	625	601	568	608	598	653
10th Grade	538	448	516	626	574	557	539	506	539	536
11th Grade	495	504	445	499	589	557	543	521	491	525
12th Grade	438	480	507	443	509	578	549	531	513	484
TOTAL	6,001	6,296	6,499	6,592	6,692	6,727	6,821	6,834	6,892	6,962
Change	-66	295	203	93	100	35	94	13	58	70
% Change	-1.09%	4.92%	3.22%	1.43%	1.52%	0.52%	1.40%	0.19%	0.85%	1.02%

By School	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
D T Shields Elementary	492	563	563	596	625	669	709	748	782	832
Eastridge Elementary	430	481	510	536	529	550	563	562	543	539
H A Wooden Elementary	492	505	504	523	508	526	591	604	572	602
Red Oak Elementary	578	542	528	524	491	470	469	447	496	470
R Shupmann Elem	530	612	682	705	754	738	728	751	764	784
Red Oak Middle School	1,519	1,573	1,549	1,540	1,488	778	812	801	813	769
Joy Shaw Middle School						703	750	755	781	768
Red Oak High School	1,960	2,020	2,160	2,163	2,296	2,293	2,199	2,166	2,141	2,198
JJAEP			3	5	1					
TOTAL	6,001	6,296	6,499	6,592	6,692	6,727	6,821	6,834	6,892	6,962

District generated projections are often based on school enrollment for staffing and budgetary needs. This method is often inadequate for long-range planning needs, such as the location of future school facilities because the location of the students is not taken into consideration. A school's enrollment can fluctuate annually due to variables such as population trends, curriculum/program changes and open enrollment policies. These variables can skew the apparent need for new or additional facilities in an area. The above enrollment projections will be used for future staffing decisions. For the financial projections shown in this document, the District presumes a continued growth in enrollment.

The key conclusions in the Demographic Study analysis are:

- Red Oak Independent School District enrollment increased by 100 students from school year 2023-2024 to school year 2024-2025.
- Red Oak ISD can expect continued growth and then stable enrollment over the next ten (10) years with the highest growth at the elementary campuses.
- There are 39 residential developments actively under construction or currently planned within Red Oak ISD boundaries totaling nearly 2,400 single-family dwelling units which will be the driving force for population growth over the next ten (10) years.
- More than 74% of all active and planned development is located west of Interstate 35 in the Schupmann Elementary School, Shields Elementary School and the Joy Shaw Middle School attendance zones.
- ROISD can expect incoming kindergarten class enrolment to remain steady over the next several years due to steady local births since 2020 and the inward movement of families.
- The elementary school population (PK-5) is projected to increase by about 16% over the ten-year projection time frame reflecting a net gain of more than 483 elementary students by school year 2034-2035.
- The District's middle school population (6-8) is projected to continue to increase over the ten-year projection time frame reflecting a new gain of more than 172 students by school year 2034-2035.
- The District's high school population (9-12) is expected to continue to increase over the next several years and then flatten out for the remaining ten (10) year enrollment projection.



2025-2026 Elementary School Principals

STAFFING HISTORY

For the 2025-2026 budget, the District has 1,095 full-time equivalent (FTE) employees budgeted, of whom 598 are certified and 497 are non-certified. There are 75 administrators which is 6.9% of the total number of employees, with 60 of the administrators being certified and 15 administrators being non-certified. The instructional staff, consisting of teachers, student support staff and aides, is 656 full-time equivalents or 59.9% of the total number of employees. The non-instructional staff total 364 full-time equivalents or 33.2%. This includes the bus drivers, clerical staff, custodians and maintenance staff.

Below is a ten (10) year history of staffing that is broken down by type of employee.

Red Oak Independent School District
Full Time Equivalent Staffing
Ten Fiscal Year History

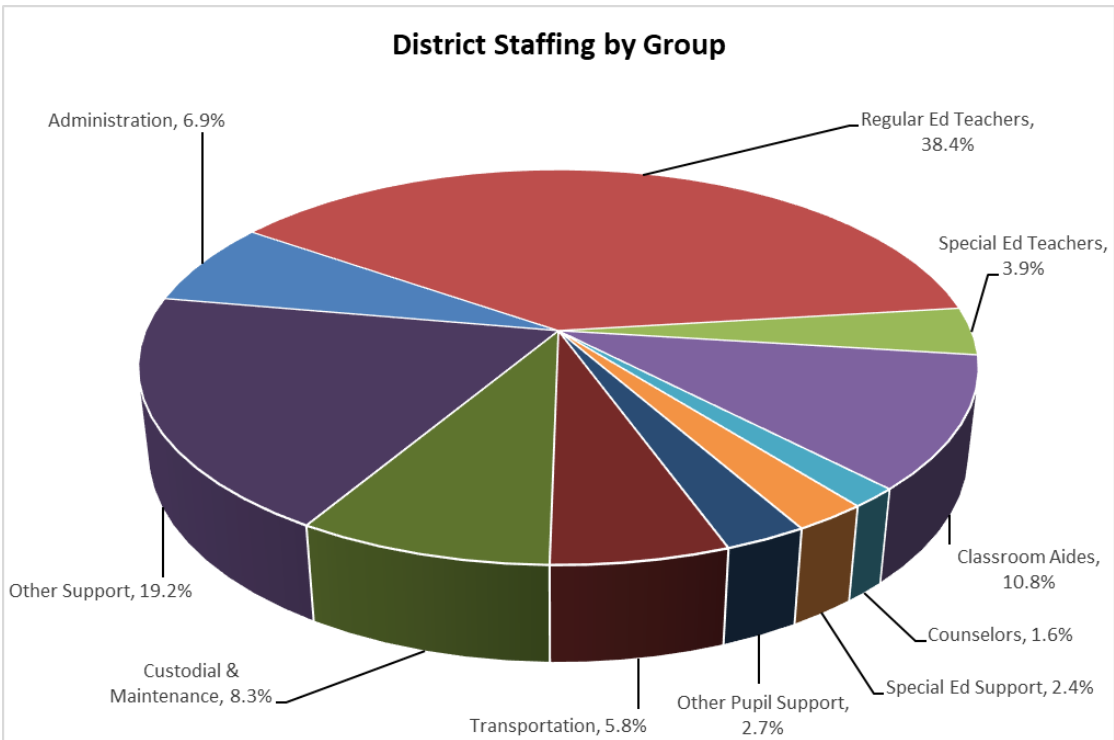
	Budgeted 2025-2026	Actual 2024-2025	Actual 2023-2024	Actual 2022-2023	Actual 2021-2022	Actual 2020-2021	Actual 2019-2020	Actual 2018-2019	Actual 2017-2018	Actual 2016-2017
<u>Administration:</u>										
Central Office	44	43	41	42	40	40	40	40	40	36
Site Based	31	30	29	28	26	23	25	25	24	23
Total Administration	75.0	73.0	70	70	66	63	65	65	64	59
<u>Teachers:</u>										
High School - Regular Ed	131.5	128	126	128	128	128	124.5	116	110.5	112.5
Middle School - Regular Ed	99	82	85	80	71	71	76	73	72	68
Elementary School - Regular Ed	<u>190</u>	<u>194</u>	<u>192</u>	<u>183</u>	<u>168</u>	<u>162</u>	<u>157</u>	<u>154</u>	<u>148</u>	<u>148</u>
Subtotal Regular Ed	421	404	403	391	367	361	358	343	330.5	328.5
High School - Special Ed	13	13	17	19	14	14	16.5	18	17	13
Middle School - Special Ed	11	9	5	8	10	8	8	11	13	13
Elementary School - Special Ed	<u>19</u>	<u>20</u>	<u>17</u>	<u>19</u>	<u>16</u>	<u>17</u>	<u>15</u>	<u>15</u>	<u>13</u>	<u>13</u>
Subtotal Special Ed	43	42	39	46	40	39	40	44	43	39
Total Teachers	463.5	446.0	442	437	407	400	397	387	373.5	367.5
<u>Pupil Support:</u>										
Nurses	10	10	10	10	10	9	8	8	8	7
Librarians	5	8	7	7	7	7	7	6	6	6
Psychologists	4	2	1	2	2	2	2	2	1	0
Counselors	18	18	17	15	14	14	14	15	16	16
Speech & Language Therapist	9	8	6.5	6.5	6	6	5.5	5	5	5
Occupational & Physical Therapists	1	1	1	1	1	1	1	1	1	1
Diagnosticitians	16	15	13.6	11	9	9	10	12	9	9
Truancy/Other	11	11	11	10	10	10	9	4	4	4
Total Pupil Support	74.0	73.0	67	63	59	58	57	53	50	48
<u>Other Support Staff:</u>										
Police	17	17	16	14	11	11	12.5	12.5	12.5	11
Technology	9	9	9	9.5	8.5	7.5	7.5	7.5	7.5	7.5
Aides	118.5	113.5	113	97	89	82	80	87	80.5	79.5
Child Nutrition	64	61	56	61	62	62	59	62	63	65
Transportation	63	62	64	62.5	63	59	50	48	54	48
Child Care	59	60	61	57	73	72	73.5	75	59	56
Clerical Support	61.5	61.5	60.5	53	53	51	54.5	60.5	57.5	63.5
Custodial, Maintenance, Grounds	90.5	90	90.5	87	87	86	84.5	86	86	87
Total Other Support Staff	482.5	474.0	470.0	441.0	446.5	430.5	421.5	438.5	420	417.5
Grand Total	1,095.0	1,066.0	1,049.1	1,010.5	978.5	951.5	940.0	943.5	907.5	892.0

Source: District Records

Overall, the total increase in staff is 29 FTE from the prior year's staffing and is mainly comprised of staffing for the new Shaw Middle School (25 positions), an increase in the special education needs and the projected increase in both elementary and secondary schools due to program realignment (4 positions). The number of new staff covered by the General Fund approved budget is 26 FTE for this year. An additional 3 FTE is being funded from federal funds, such as the Student Nutrition Fund and are not included in the General Fund approved budget.

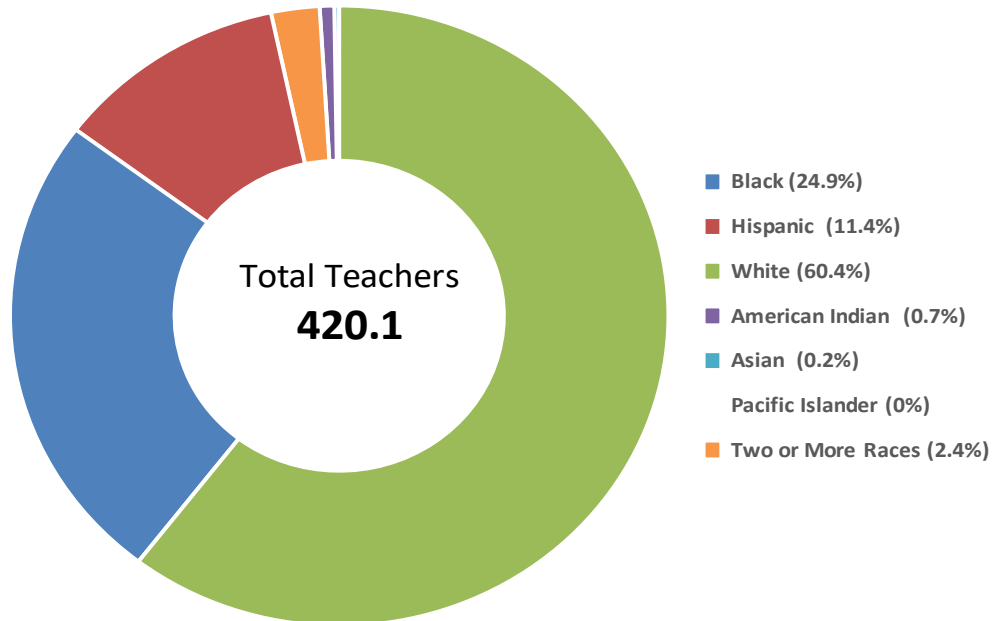
The compensation cost of staffing for the 2025-2026 Budget is increasing by a total of \$2,531,980. This is comprised of \$290,640 for existing teacher step increases and \$2,241,340 for the 29 new staff positions. At the time of the budget adoption the 89th Legislative Session had just ended and no real guidance had been provided for the changes to the State funding, so no increase in staff salary schedules is included in the Adopted Budget at this time other than the step increase for teachers. Once the final funding and the additional staff funding allocations are provided by the State, an Amended Budget with salary increases will be presented to the School Board for approval.

The overall budgeted staff compensation is increasing by approximately 3.9% which does not include pay increases for all staff or advanced stipends and allowances. Benefit costs are a significant source of expenditure inflation for many districts. In 2025-2026 fiscal year, the district share of the health premium is planned to increase by an average of \$50 per participant per month and staff attendance and retention incentives will remain in the budget to encourage staff to come to work every day and to also remain with the District. The District's portion of the pension plan for TRS eligible staff increased from the prior year and is now 2.0% of staff's salary.

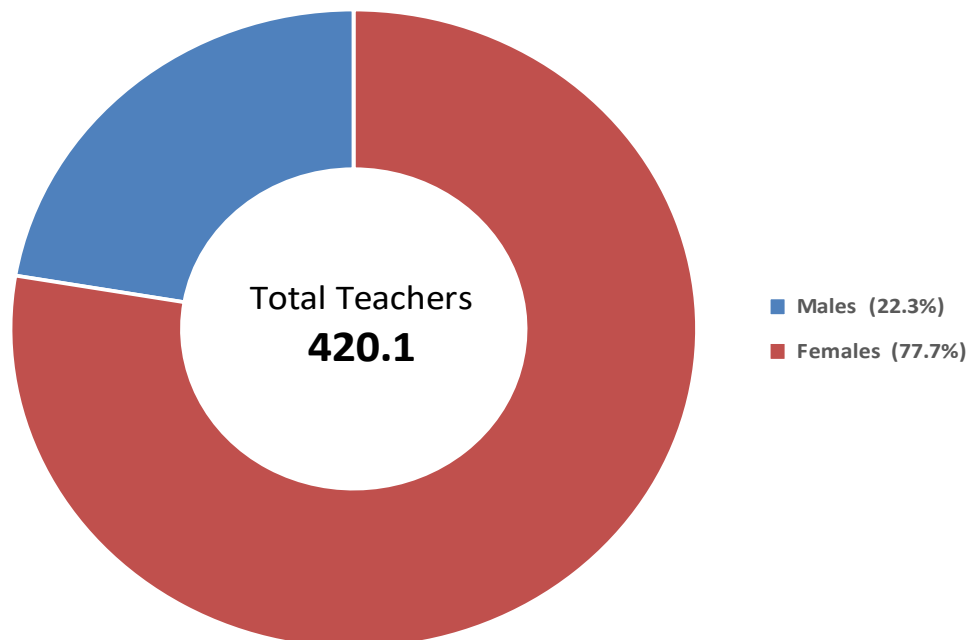


On the next few pages are charts that were taken from the most recent Fall PEIMS Snapshot data that is submitted to Texas Education Agency (TEA) for statewide comparison to other districts. There is typically a one (1) to two (2) year delay in the data being available to the public via the Texas Academic Performance Reports (TAPR). The data for Red Oak ISD is from the fall 2024 Snapshot data that was submitted to TEA and contains only the teaching staff working for the District at the end of October 2024. The final 2024-2025 TAPR report will not be available until the fall of 2025.

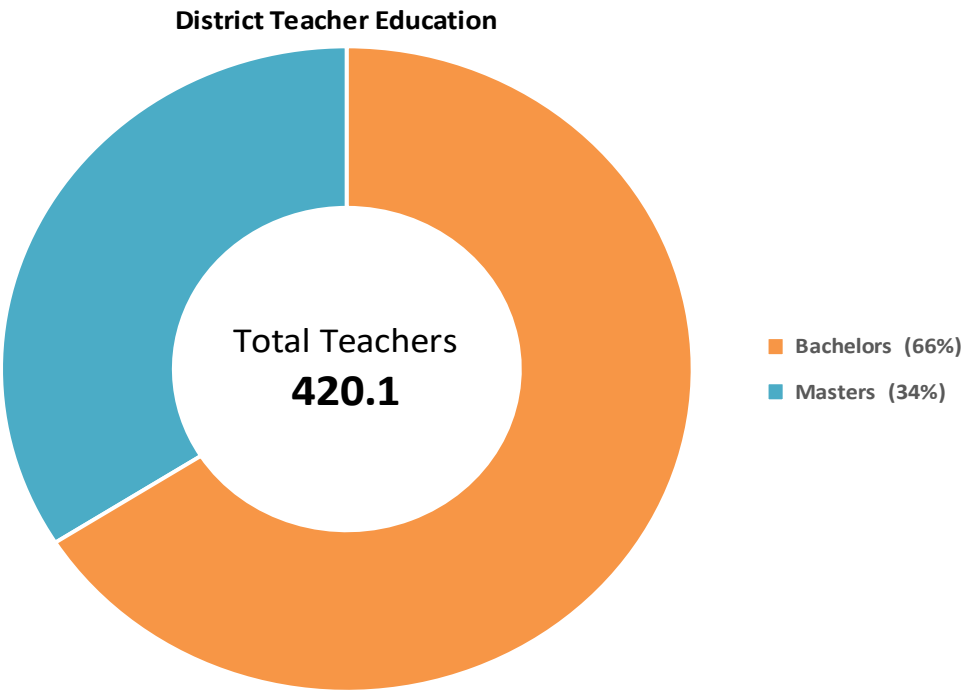
District Teachers Demographics by Ethnicity



District Teachers Demographics by Gender



Below is the breakdown of education level for the teachers that support the education of the Red Oak ISD students. Each section displays the percentage of teachers who hold a bachelor's degree or master's degree. The master's degree category includes teachers with additional credit hours toward a doctoral degree and those teachers who have earned a doctorate. The percentages are shown in the chart legend.



BENCHMARKS

It is always a good practice for a school district as they are preparing the annual budget each year to review various comparisons with neighboring school districts and with the State to validate how the District's resources are being used. These comparisons are called benchmarks. The benchmarks also help to put into perspective comparative information that the community hears through various media outlets, including social media.

The following pages comprises the Public Education Information Management System (PEIMS) Standard Report that contains 2023-2024 student data and the 2023-2024 PEIMS Actual Financial Reports that contains financial data. This is the latest information available from the Texas Education Agency. Some of the auxiliary staffing, who may not work a full eight (8) hour day, such as student nutrition and transportation staff are not counted as a full-time employee for the PEIMS calculation. They are calculated as a partial FTE, even though Red Oak considers their position as full-time.

The information on the next several pages compares Red Oak ISD and the State as a whole. The data has been condensed to percentages, per student costs and ratios to enable the reader to digest key elements of school district spending.

	Red Oak ISD		State	
Student Enrollment	6,592		5,531,236	
Total Staff	962.8		775,882.5	
Professional				
Teachers	431.2	44.8%	374,799.9	48.3%
Professional Support (Nurses, Librarians, Counselors, Diagnosticians)	109.6	11.4%	86,026.7	11.1%
Campus Administrators (Principals, Asst. Principals)	27.8	2.9%	25,836.1	3.3%
Central Administration	13.0	1.4%	9,488.3	1.2%
Educational Aides	95.4	9.9%	88,200.6	11.4%
Auxillary (Maintenance, Student Nutrition, Clerical, Bus Drivers, etc.)	285.8	29.7%	191,530.9	24.7%

Student to Staff Ratios (Formula)

Student to Teacher	15.3	14.8
Student to Total Staff	6.8	7.1
Teacher to Central Office Administration	33.2	39.5
Teacher to Campus Office Administration	15.5	14.5
Teacher to Professional Support Staff	3.9	4.4
Teacher to Educational Aides	4.5	4.2

The pupil-teacher ratio shown above is consistent with the state average for classroom teachers. Texas has laws related to both student-teacher ratios and class size. Student to teacher ratios are the total number of students in a school or district divided by the total number of teachers. Campuses cannot enroll more than 22 students in Kindergarten through 4th Grade. These student to teacher ratio and class size limits have not changed substantively in about 25 years.

A district can apply for a class size waiver if the district lacks facilities, cannot acquire a sufficient number of qualified teachers or one section at any grade level at a school exceeds the class size limit by one or two students due to unanticipated enrollment increases during the school year.

Student-teacher ratios, the total number of students in a school divided by the number of teachers, provide an indication of average class size at the school level. Student-teacher ratios are lower than average class sizes because student-teacher ratios include students in special instructional programs and time teachers spend outside the classroom. The Texas Legislature passed a state law related to student-teacher ratios, requiring districts to maintain a student-teacher ratio of 20 to 1 at all grade levels districtwide for K-12.

School district spending and the adequate amounts needed to fund education have become very political in Texas over the past several years. Red Oak ISD is certainly focused on instruction and student performance results as indicated by continued improvement on academic indicators. The below General Fund benchmark data should demonstrate that Red Oak ISD is focused on student academic performance and fiscal accountability.

	Red Oak ISD		State	
Per Student Expenditures				
Total Operating (General Fund)	\$10,579		\$10,752	
Instruction	\$5,500	52.0%	\$6,156	57.3%
Instructional Res Media	113	1.1%	108	1.0%
Curriculum/Staff Development	272	2.6%	176	1.6%
Instructional Leadership	165	1.6%	183	1.7%
School Leadership	681	6.4%	708	6.6%
Guidance Counseling Services	494	4.7%	393	3.7%
Social Work Services	19	0.2%	24	0.2%
Health Services	138	1.3%	120	1.1%
Transportation	415	3.9%	384	3.6%
Food Services	0	0.0%	87	0.8%
Extracurricular	394	3.7%	334	3.1%
General Administration	471	4.5%	403	3.7%
Plant Maint/Operation	1,141	10.8%	1,242	11.6%
Security/Monitoring	240	2.3%	174	1.6%
Data Processing Services	278	2.6%	227	2.1%
Community Services	255	2.4%	33	0.3%

Ratio of Operating Expenditures

Instructional Expenditures	55.6%	59.9%
Student Support Expenditures	20.3%	19.1%
Administration	6.0%	5.4%
Central Services Support	7.3%	4.0%
Operations	10.8%	11.6%

Instructional Expenses Per Student

The School Board and Administration of Red Oak ISD understand that they have a responsibility to use the community's tax dollars wisely. We are proud of the academic performance of the students despite having lower instructional costs per student and competitive operational costs per student relative to the State average and to peer districts in the North Texas area. On the next page are the school districts in surrounding counties that have student enrollment between 5,000 and 10,000 students and their per pupil instructional and operational expenditure for all funds that was obtained from the 2023-2024 PEIMS Financial Reports.

District	County	Instructional Per Pupil	Operational Per Pupil
Aledo ISD	Parker	\$6,537	\$11,200
Azle ISD	Tarrant	\$6,947	\$12,530
Cleburne ISD	Johnson	\$7,989	\$13,192
Crandall ISD	Kaufman	\$6,085	\$11,110
Ennis ISD	Ellis	\$6,774	\$11,559
Grandbury ISD	Hood	\$7,612	\$12,324
Lancaster ISD	Dallas	\$6,761	\$12,978
Midlothian ISD	Ellis	\$6,095	\$10,618
Red Oak ISD	Ellis	\$6,767	\$12,292
Waxahachie ISD	Ellis	\$7,058	\$11,833
Weatherford ISD	Parker	\$7,248	\$12,459
State Average		\$7,541	\$12,946

OUTSTANDING DEBT

As of June 30, 2025, the District has the following outstanding long-term debt:

	Date of Issuance	Maturity Date	Interest Rate	Face Amount	Carrying Amount
Tax Refunding Bonds, 2016	03/01/2016	08/15/2038	2.00% - 4.00%	8,780,000	8,520,000
Tax Refunding Bonds, 2017	01/15/2017	08/15/2038	3.25% - 5.00%	45,775,000	40,420,000
Tax Refunding Bonds, 2019	05/01/2019	08/15/2039	3.00% - 4.00%	8,225,000	6,950,000
Tax Refunding Bonds, 2019A	05/15/2019	08/15/2039	3.00% - 5.00%	8,900,000	7,595,000
School Building Bonds, Series 2023	08/15/2023	08/15/2053	4.00% - 5.00%	76,335,000	73,975,000
				<u>\$148,015,000</u>	<u>\$137,460,000</u>

The District called a Bond Election in May 2023 for the construction of a second middle school. The \$97.5 million bond passed and \$76.3 million was issued in August 2023 with the remainder, if needed, to be issued in future budget cycles. The total received was \$80 million with the actual par amount of the bonds issued being \$76.3 million with \$3.7 million as a bond premium. A new Series 2025 Bond issue for \$175,000,000 will take place in August 2025. Depending on an updated Facilities Master Study, future additional bond elections may be necessary to increase capacity for the growth in student enrollment at all grade levels.

The debt service payments are made twice per year on August 15 and February 15. Interest payments are made on both of these dates and the principal payment on the older bonds is made on August 15 and the principal payment on the Series 2019 and Series 2023 bonds is made on February 15 of each year.

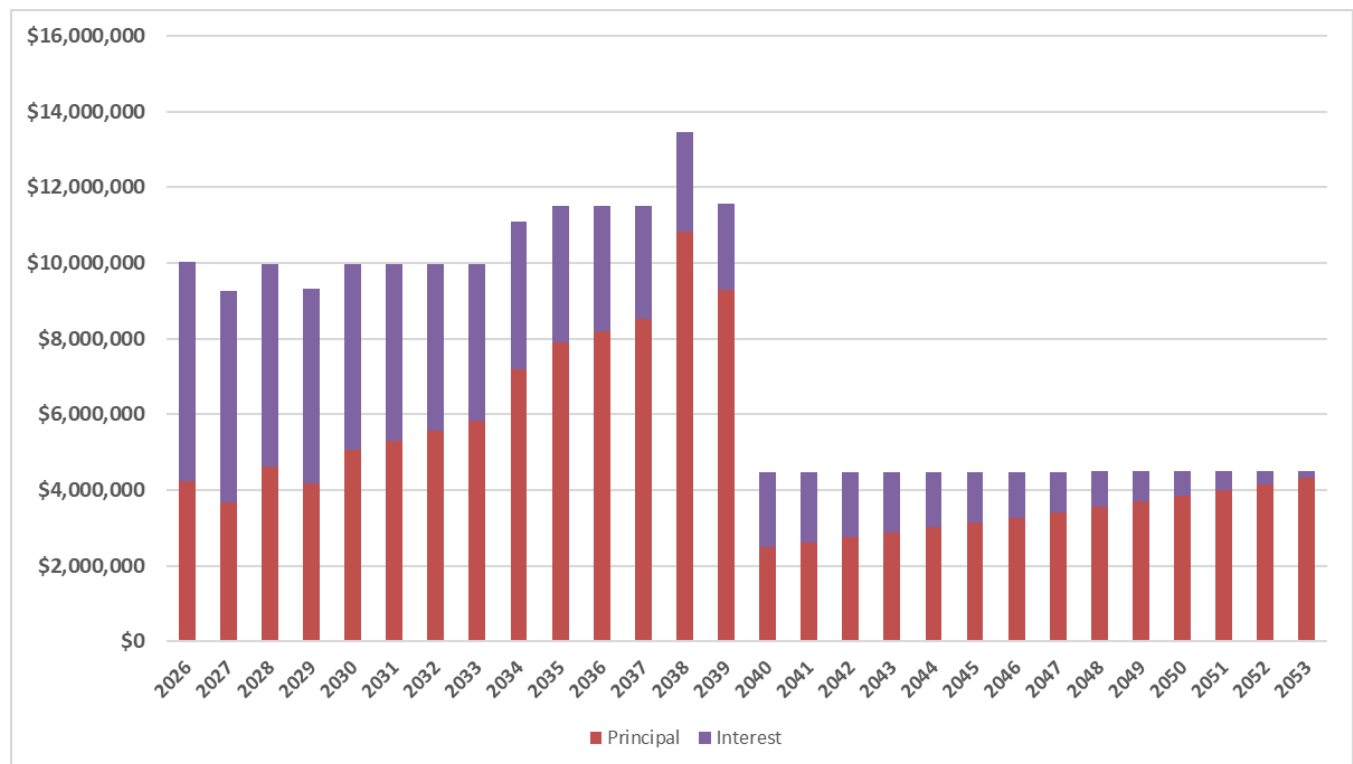
The 2025-2026 Debt Service budget covers \$4,230,000 of principal reduction and \$5,784,938 of interest expense for existing bonds. In addition, a projected principal and interest payment for August and then next February is budgeted for the upcoming Series 2025 bonds and the potential redeeming of a portion of the Series 2016 bonds. This adds \$8,200,000 to the budgeted principal and interest payment for the 2025-2026 Budget.

A Texas school district cannot issue debt (bonds) without demonstrating that the district has a projected ability to pay the annual principal and interest on the proposed bonds and all previously issued bonds from property taxes at a rate not to exceed \$0.50 per \$100 of valuation. A district may demonstrate the ability to comply by using a projected future taxable value of property in the district anticipated for the earlier of the tax year five (5) years after the current tax year or the tax year in which the final payment is due for the prospective bonds.

Over the years, the District has made an effort to reduce the future outstanding debt obligation by either refunding or paying off the allowable debt when they can be redeemed before the maturity date. So far, Series 2012, 2013, 2014 and 2015 have been paid off. The allowable debt usually has a call date ten (10) years after the debt was first issued.

The net outstanding long term debt is comprised of \$137,460,000 of current outstanding debt and \$74,448,119 of interest. By paying off the Series 2012, 2013, 2014 and 2015 Bond issues, the District has saved \$3,264,300 in interest payments over the next ten (10) fiscal years.

All of the existing debt is projected to be paid off by February 15, 2053, with the Series 2023 extending the payoff from 2039 to 2053. The Series 2025 bonds will likely increase the annual payments from 2040 – 2053. If refunding opportunities occur, the District will evaluate the impact of reducing interest rates to reduce the overall amount that is levied for payment of the outstanding debt. Below and on the next page are charts that show the annual principal and interest payments over the next 28 years.



Year Ending June 30	Principal	Interest	Total
2026	4,230,000	5,784,938	10,014,938
2027	3,680,000	5,576,188	9,256,188
2028	4,605,000	5,376,013	9,981,013
2029	4,170,000	5,146,838	9,316,838
2030	5,050,000	4,922,538	9,972,538
2031	5,300,000	4,680,613	9,980,613
2032	5,555,000	4,426,513	9,981,513
2033	5,820,000	4,159,938	9,979,938
2034	7,190,000	3,888,763	11,078,763
2035	7,890,000	3,605,056	11,495,056
2036	8,200,000	3,301,475	11,501,475
2037	8,520,000	2,980,975	11,500,975
2038	10,820,000	2,642,713	13,462,713
2039	9,300,000	2,269,663	11,569,663
2040	2,485,000	1,992,500	4,477,500
2041	2,615,000	1,868,250	4,483,250
2042	2,745,000	1,737,500	4,482,500
2043	2,885,000	1,600,250	4,485,250
2044	3,020,000	1,456,000	4,476,000
2045	3,145,000	1,335,200	4,480,200
2046	3,270,000	1,209,400	4,479,400
2047	3,405,000	1,078,600	4,483,600
2048	3,545,000	942,400	4,487,400
2049	3,690,000	800,600	4,490,600
2050	3,840,000	653,000	4,493,000
2051	3,995,000	499,400	4,494,400
2052	4,160,000	339,600	4,499,600
2053	4,330,000	173,200	4,503,200
	<u>\$137,460,000</u>	<u>\$74,448,119</u>	<u>\$211,908,119</u>

STUDENT PERFORMANCE MEASURES

One of the main instructional goals of Red Oak ISD is to provide data-informed feedback to students so that they can analyze what they have learned and what they still have to learn for a particular course, grade level, or bundle of instruction. Another part of this goal is to provide data-informed feedback to parents about the academic progress of their child and to provide data-informed feedback to teachers about students' learning so that delivery methods can be enhanced to create more effective teaching and learning.

Curriculum and Instructional Department

The belief of the Curriculum Department is that the District's vision, combined with a focused instructional program, high expectations and accountability, form the foundation for student success. Red Oak ISD is a community of learners. Staff members are committed to investing in a rigorous program of professional development, going above and beyond the minimum requirements to ensure that Our Students' Success is Our Success.

The mission of the Curriculum Department is to provide quality instructional materials and resources to facilitate and support the classroom learning environment. Students in Red Oak ISD have a variety of academic opportunities that prepare them for their future, whether it is college, career, or military readiness. In addition, there is a well-rounded selection of clubs and extra-curricular opportunities to help each student reach their full potential. Specialized services and curriculum are available for students who have specific needs. Red Oak ISD has a bilingual program available, as well as parent enrichment academies.

Advanced Academics includes courses, programs, assessments, services and supports that provide opportunities for students to demonstrate college and career readiness and earn postsecondary credit.

Advanced Academics

Red Oak ISD offers a full program for advanced academics:

- Elementary: Pull-out Gifted and Talented classes
- Middle School: Honors core academic classes
- High School:
 - Honor courses
 - Advanced Placement (AP) courses
 - Dual Credit courses
 - Dual Credit Career and Technical courses
 - Hawk Scholar's Early College Program through Navarro College and University of Texas at Arlington





Senior Scholarship Awards Night hosted by the Red Oak Area Chamber of Commerce

Career and Technical Education Pathways

Red Oak ISD prepares students for their future in the CTE program by emphasizing academic skills, professional career skills and 21st Century work skills.

Red Oak ISD offers courses in the following Career and Technical pathways:

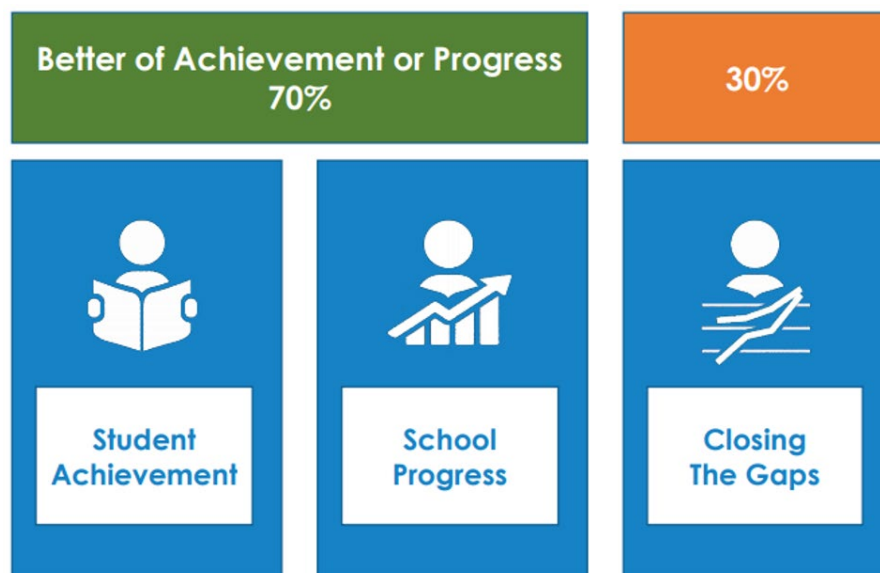
- Agriculture, Food & Natural Resources
- Architecture and Construction
- Arts, A/V Technology & Communications
- Business, Marketing & Finance
- Education
- Health Science
- Human Services - Cosmetology
- Information Technology
- Law, Public Safety, Corrections & Security
- Manufacturing
- Science, Technology, Engineering & Mathematics
- Transportation, Distribution & Logistics

Accountability

The Texas Education Agency (TEA) evaluates public schools and districts using state accountability requirements. TEA accredits public schools in Texas at the district level for grades K-12. The Accreditation Status, Standards and Sanctions section of the Texas Administrative Code (TAC) defines how accreditation statuses will be determined and assigned to school districts. Those statuses are defined as Accredited, Accredited-Warning, Accredited-Probation and Not Accredited-Revoked. The TAC rules also establish accreditation standards and sanctions, including definitions, purpose and oversight appointments.

In 1993, the Texas Legislature enacted statutes that mandated the creation of the Texas public school accountability system to rate school districts and evaluate campuses. Annual academic accountability ratings are provided to public school districts, charters and schools every year. The ratings are based on performance of state standardized tests; graduation rates; and college, career and military readiness outcomes. The ratings examine student achievement, school progress and whether districts and campuses are closing achievement gaps among various student groups and postsecondary readiness. More detailed information is available at [TXschools.gov](https://www.txschools.gov).

The State evaluates a district with an A to F letter grade. The TEA ratings are based on three factors, or domains. "Student achievement" and "school progress" combine for 70% of the rating, while "closing the gaps" makes up 30%.



The District and all campuses receive an overall rating, as well as, a rating for each domain. The rating labels are:

- **A, B, C, or D:** Assigned for overall performance and for performance in each domain to districts and campuses (including those evaluated under alternative education accountability [AEA]) that meet the performance target for the letter grade
- **F:** Assigned for overall performance and for performance in each domain to districts and campuses (including AEAs) that do not meet the performance target to earn at least a D.
- **Not Rated:** Indicates that a district or campus does not receive a rating for one or more of the following reasons:
 - The district or campus has no data in the accountability subset.
 - The district or campus has insufficient data to assign a rating.
 - The district operates only residential facilities.

- The campus is a juvenile justice alternative education program (JJAEP).
 - The campus is a disciplinary alternative education program (DAEP).
 - The campus is a residential facility.
 - The commissioner otherwise determines that the district or campus will not be rated.
- **Not Rated: Senate Bill 1365:** Assigned in 2022 for overall performance to districts and campuses that do not meet the performance target to earn at least a C.
 - **Not Rated: Data Under Review:** Indicates data accuracy or integrity may have compromised performance results, making it impossible to assign a rating. The assignment of a Not Rated: Data Under Review label is temporary while the data are reviewed.
 - **Not Rated: Data Integrity Issues:** Indicates data accuracy or integrity have compromised performance results, making it impossible to assign a rating. The assignment of a Not Rated: Data Integrity Issues label may be permanent or temporary, pending investigation.

Due to the cancellation of the 2020 State of Texas Assessments of Academic Readiness (STAAR) assessments due to the impact of COVID-19 and the Governor declaring a State of Disaster, the data for the Texas Academic Performance Reports (TAPR) were not obtained for the 2019–2020 and the 2020-2021 school years. The 2023 accountability information was to be released in December 2023, but was only recently released due to a lawsuit initiated by school districts due to the higher rating standards approved by the 88th Legislature to the grading formula for the 2022-2023 school year after the assessments had taken place.

The 2023 Accountability ratings that were released in April are shown below for the District and by campus. Due to the higher standards implemented after the testing, the overall District rating was a D (69), with two (2) campuses receiving a rating of B, four (4) campuses receiving a rating of C and one (1) campus receiving a rating of D. Overall student achievement was a score of 73, student progress was a score of 73 and closing the gaps was a score of 58.

	2019 Overall Score	2022 Overall Score	2023 Overall Score	2022 Rating
Red Oak ISD	88	84	69	D
Red Oak High School	85	85	74	C
Red Oak Middle School	80	74	63	D
Red Oak Elementary	77	92	74	C
Wooden Elementary *	83	93	87	B
Eastridge Elementary	89	86	77	C
Shields Elementary *	78	88	84	B
Schupmann Elemmentary *	87	86	74	C

* Received Distinction(s) for 2023

Campuses that receive an accountability rating of A, B, C or D are eligible to earn distinction designations. Distinction designations are awarded for achievement in several areas and are based on performance compared to a group of campuses of similar type, size, grade span and student demographics. The distinction designation indicators are typically separate from those used to assign accountability ratings. Distinctions are awarded to the top quartile (25%) of a campus's comparison group.

For 2023, distinction designations are awarded based on performance at the campus level in the following areas:

- Academic Achievement in English Language Arts/Reading
- Academic Achievement in Mathematics
- Academic Achievement in Science
- Academic Achievement in Social Studies
- Top 25 Percent: Comparative Academic Growth
- Top 25 Percent: Comparative Closing the Gaps
- Postsecondary Readiness

Below is an overview of the Red Oak ISD campuses most recent 2023 distinctions. For more detailed information about the distinctions, please visit the TEA website.

Wooden Elementary:	Comparative Academic Growth, Comparative Closing the Gaps
Shields Elementary:	Comparative Academic Growth, Postsecondary Readiness, Comparative Closing the Gaps
Schupmann Elementary:	Science

Below is a snapshot of the 2023 District Accountability Rating summary and then the overall ratings summary for each campus are on the next several pages.

Texas Education Agency
2023 Accountability Rating Overall Summary
RED OAK ISD (070911) - ELLIS COUNTY

Summary

	Scaled Score	Rating	Proportion of Overall Rating
Overall	69	D	
Student Achievement	73	C	70%
School Progress	73	C	0%
Academic Growth	65	D	
Relative Performance (Eco Dis: 60.9%)	73	C	
Closing the Gaps	58	F	30%

Texas Education Agency
2023 Accountability Rating Overall Summary
RED OAK H S (070911001) - RED OAK ISD - ELLIS COUNTY

Summary

	Component Score	Scaled Score	Rating	Proportion of Overall Rating
Overall		68	D	
Student Achievement		74	C	70%
STAAR Performance	47	75		
College, Career and Military Readiness	59	66		
Graduation Rate	98.7	90		
School Progress		72	C	0%
Academic Growth	65	65	D	
Relative Performance (Eco Dis: 54.5%)		72	C	✓
Closing the Gaps	29	53	F	30%

Identification of Schools for Improvement

This campus is NOT identified for comprehensive support and improvement, targeted support and improvement, or additional targeted support.

Texas Education Agency
2023 Accountability Rating Overall Summary
RED OAK MIDDLE (070911041) - RED OAK ISD - ELLIS COUNTY

Summary

	Component Score	Scaled Score	Rating	Proportion of Overall Rating
Overall		63	D	
Student Achievement		70	C	70%
STAAR Performance	38	70		
College, Career and Military Readiness				
Graduation Rate				
School Progress		69	D	0%
Academic Growth	53	58	F	
Relative Performance (Eco Dis: 63.2%)		69	D	✓
Closing the Gaps	8	45	F	30%

Identification of Schools for Improvement

This campus is identified for additional targeted support.

Texas Education Agency
2023 Accountability Rating Overall Summary
RED OAK EL (070911101) - RED OAK ISD - ELLIS COUNTY

Summary

	Component Score	Scaled Score	Rating	Proportion of Overall Rating
Overall		74	C	
Student Achievement		72	C	0%
STAAR Performance	44	72		
College, Career and Military Readiness				
Graduation Rate				
School Progress		74	C	70%
Academic Growth	64	71	C	
Relative Performance (Eco Dis: 64.4%)		74	C	✓
Closing the Gaps	47	75	C	30%

Identification of Schools for Improvement

This campus is NOT identified for comprehensive support and improvement, targeted support and improvement, or additional targeted support.

Texas Education Agency
2023 Accountability Rating Overall Summary
WOODEN EL (070911102) - RED OAK ISD - ELLIS COUNTY

Summary

	Component Score	Scaled Score	Rating	Proportion of Overall Rating
Overall		87	B	
Student Achievement		79	C	0%
STAAR Performance	52	79		
College, Career and Military Readiness				
Graduation Rate				
School Progress		85	B	70%
Academic Growth	75	85	B	✓
Relative Performance (Eco Dis: 63.5%)		83	B	
Closing the Gaps	79	92	A	30%

Identification of Schools for Improvement

This campus is NOT identified for comprehensive support and improvement, targeted support and improvement, or additional targeted support.

Texas Education Agency
2023 Accountability Rating Overall Summary
EASTRIDGE EL (070911103) - RED OAK ISD - ELLIS COUNTY

Summary

	Component Score	Scaled Score	Rating	Proportion of Overall Rating
Overall		77	C	
Student Achievement		76	C	0%
STAAR Performance	48	76		
College, Career and Military Readiness				
Graduation Rate				
School Progress		79	C	70%
Academic Growth	58	63	D	
Relative Performance (Eco Dis: 61.7%)		79	C	✓
Closing the Gaps	38	72	C	30%

Identification of Schools for Improvement

This campus is NOT identified for comprehensive support and improvement, targeted support and improvement, or additional targeted support.

Texas Education Agency
2023 Accountability Rating Overall Summary
SHIELDS EL (070911105) - RED OAK ISD - ELLIS COUNTY

Summary

	Component Score	Scaled Score	Rating	Proportion of Overall Rating
Overall		84	B	
Student Achievement		78	C	0%
STAAR Performance	51	78		
College, Career and Military Readiness				
Graduation Rate				
School Progress		82	B	70%
Academic Growth	73	82	B	✓
Relative Performance (Eco Dis: 60.2%)		82	B	
Closing the Gaps	75	90	A	30%

Identification of Schools for Improvement

This campus is NOT identified for comprehensive support and improvement, targeted support and improvement, or additional targeted support.

Texas Education Agency
2023 Accountability Rating Overall Summary
RUSSELL P SCHUPMANN EL (070911107) - RED OAK ISD - ELLIS COUNTY

Summary

	Component Score	Scaled Score	Rating	Proportion of Overall Rating
Overall		78	C	
Student Achievement		74	C	0%
STAAR Performance	46	74		
College, Career and Military Readiness				
Graduation Rate				
School Progress		79	C	70%
Academic Growth	62	69	D	
Relative Performance (Eco Dis: 70.6%)		79	C	✓
Closing the Gaps	47	75	C	30%

Identification of Schools for Improvement

This campus is NOT identified for comprehensive support and improvement, targeted support and improvement, or additional targeted support.

The Texas Academic Performance Reports

The Texas Academic Performance Reports (TAPR), formerly known as Academic Excellence Indicator System (AEIS), is an annual accumulation of a wide range of information on the performance of students in each school and district in Texas. Student performance is disaggregated by student groups, including ethnicity and socioeconomic status. Data is compiled using Public Education Information Management System (PEIMS) and student assessment data. The reports provide extensive information on staff, programs and demographics for each school and district.

The school report card (SRC) combines accountability ratings, data from the Texas Academic Performance Reports (TAPR) and financial information to give a broad view of campus performance. Available for each campus in Texas, the SRC is intended specifically to inform parents and guardians about a school's individual characteristics and its academic performance. When districts or schools struggle with performance, the state may order the implementation of interventions.

The Texas Education Code (TEC) requires the following:

- TEC § 39.361 requires districts to state whether one or more of its campuses have been awarded a distinction designation or is currently rated F and to provide an explanation of the significance of the information.
- TEC § 39.362 requires districts to post on the district website the current accreditation status and accountability ratings, Texas Academic Performance Reports (TAPR) and School Report Cards (SRC) as well as an explanation of the information by the 10th day of each school year.

The performance section of the TAPR shows the STAAR performance by grade, subject and performance level. The performance level is broken down into three (3) categories: Approaches means that the student showed some knowledge of the material but does not show an understanding of some of the most important parts. This is still passing, but it is likely that a student will need extra help in the next grade. Meets means that a student showed a good understanding of the subject material and is ready for the next grade. While there is room for improvement, the student does not need a lot of extra help in this subject. Masters means a student showed a strong understanding of the subject material and is well prepared for success in the next grade.

Below is a chart that compares the student achievement improvement from school year 2022-2023 to 2023-2024. Of the 12 possible "ALL STUDENT" measures, Red Oak ISD students saw a decline in 5 areas compared to the 2022-2023 data:

Texas Academic Performance Report (TAPR)	2022-2023 Approaches	2023-2024 Approaches	2022-2023 Meets	2023-2024 Meets	2022-2023 Masters	2023-2024 Masters
ROISD All Students - ELA/Reading	75%	74%	48%	48%	14%	17%
ROISD All Students - Math	72%	70%	38%	40%	14%	17%
ROISD All Students - Science	76%	73%	42%	37%	13%	11%
ROISD All Students - Social Studies	72%	73%	45%	45%	22%	23%

Here is the same data comparing the 2021-2022 school year to the 2022-2023 school year:

Texas Academic Performance Report (TAPR)	2021-2022 Approaches	2022-2023 Approaches	2021-2022 Meets	2022-2023 Meets	2021-2022 Masters	2022-2023 Masters
ROISD All Students - ELA/Reading	74%	75%	48%	48%	21%	14%
ROISD All Students - Math	71%	72%	43%	38%	19%	14%
ROISD All Students - Science	73%	76%	44%	42%	19%	13%
ROISD All Students - Social Studies	71%	72%	45%	45%	25%	22%

Texas has 20 Education Service Centers (ESCs) that were created by the State Board of Education in 1967 to provide services to school districts throughout the state. The ESCs are service organizations, not regulatory arms of the Texas Education Agency (TEA) and participation by schools in services of the centers is voluntary. The Education Service Centers shall assist school districts in improving student performance, enable school districts to operate more efficiently and economically and implement initiatives assigned by the legislature or the commissioner. Red Oak ISD is in Region 10 that encompasses the Dallas area and is located in Richardson, Texas.

In the Texas School Accountability system, students are identified as College, Career or Military Ready based on state criteria. This domain measures graduates' preparedness for college, the workforce, or the military. The Red Oak ISD 2022-2023 school year data from the 2023-2024 TAPR is contained in the table on the next page.

	State	Region 10	Red Oak ISD
CCMR Graduates	76.3%	79.4%	55.1%
College Ready	61.9%	65.0%	44.1%
Dual Course Credits	23.6%	22.4%	18.7%
Associate's Degree	2.5%	2.0%	2.3%
Career or Military Ready	36.4%	35.9%	26.7%
Industry-Based Certifications	33.4%	33.1%	24.7%

Red Oak ISD has an initiative in place to encourage more students to participate in college-ready testing, such as the PSAT, ACT and SAT. Red Oak ISD has established a districtwide focus on removing the financial barriers that can cause many students to decline participation. The PSAT, ACT, SAT and TSI test is offered to all students at no cost, one test per year beginning in eighth grade. Below is the percent of students participating in both the SAT and ACT tests.

	State	Region 10	Red Oak ISD
2022-2023	79.30%	86.30%	90.60%
2021-2022	71.50%	82.20%	80.20%
2020-2021	70.80%	80.50%	80.50%
2019-2020	76.70%	81.50%	93.10%
2018-2019	75.00%	80.50%	100.00%
2017-2018	74.60%	79.00%	98.60%
2016-2017	73.50%	77.60%	68.90%

State of Texas Assessment of Academic Readiness

The State of Texas Assessment of Academic Readiness (STAAR) test replaced the Texas Assessment of Knowledge and Skills (TAKS) for grades 3-9 starting in the 2011-2012 school year. In 2012-2013, students in grade 10 took STAAR as well. The phase in of STAAR was complete in 2013-2014 when it is administered to students in grade 11 for the first time. The state-mandated assessment includes assessments for students in grades 3-12 and will focus on readiness for success in subsequent grades and courses and, ultimately, for college and career. The STAAR is more rigorous than previous state tests. STAAR graduation requirements apply to students entering grade 9 starting in the 2011-2012 school year. As a result of legislation passed in the spring of 2013, the number of STAAR tests at high school was reduced from 15 to five (5).

The STAAR tests are designed to measure the extent to which a student has learned and is able to apply the defined knowledge and skills at each tested grade level or course level. These assessments are administered for the respective subjects in the following grade levels:

- Reading: Grades 3-8
- Writing: Grades 4 and 7
- Mathematics: Grades 3-8
- Science: Grades 5 and 8
- Social Studies: Grade 8
- High School End-of-Course (EOC) exams: English I, English II, Algebra I, Biology and U.S. History

The STAAR test encompasses both the “STAAR grades 3-8” testing and the “EOC” (End of Course) Exams at the secondary level. The STAAR is more rigorous than previous state tests and also has promotion and graduation requirements at specified grade levels.

Below is the end of course test result comparison of the State, Region 10 and Red Oak ISD for the 2022, 2023 and the 2024 school years.

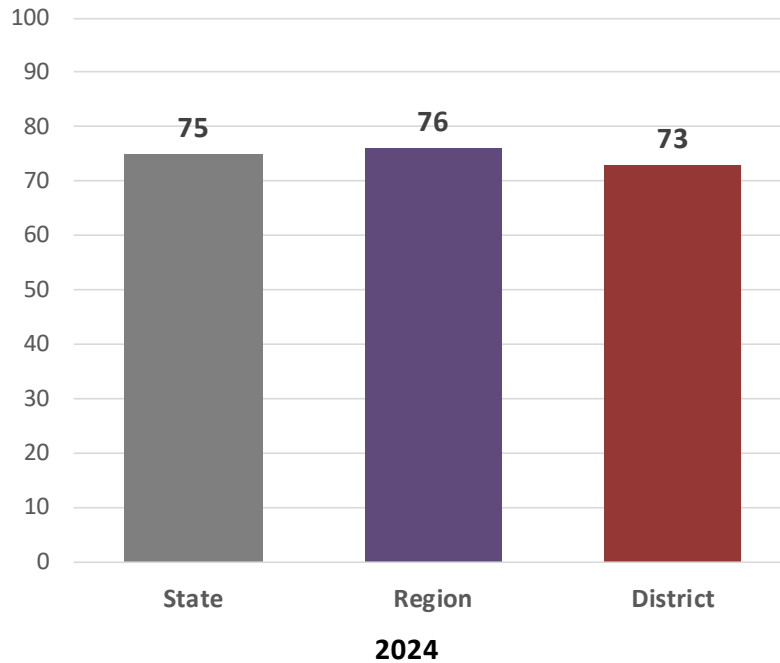
2021-2022			
	State Average	Region 10 Average	Red Oak ISD Average
English I	65%	66%	66%
English II	71%	72%	75%
Algebra 1	76%	76%	73%
Biology	83%	84%	82%
US History	89%	89%	84%

2022-2023			
	State Average	Region 10 Average	Red Oak ISD Average
English I	72%	73%	71%
English II	74%	75%	78%
Algebra 1	79%	80%	80%
Biology	88%	88%	86%
US History	94%	94%	90%

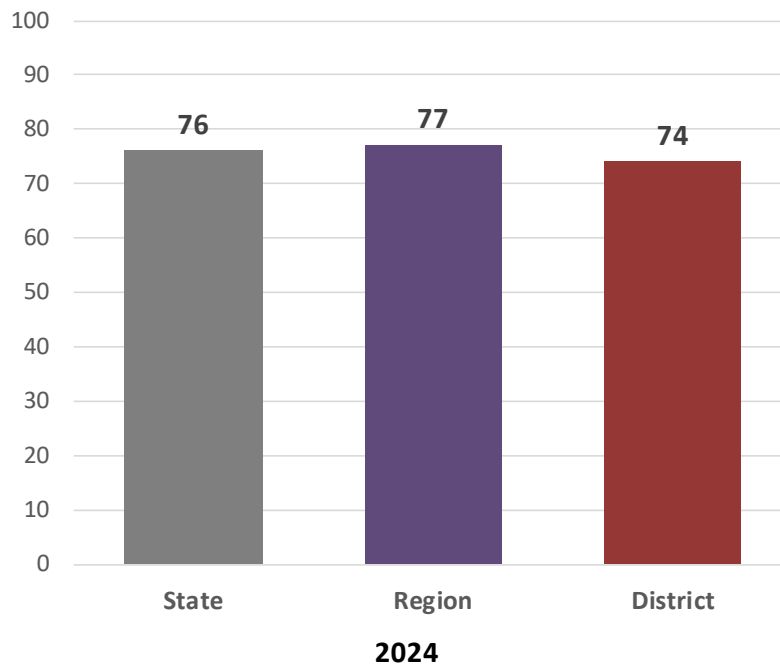
2023-2024			
	State Average	Region 10 Average	Red Oak ISD Average
English I	70%	71%	67%
English II	75%	76%	71%
Algebra 1	81%	81%	80%
Biology	91%	92%	90%
US History	96%	96%	96%

The passing standard for STAAR assessments is Approaches Grade Level. A student who scores at or above this level has passed the STAAR test, but a student who scores within Did Not Meet Grade Level has not passed. More information about the passing standards, including a separate questions and answers document, is available on the STAAR Performance Standards webpage at <http://tea.texas.gov/studentassessment/staar/performance-standards>. On the next several pages are graphs that show the percentage of students that met the passing standard for the State, Region 10 and Red Oak ISD for the 2023-2024 school year.

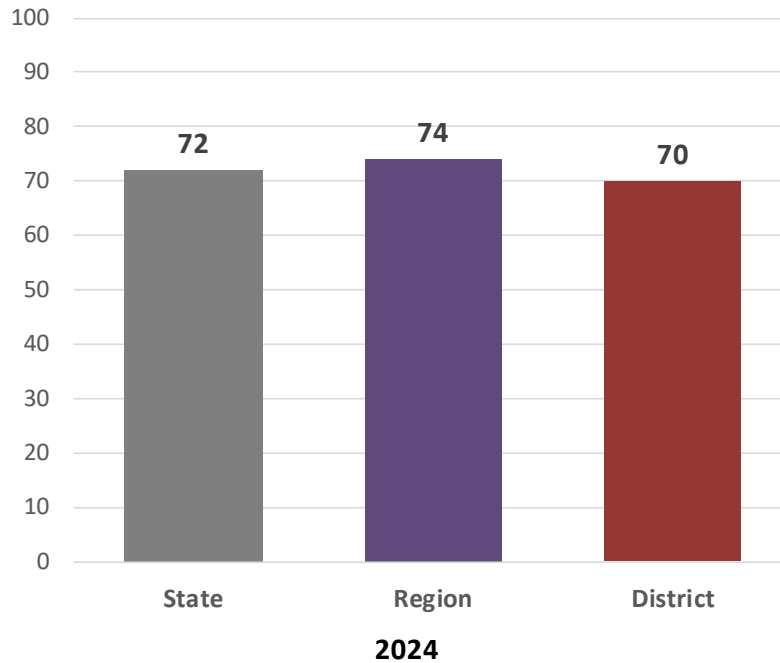
STAAR Percent Met Standard (*Approaches*)
All Grades, **All Subjects**



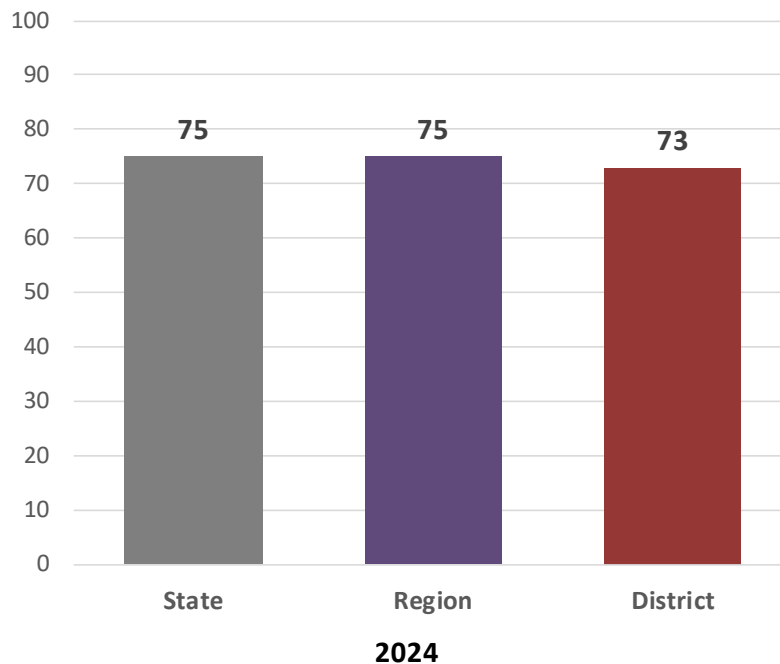
STAAR Percent Met Standard (*Approaches*)
All Grades, **Reading**



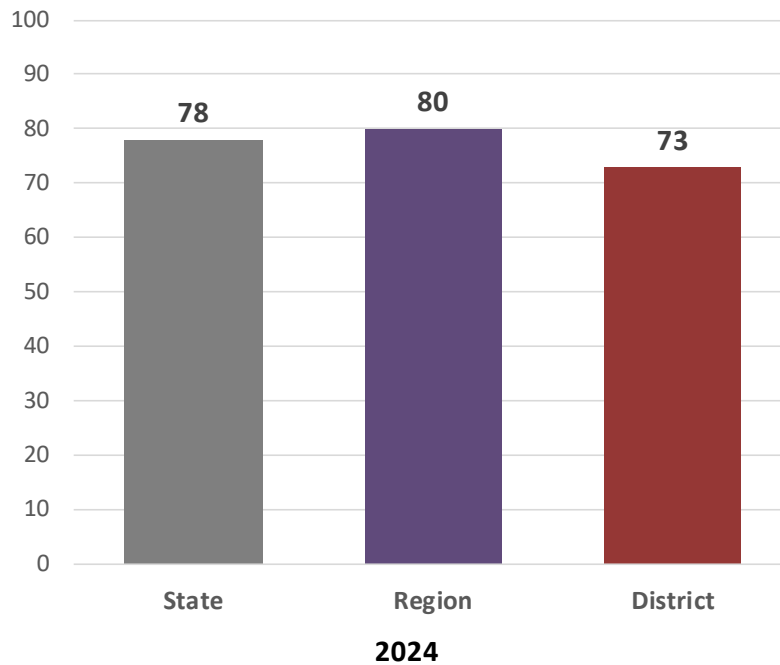
STAAR Percent Met Standard (*Approaches*)
All Grades, **Math**



STAAR Percent Met Standard (*Approaches*)
All Grades, **Science**



STAAR Percent Met Standard (*Approaches*) All Grades, Social Studies



2024 -2025 Star Banquet seniors and their most Influential educators



Wooden Elementary's Cinco De Mayo Celebration

School Report Cards

The school report card (SRC) combines accountability ratings, data from the Texas Academic Performance Reports (TAPR) and financial information to give a broad view of campus performance. Available for each campus in Texas, the SRC is intended specifically to inform parents and guardians about a school's individual characteristics and its academic performance.

The report provides information concerning student performance on the State of Texas Assessments of Academic Readiness (STAAR), as well as, information on student enrollment, class size averages and financial expenditures. The information contained in the School Report Card is required by state law. A glossary of terms and School Report Card Definitions can be found on the Texas Education Agency (TEA) website.

Due to COVID-19, all campuses and districts received a label of *Not Rated: Declared State of Disaster* for the 2019–2020 and the 2020-2021 school years. Therefore, several data points may not have not been updated, including STAAR and academic growth data.

Following is a snapshot of each campus's 2022 School Report Card from the 2021-2022 school year. The 2023 and 2024 School Report Cards are not available pending the ruling of the lawsuits due to the 88th Legislature making significant changes to the grading formula for the 2022-2023 school year after the grading had occurred.

Texas Education Agency
2022 School Report Card
RED OAK EL (070911101) - RED OAK ISD - ELLIS COUNTY

School Information

District Name:	RED OAK ISD
Campus Type:	Elementary
Total Students:	542
Grade Span:	EE - 05

For more information about this campus, see:

<https://TXschools.gov>

or the Texas Academic Performance Report at:

<https://rptsrv1.tea.texas.gov/perfreport/tapr/2022/index.html>

Accountability Ratings

This measures how much students are learning in each grade and whether or not they are ready for the next grade. It also shows how well a school or district prepares their students for success after high school in college, the workforce, or the military. State accountability ratings are based on three domains: Student Achievement, School Progress, and Closing the Gaps. Scores are scaled from 0 to 100 to align with letter grades.

Overall Rating



92 of 100

Student Achievement



78 of 100

School Progress



91 of 100

Closing the Gaps



94 of 100

Distinction Designations

Campuses that earn a rating of A-C are eligible for as many as seven distinction designations that are awarded when a school or district shows exceptional achievement in certain areas.



Texas Education Agency
2022 School Report Card
RED OAK EL (070911101) - RED OAK ISD - ELLIS COUNTY

Student Information

This section provides demographic information about RED OAK EL, including attendance rates, enrollment percentages for various student groups, student mobility rates, and class size averages at the campus, district, and state level, where applicable.

	Campus	District	State
Attendance Rate (2020-21)			
	95.9%	96.6%	95.0%
Enrollment by Race/Ethnicity			
African American	32.5%	30.5%	12.8%
Hispanic	38.7%	40.1%	52.8%
White	23.2%	24.5%	26.3%
American Indian	0.0%	0.3%	0.3%
Asian	2.2%	1.0%	4.8%
Pacific Islander	0.2%	0.1%	0.2%
Two or More Races	3.1%	3.6%	2.9%
Enrollment by Student Group			
Economically Disadvantaged	56.3%	51.8%	60.7%
Special Education	17.0%	12.7%	11.6%
Emergent Bilingual/EL	10.9%	13.5%	21.7%
Mobility Rate (2020-21)			
	11.8%	11.3%	13.6%

	Campus	District	State
Class Size Averages by Grade or Subject			
Elementary			
Kindergarten	18.9	19.8	18.7
Grade 1	21.1	20.4	18.7
Grade 2	20.8	18.8	18.6
Grade 3	18.7	19.6	18.7
Grade 4	16.2	18.9	18.8
Grade 5	19.9	22.4	20.2
Grade 6	-	24.3	19.2
Secondary			
English/Language Arts	-	20.4	16.3
Foreign Languages	-	22.1	18.4
Mathematics	-	23.2	17.5
Science	-	24.5	18.5
Social Studies	-	24.4	19.1

School Financial Information (2020-21)

Various financial indicators based on actual data from the prior year are reported for the campus, district, and state. For more information, see: <http://tea.texas.gov/financialstandardreports/>

	Campus	District	State
Instructional Expenditure Ratio	n/a	59.4%	64.2%
Instructional Staff Percent	n/a	57.7%	64.9%

	Campus	District	State
Expenditures per Student			
Total Operating Expenditures	\$8,465	\$10,446	\$11,106
Instruction	\$5,977	\$5,368	\$6,358
Instructional Leadership	\$137	\$123	\$186
School Leadership	\$478	\$581	\$654

Texas Education Agency
2022 School Report Card
WOODEN EL (070911102) - RED OAK ISD - ELLIS COUNTY

School Information

District Name:	RED OAK ISD
Campus Type:	Elementary
Total Students:	503
Grade Span:	PK - 05

For more information about this campus, see:

<https://TXschools.gov>

or the Texas Academic Performance Report at:

<https://rptsrv1.tea.texas.gov/perfreport/tapr/2022/index.html>

Accountability Ratings

This measures how much students are learning in each grade and whether or not they are ready for the next grade. It also shows how well a school or district prepares their students for success after high school in college, the workforce, or the military. State accountability ratings are based on three domains: Student Achievement, School Progress, and Closing the Gaps. Scores are scaled from 0 to 100 to align with letter grades.

Overall Rating



93 of 100

Student Achievement



83 of 100

School Progress



92 of 100

Closing the Gaps



94 of 100

Distinction Designations

Campuses that earn a rating of A-C are eligible for as many as seven distinction designations that are awarded when a school or district shows exceptional achievement in certain areas.



Texas Education Agency
2022 School Report Card
WOODEN EL (070911102) - RED OAK ISD - ELLIS COUNTY

Student Information

This section provides demographic information about WOODEN EL, including attendance rates, enrollment percentages for various student groups, student mobility rates, and class size averages at the campus, district, and state level, where applicable.

	Campus	District	State
Attendance Rate (2020-21)			
	96.8%	96.6%	95.0%
Enrollment by Race/Ethnicity			
African American	9.1%	30.5%	12.8%
Hispanic	56.3%	40.1%	52.8%
White	30.4%	24.5%	26.3%
American Indian	0.0%	0.3%	0.3%
Asian	0.6%	1.0%	4.8%
Pacific Islander	0.0%	0.1%	0.2%
Two or More Races	3.6%	3.6%	2.9%
Enrollment by Student Group			
Economically Disadvantaged	55.3%	51.8%	60.7%
Special Education	13.7%	12.7%	11.6%
Emergent Bilingual/EL	33.4%	13.5%	21.7%
Mobility Rate (2020-21)			
	9.4%	11.3%	13.6%

	Campus	District	State
Class Size Averages by Grade or Subject			
Elementary			
Kindergarten	19.7	19.8	18.7
Grade 1	16.3	20.4	18.7
Grade 2	15.6	18.8	18.6
Grade 3	18.2	19.6	18.7
Grade 4	18.3	18.9	18.8
Grade 5	23.1	22.4	20.2
Grade 6	-	24.3	19.2
Secondary			
English/Language Arts	-	20.4	16.3
Foreign Languages	-	22.1	18.4
Mathematics	-	23.2	17.5
Science	-	24.5	18.5
Social Studies	-	24.4	19.1

School Financial Information (2020-21)

Various financial indicators based on actual data from the prior year are reported for the campus, district, and state. For more information, see: <http://tea.texas.gov/financialstandardreports/>

	Campus	District	State
Instructional Expenditure Ratio	n/a	59.4%	64.2%
Instructional Staff Percent	n/a	57.7%	64.9%

	Campus	District	State
Expenditures per Student			
Total Operating Expenditures	\$8,707	\$10,446	\$11,106
Instruction	\$5,948	\$5,368	\$6,358
Instructional Leadership	\$145	\$123	\$186
School Leadership	\$550	\$581	\$654

Texas Education Agency
2022 School Report Card
EASTRIDGE EL (070911103) - RED OAK ISD - ELLIS COUNTY

School Information

District Name:	RED OAK ISD
Campus Type:	Elementary
Total Students:	480
Grade Span:	PK - 05

For more information about this campus, see:

<https://TXschools.gov>

or the Texas Academic Performance Report at:

<https://rptsrv1.tea.texas.gov/perfreport/tapr/2022/index.html>

Accountability Ratings

This measures how much students are learning in each grade and whether or not they are ready for the next grade. It also shows how well a school or district prepares their students for success after high school in college, the workforce, or the military. State accountability ratings are based on three domains: Student Achievement, School Progress, and Closing the Gaps. Scores are scaled from 0 to 100 to align with letter grades.

Overall Rating



86 of 100

Student Achievement



80 of 100

School Progress



90 of 100

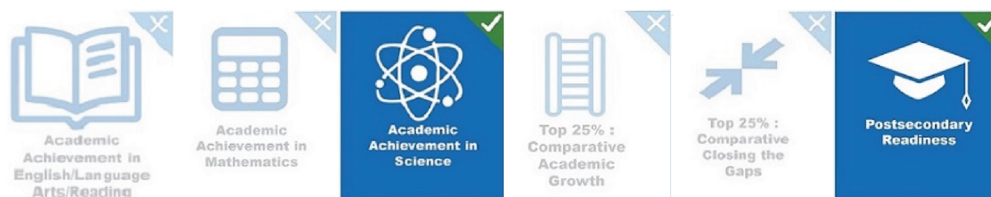
Closing the Gaps



78 of 100

Distinction Designations

Campuses that earn a rating of A-C are eligible for as many as seven distinction designations that are awarded when a school or district shows exceptional achievement in certain areas.



Texas Education Agency
2022 School Report Card
EASTRIDGE EL (070911103) - RED OAK ISD - ELLIS COUNTY

Student Information

This section provides demographic information about EASTRIDGE EL, including attendance rates, enrollment percentages for various student groups, student mobility rates, and class size averages at the campus, district, and state level, where applicable.

	Campus	District	State
Attendance Rate (2020-21)			
	97.1%	96.6%	95.0%
Enrollment by Race/Ethnicity			
African American	14.0%	30.5%	12.8%
Hispanic	50.4%	40.1%	52.8%
White	31.7%	24.5%	26.3%
American Indian	0.0%	0.3%	0.3%
Asian	0.2%	1.0%	4.8%
Pacific Islander	0.0%	0.1%	0.2%
Two or More Races	3.8%	3.6%	2.9%
Enrollment by Student Group			
Economically Disadvantaged	57.1%	51.8%	60.7%
Special Education	13.1%	12.7%	11.6%
Emergent Bilingual/EL	9.2%	13.5%	21.7%
Mobility Rate (2020-21)			
	9.9%	11.3%	13.6%

	Campus	District	State
Class Size Averages by Grade or Subject			
Elementary			
Kindergarten	16.8	19.8	18.7
Grade 1	21.7	20.4	18.7
Grade 2	22.6	18.8	18.6
Grade 3	21.4	19.6	18.7
Grade 4	18.7	18.9	18.8
Grade 5	26.7	22.4	20.2
Grade 6	-	24.3	19.2
Secondary			
English/Language Arts	-	20.4	16.3
Foreign Languages	-	22.1	18.4
Mathematics	-	23.2	17.5
Science	-	24.5	18.5
Social Studies	-	24.4	19.1

School Financial Information (2020-21)

Various financial indicators based on actual data from the prior year are reported for the campus, district, and state. For more information, see: <http://tea.texas.gov/financialstandardreports/>

	Campus	District	State
Instructional Expenditure Ratio	n/a	59.4%	64.2%
Instructional Staff Percent	n/a	57.7%	64.9%

	Campus	District	State
Expenditures per Student			
Total Operating Expenditures	\$8,700	\$10,446	\$11,106
Instruction	\$5,813	\$5,368	\$6,358
Instructional Leadership	\$88	\$123	\$186
School Leadership	\$627	\$581	\$654

Texas Education Agency
2022 School Report Card
SHIELDS EL (070911105) - RED OAK ISD - ELLIS COUNTY

School Information

District Name:	RED OAK ISD
Campus Type:	Elementary
Total Students:	559
Grade Span:	EE - 05

For more information about this campus, see:

<https://TXschools.gov>

or the Texas Academic Performance Report at:

<https://rptsrv1.tea.texas.gov/perfreport/tapr/2022/index.html>

Accountability Ratings

This measures how much students are learning in each grade and whether or not they are ready for the next grade. It also shows how well a school or district prepares their students for success after high school in college, the workforce, or the military. State accountability ratings are based on three domains: Student Achievement, School Progress, and Closing the Gaps. Scores are scaled from 0 to 100 to align with letter grades.

Overall Rating



88 of 100

Student Achievement



76 of 100

School Progress



91 of 100

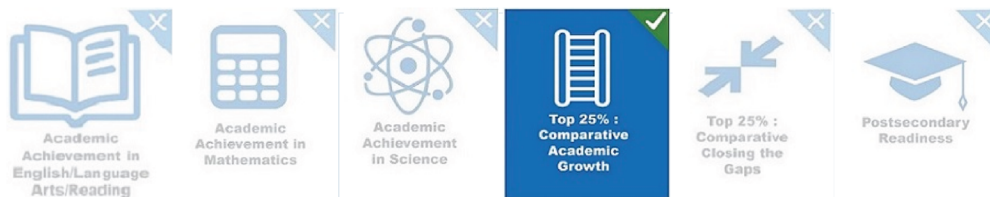
Closing the Gaps



80 of 100

Distinction Designations

Campuses that earn a rating of A-C are eligible for as many as seven distinction designations that are awarded when a school or district shows exceptional achievement in certain areas.



Texas Education Agency
2022 School Report Card
SHIELDS EL (070911105) - RED OAK ISD - ELLIS COUNTY

Student Information

This section provides demographic information about SHIELDS EL, including attendance rates, enrollment percentages for various student groups, student mobility rates, and class size averages at the campus, district, and state level, where applicable.

	Campus	District	State
Attendance Rate (2020-21)			
	96.7%	96.6%	95.0%
Enrollment by Race/Ethnicity			
African American	29.7%	30.5%	12.8%
Hispanic	37.2%	40.1%	52.8%
White	26.7%	24.5%	26.3%
American Indian	0.2%	0.3%	0.3%
Asian	1.4%	1.0%	4.8%
Pacific Islander	0.4%	0.1%	0.2%
Two or More Races	4.5%	3.6%	2.9%
Enrollment by Student Group			
Economically Disadvantaged	50.8%	51.8%	60.7%
Special Education	12.7%	12.7%	11.6%
Emergent Bilingual/EL	9.3%	13.5%	21.7%
Mobility Rate (2020-21)			
	13.8%	11.3%	13.6%

	Campus	District	State
Class Size Averages by Grade or Subject			
Elementary			
Kindergarten	23.0	19.8	18.7
Grade 1	19.7	20.4	18.7
Grade 2	18.0	18.8	18.6
Grade 3	18.5	19.6	18.7
Grade 4	20.8	18.9	18.8
Grade 5	22.1	22.4	20.2
Grade 6	-	24.3	19.2
Secondary			
English/Language Arts	-	20.4	16.3
Foreign Languages	-	22.1	18.4
Mathematics	-	23.2	17.5
Science	-	24.5	18.5
Social Studies	-	24.4	19.1

School Financial Information (2020-21)

Various financial indicators based on actual data from the prior year are reported for the campus, district, and state. For more information, see: <http://tea.texas.gov/financialstandardreports/>

	Campus	District	State
Instructional Expenditure Ratio	n/a	59.4%	64.2%
Instructional Staff Percent	n/a	57.7%	64.9%

	Campus	District	State
Expenditures per Student			
Total Operating Expenditures	\$8,361	\$10,446	\$11,106
Instruction	\$5,741	\$5,368	\$6,358
Instructional Leadership	\$111	\$123	\$186
School Leadership	\$547	\$581	\$654

Texas Education Agency
2022 School Report Card
RUSSELL P SCHUPMANN EL (070911107) - RED OAK ISD - ELLIS COUNTY

School Information

District Name:	RED OAK ISD
Campus Type:	Elementary
Total Students:	611
Grade Span:	PK - 05

For more information about this campus, see:

<https://TXschools.gov>

or the Texas Academic Performance Report at:

<https://rptsrv1.tea.texas.gov/perfreport/tapr/2022/index.html>

Accountability Ratings

This measures how much students are learning in each grade and whether or not they are ready for the next grade. It also shows how well a school or district prepares their students for success after high school in college, the workforce, or the military. State accountability ratings are based on three domains: Student Achievement, School Progress, and Closing the Gaps. Scores are scaled from 0 to 100 to align with letter grades.

Overall Rating



86 of 100

Student Achievement



72 of 100

School Progress



89 of 100

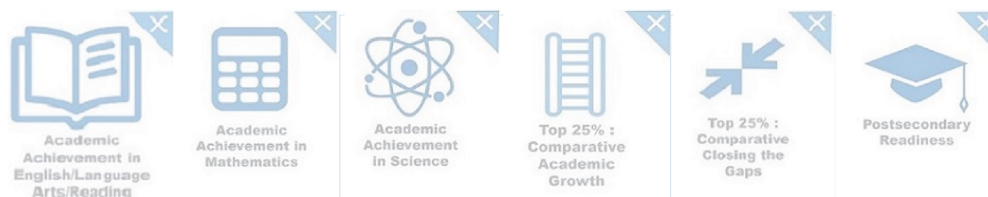
Closing the Gaps



78 of 100

Distinction Designations

Campuses that earn a rating of A-C are eligible for as many as seven distinction designations that are awarded when a school or district shows exceptional achievement in certain areas.



Texas Education Agency
2022 School Report Card
RUSSELL P SCHUPMANN EL (070911107) - RED OAK ISD - ELLIS COUNTY

Student Information

This section provides demographic information about RUSSELL P SCHUPMANN EL, including attendance rates, enrollment percentages for various student groups, student mobility rates, and class size averages at the campus, district, and state level, where applicable.

	Campus	District	State
Attendance Rate (2020-21)			
	96.7%	96.6%	95.0%
Enrollment by Race/Ethnicity			
African American	46.3%	30.5%	12.8%
Hispanic	37.3%	40.1%	52.8%
White	11.0%	24.5%	26.3%
American Indian	0.2%	0.3%	0.3%
Asian	0.7%	1.0%	4.8%
Pacific Islander	0.0%	0.1%	0.2%
Two or More Races	4.6%	3.6%	2.9%
Enrollment by Student Group			
Economically Disadvantaged	62.8%	51.8%	60.7%
Special Education	9.3%	12.7%	11.6%
Emergent Bilingual/EL	18.7%	13.5%	21.7%
Mobility Rate (2020-21)			
	19.7%	11.3%	13.6%

	Campus	District	State
Class Size Averages by Grade or Subject			
Elementary			
Kindergarten	22.2	19.8	18.7
Grade 1	22.2	20.4	18.7
Grade 2	18.3	18.8	18.6
Grade 3	21.0	19.6	18.7
Grade 4	20.5	18.9	18.8
Grade 5	22.2	22.4	20.2
Grade 6	-	24.3	19.2
Secondary			
English/Language Arts	-	20.4	16.3
Foreign Languages	-	22.1	18.4
Mathematics	-	23.2	17.5
Science	-	24.5	18.5
Social Studies	-	24.4	19.1

School Financial Information (2020-21)

Various financial indicators based on actual data from the prior year are reported for the campus, district, and state. For more information, see: <http://tea.texas.gov/financialstandardreports/>

	Campus	District	State
Instructional Expenditure Ratio	n/a	59.4%	64.2%
Instructional Staff Percent	n/a	57.7%	64.9%

	Campus	District	State
Expenditures per Student			
Total Operating Expenditures	\$7,986	\$10,446	\$11,106
Instruction	\$5,337	\$5,368	\$6,358
Instructional Leadership	\$110	\$123	\$186
School Leadership	\$496	\$581	\$654

Texas Education Agency
2022 School Report Card
RED OAK MIDDLE (070911041) - RED OAK ISD - ELLIS COUNTY

School Information

District Name:	RED OAK ISD
Campus Type:	Middle School
Total Students:	1,573
Grade Span:	06 - 08

For more information about this campus, see:

<https://TXschools.gov>

or the Texas Academic Performance Report at:

<https://rptsrv1.tea.texas.gov/perfreport/tapr/2022/index.html>

Accountability Ratings

This measures how much students are learning in each grade and whether or not they are ready for the next grade. It also shows how well a school or district prepares their students for success after high school in college, the workforce, or the military. State accountability ratings are based on three domains: Student Achievement, School Progress, and Closing the Gaps. Scores are scaled from 0 to 100 to align with letter grades.

Overall Rating



74 of 100

Student Achievement



75 of 100

School Progress



72 of 100

Closing the Gaps



73 of 100

Distinction Designations

Campuses that earn a rating of A-C are eligible for as many as seven distinction designations that are awarded when a school or district shows exceptional achievement in certain areas.



Texas Education Agency
2022 School Report Card
RED OAK MIDDLE (070911041) - RED OAK ISD - ELLIS COUNTY

Student Information

This section provides demographic information about RED OAK MIDDLE, including attendance rates, enrollment percentages for various student groups, student mobility rates, and class size averages at the campus, district, and state level, where applicable.

	Campus	District	State
Attendance Rate (2020-21)			
	96.8%	96.6%	95.0%
Enrollment by Race/Ethnicity			
African American	31.3%	30.5%	12.8%
Hispanic	40.1%	40.1%	52.8%
White	23.6%	24.5%	26.3%
American Indian	0.4%	0.3%	0.3%
Asian	0.8%	1.0%	4.8%
Pacific Islander	0.0%	0.1%	0.2%
Two or More Races	3.7%	3.6%	2.9%
Enrollment by Student Group			
Economically Disadvantaged	51.1%	51.8%	60.7%
Special Education	13.0%	12.7%	11.6%
Emergent Bilingual/EL	14.0%	13.5%	21.7%
Mobility Rate (2020-21)			
	9.4%	11.3%	13.6%

	Campus	District	State
Class Size Averages by Grade or Subject			
Elementary			
Kindergarten	-	19.8	18.7
Grade 1	-	20.4	18.7
Grade 2	-	18.8	18.6
Grade 3	-	19.6	18.7
Grade 4	-	18.9	18.8
Grade 5	-	22.4	20.2
Grade 6	24.3	24.3	19.2
Secondary			
English/Language Arts	24.4	20.4	16.3
Foreign Languages	28.5	22.1	18.4
Mathematics	23.6	23.2	17.5
Science	27.1	24.5	18.5
Social Studies	23.5	24.4	19.1

School Financial Information (2020-21)

Various financial indicators based on actual data from the prior year are reported for the campus, district, and state. For more information, see: <http://tea.texas.gov/financialstandardreports/>

	Campus	District	State
Instructional Expenditure Ratio	n/a	59.4%	64.2%
Instructional Staff Percent	n/a	57.7%	64.9%

	Campus	District	State
Expenditures per Student			
Total Operating Expenditures	\$6,513	\$10,446	\$11,106
Instruction	\$4,148	\$5,368	\$6,358
Instructional Leadership	\$93	\$123	\$186
School Leadership	\$539	\$581	\$654

Texas Education Agency
2022 School Report Card
RED OAK H S (070911001) - RED OAK ISD - ELLIS COUNTY

School Information

District Name:	RED OAK ISD
Campus Type:	High School
Total Students:	2,019
Grade Span:	09 - 12

For more information about this campus, see:

<https://TXschools.gov>

or the Texas Academic Performance Report at:

<https://rptsrv1.tea.texas.gov/perfreport/tapr/2022/index.html>

Accountability Ratings

This measures how much students are learning in each grade and whether or not they are ready for the next grade. It also shows how well a school or district prepares their students for success after high school in college, the workforce, or the military. State accountability ratings are based on three domains: Student Achievement, School Progress, and Closing the Gaps. Scores are scaled from 0 to 100 to align with letter grades.

Overall Rating



83 of 100

Student Achievement



85 of 100

School Progress



81 of 100

Closing the Gaps



77 of 100

Distinction Designations

Campuses that earn a rating of A-C are eligible for as many as seven distinction designations that are awarded when a school or district shows exceptional achievement in certain areas.



Texas Education Agency
2022 School Report Card
RED OAK H S (070911001) - RED OAK ISD - ELLIS COUNTY

Student Information

This section provides demographic information about RED OAK H S, including attendance rates, enrollment percentages for various student groups, student mobility rates, and class size averages at the campus, district, and state level, where applicable.

	Campus	District	State
Attendance Rate (2020-21)			
	96.4%	96.6%	95.0%
Enrollment by Race/Ethnicity			
African American	34.1%	30.5%	12.8%
Hispanic	35.7%	40.1%	52.8%
White	25.8%	24.5%	26.3%
American Indian	0.4%	0.3%	0.3%
Asian	1.0%	1.0%	4.8%
Pacific Islander	0.0%	0.1%	0.2%
Two or More Races	3.0%	3.6%	2.9%
Enrollment by Student Group			
Economically Disadvantaged	46.0%	51.8%	60.7%
Special Education	12.0%	12.7%	11.6%
Emergent Bilingual/EL	9.4%	13.5%	21.7%
Mobility Rate (2020-21)			
	10.9%	11.3%	13.6%

	Campus	District	State
Class Size Averages by Grade or Subject			
Elementary			
Kindergarten	-	19.8	18.7
Grade 1	-	20.4	18.7
Grade 2	-	18.8	18.6
Grade 3	-	19.6	18.7
Grade 4	-	18.9	18.8
Grade 5	-	22.4	20.2
Grade 6	-	24.3	19.2
Secondary			
English/Language Arts	18.8	20.4	16.3
Foreign Languages	21.4	22.1	18.4
Mathematics	23.0	23.2	17.5
Science	23.5	24.5	18.5
Social Studies	24.9	24.4	19.1

School Financial Information (2020-21)

Various financial indicators based on actual data from the prior year are reported for the campus, district, and state. For more information, see: <http://tea.texas.gov/financialstandardreports/>

	Campus	District	State
Instructional Expenditure Ratio	n/a	59.4%	64.2%
Instructional Staff Percent	n/a	57.7%	64.9%

	Campus	District	State
Expenditures per Student			
Total Operating Expenditures	\$8,688	\$10,446	\$11,106
Instruction	\$5,275	\$5,368	\$6,358
Instructional Leadership	\$140	\$123	\$186
School Leadership	\$606	\$581	\$654

Other Information

Red Oak ISD maintains a high attendance and graduation rate, with very low dropout rates when compared to the Region and State. The 2024 TAPR report utilizes “lagging indicators” to assign this rating, meaning the data is consistently two (2) years behind the current school year, so the 2023-2024 and 2024-2025 data is not available.

	State	Region 10	Red Oak ISD
22-23 Attendance	93.3%	93.5%	94.4%
21-22 Attendance	92.2%	92.6%	93.1%
20-21 Attendance	95.0%	95.2%	96.6%
19-20 Attendance	98.3%	98.3%	98.3%
18-19 Attendance	95.4%	95.7%	96.3%
17-18 Attendance	95.4%	95.7%	96.4%
16-17 Attendance	95.7%	96.0%	96.6%
15-16 Attendance	95.8%	96.2%	96.6%

22-23 Graduation 4 year	90.3%	88.5%	94.0%
21-22 Graduation 4 year	89.7%	87.3%	89.6%
20-21 Graduation 4 year	90.0%	87.5%	91.7%
19-20 Graduation 4 year	90.3%	87.7%	97.4%
18-19 Graduation 4 year	90.0%	88.4%	94.2%
17-18 Graduation 4 year	90.0%	88.8%	94.8%
16-17 Graduation 4 year	89.7%	88.8%	94.4%
15-16 Graduation 4 year	89.1%	88.3%	97.1%

22-23 Dropout Rate	2.0%	2.5%	0.8%
21-22 Dropout Rate	2.2%	3.2%	1.9%
20-21 Dropout Rate	2.4%	2.8%	2.3%
19-20 Dropout Rate	1.6%	2.2%	0.7%
18-19 Dropout Rate	1.9%	2.4%	0.5%
17-18 Dropout Rate	1.9%	2.0%	0.8%
16-17 Dropout Rate	1.9%	2.0%	0.9%
15-16 Dropout Rate	2.0%	2.0%	0.5%

Free and Reduced Meals

For the 2021-2022 school year, the U.S. Department of Agriculture (USDA) provided free, federally-funded, universal breakfast and lunch for all students through the National School Lunch Program's (NSLP) Summer Seamless Option (SSO). For the 2022-2023 school year, the SSO program ended and all students transitioned back to the regular NSLP and School Breakfast Programs (SBP) that required meal applications for students to receive free or reduced-priced meals. The goal of the Red Oak ISD Student Nutrition Department is to provide nutritious and delicious meals and snacks to all students that meet the guidelines provided by the USDA and Healthy Hunger Free Kids Act.

School districts were required to start implementing the Healthy, Hunger-Free Kids Act of 2010 starting in the 2012-2013 school year. The goal of this Act was to improve the nutritional quality of food served to students by increasing the amounts of fruit and vegetables served and to limit starchy vegetables, to create age-specific recommended serving sizes and to serve more whole grains for grain products. Many schools saw a drastic decrease in revenue due to the decrease in the average daily participation with the new nutritional guidelines. Like other districts in the area, Red Oak ISD decided to explore alternative food options for the high school that was implemented in the 2016-2017 school year. Due to the uncertainty relating to the COVID-19 and the new Feeding Guidelines for virtual and in-school feeding, the decision was made to put the high school back on the national school meal programs in the 2020-2021 school year.

Over the last few years, the percentage of students that are considered economically disadvantaged and eligible for the National School Lunch Program's free and reduced meals has increased. The 2020-2021 school year is viewed as an anomaly due to the different instructional approaches utilized resulting from the pandemic.

Starting in the 2024-2025 school year, as a result of the increase in the low-income student population, the District implemented the USDA's Community Eligibility Provision (CEP) program that provides breakfast and lunch to all students at no charge and this program eliminates the collection of meal applications for free, reduced-price and paid student meals. This new approach reduces the burden for both families and school administrators and helps ensure that all students receive nutritious meals.

Below is the historical percentage of students that were identified as low-income and eligible for the NLSP's free and reduced-price meals up through the 2024-2025 school year.

	Free	Reduced-Price	Total
2014-2015	39.11%	8.82%	47.92%
2015-2016	42.14%	7.09%	49.23%
2016-2017	40.55%	8.06%	48.61%
2017-2018	42.65%	7.05%	49.69%
2018-2019	45.58%	6.19%	51.77%
2019-2020	46.41%	6.54%	52.94%
2020-2021	44.73%	5.12%	49.85%
2021-2022	52.41%	2.70%	55.11%
2022-2023	53.98%	7.45%	61.43%
2023-2024	56.39%	8.38%	64.76%

Since all Red Oak ISD students now receive breakfast and lunch at no cost, parents are not required to complete and return the USDA free and reduced-price meal application. Red Oak ISD still requires families to complete an income survey each year as part of the online Student Enrollment Registration process. This information is then submitted to the State and used as part of the annual State accountability ratings process to ensure that each campus is compared to other campuses with the same percentage of economically disadvantaged students. Additionally, this information also ensures that the District receives certain additional federal and state funding (i.e., Title I and State Compensatory Education), which directly impacts campuses and students throughout the District.

The determination of eligibility for CEP is based on the number of students that are eligible for the free and reduced-meal program, those who participate in certain public benefit programs, such as the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF) or who are automatically eligible for free school meals based on their status as low-income, homeless, migrant, foster, or runaway. This creates an Identified Student Percentage (ISP) percentage that is then multiplied by 1.6 to determine the percentage of meals reimbursed at the free rate, while all remaining meals are reimbursed at the paid rate from the National School Lunch Program (NSLP).

The 2024-2025 CEP Identified Student Percentage (ISP) for Red Oak ISD is 76.67%. This percentage for federal meal reimbursements will remain the same for the next three (3) years. The CEP program is a four (4) year program and does not require the collection of household applications, conduct verification audits and administering negative meal balances of students during the four (4) years. Since Free and Reduced Meal applications are no longer needed, the breakdown of free and reduced-price percentages of students is no longer available.

With the opening of a second middle school this school year, the calculation will be updated and the CEP Identified Student Percentage (ISP) could change and then the four (4) year reimbursement period will start over.

The breakdown by campus of the 2024-2025 District's ISP is:

	Low Income Percentage	CEP Percentage
RED OAK H S	40.08%	64.13%
RED OAK MIDDLE	45.32%	72.52%
RED OAK EL	50.92%	81.48%
WOODEN EL	50.65%	81.04%
EASTRIDGE EL	47.23%	75.56%
SHIELDS EL	49.11%	78.57%
SCHUPMANN EL	52.11%	83.37%
DISTRICT TOTAL	45.76%	76.67%

GLOSSARY OF TERMS

This glossary contains definitions of terms used in this guide and such additional terms as seems necessary to common understandings concerning financial accounting procedures for schools. Several terms which are not primarily financial accounting terms have been included because of their significance for school financial accounting.

Abatement – A complete or partial cancellation of a levy imposed by a governmental unit. Abatements usually apply to tax levies, special assessments and service charges.

Account – A descriptive heading under which are recorded financial transactions that are similar in terms of a given frame of reference, such as purpose, object, or source.

Accounting Period – A period at the end of which and for which financial statements are prepared (ex: July 1 through June 30). Also, see Fiscal Period.

Accounting Procedure – The arrangement of all processes which discover, record and summarize financial information to produce financial statements and reports and to provide internal control.

Accounting System – The total structure of records and procedures which discover, record, classify and report information on the financial position and operations of a school district or any of its funds, balanced account groups and organizational components.

Accrual Basis – The basis of accounting, under which revenues are recorded when levies are made and expenditures are recorded as soon as they result in liabilities, regardless of when the revenue is actually received or the payment is actually made. See also Estimated Revenue and Expenditures.

Accrue – To record revenues when earned or when levies are made and to record expenditures as soon they result in liabilities, regardless of when the revenue is actually received or the payment is actually made. Sometimes, the term is used in a restricted sense to denote the recording of revenues earned but not yet due, such as accrued interest on investments and the recording of expenditures which result in liabilities that are payable in another accounting period, such as accrued interest on bonds. Also see Estimated Revenues and Expenditures.

Additional Funding Request – An AFR is a request for additional funding for departments or campuses outside of the projected budget allocation to cover unique or unexpected costs that were not previously budgeted.

Actuarial Basis – A basis used in computing the amount of contributions to be made periodically to a fund so that the total contributions plus the compounded earnings thereon will equal the required payments to be made out of the fund.

Ad Valorem Tax – A tax based on the assessed value of an item, such as real estate or personal property. The most common ad valorem taxes are property taxes levied on real estate.

ADA – Average Daily Attendance is based on the number of days of instruction in the school year. The aggregate days attendance is divided by the number of days of instruction to compute average daily attendance. ADA is used in the formula to distribute funding to Texas public school districts.

ADM – The Average Daily Membership is the average number of enrolled students present daily in the district.

Administration – Those activities which have as their purpose the general regulation, direction and control of the affairs of the local education agency that are system-wide and not confined to one school, subject, or narrow phase of school activity.

Allocation – A part of a lump-sum appropriation which is designated for expenditure by specific organization units and/or for specific purposes, activities, or objects.

Appropriation – An authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and as to the time when it may be expended.

Appropriation Account – A budgetary account set up to record specific authorizations to spend. The account is credited with original and any supplemental appropriations and is charged with expenditures and encumbrances.

Assessed Valuation – A valuation set upon real estate or other property by the County Appraisal District to be used as a basis for levying taxes.

Audit – A comprehensive review of the manner in which the government's resources were actually utilized. A certified public accountant issues an opinion over the presentation of financial statements, tests the controls over the safekeeping of assets and makes recommendations for improvements for where necessary.

Balance Sheet – A summarized statements, as of a given date, of the financial position of a local education agency per fund and/or all funds combined showing assets, liabilities, reserves and fund balance.

Bill – A term as herein used to denote a law or statute passed by certain legislative bodies. A bill has greater legal formality and standing than a resolution.

Bond – A written promise, generally under seal, to pay a specified sum of money called the face value, at a fixed time in the future called the date of maturity and carrying interest at a fixed rate, usually payable periodically. The difference between a note and a bond is that the latter usually runs for a longer period of time and requires greater legal formality. See also Surety Bond.

Bonded Debt – The part of the school district debt which is covered by outstanding bonds of the district. Sometimes called "Funded Debt".

Bonds Authorized and Unissued – Bonds which have been legally authorized but not issued and which can be issued and sold without further authorization.

Bonds Issued – Bonds sold.

Budget – A plan of financial operation embodying an estimate of proposed expenditures for a given period or purpose and the proposed means of financing them. The budget usually consists of three parts. The first part contains a message from the budget-making authority together with a summary of the proposed expenditures and the means of financing them. The second part is composed of drafts of the appropriation, revenue and borrowing measures necessary to put the budget into effect. The third part consists of schedules supporting the summary. These schedules show in detail the proposed expenditures and means of financing them together with information as to past years' actual revenues and expenditures and other data used in making the estimates.

Budgetary Control – The control management of the business affairs of the school district in accordance with an approved budget with a responsibility to keep expenditures within the authorized amounts.

Callable or Redeemable Bond – A type of bonded debt (redeemable bonds issued) that provides the issuer of the bond (District) the right to redeem the bond at some point before the bond reaches its date of maturity. In other words, on the call date, the issuer has the right, but not the obligation, to buy back the bonds from the bond holders at a defined call price. The bonds are cancelled immediately when bought back and no future scheduled interest is due.

Capital Budget – A plan of proposed capital outlays and the means of financing them for the current fiscal period. It is usually a part of the current budget. If a Capital Program is in operation, it will be the first year thereof. A Capital Program is sometimes referred to as a Capital Budget.

Capital Outlays – A plan for capital expenditures to be incurred each year over a fixed period of years to meet capital needs arising from the long-term work program or otherwise. It sets forth each project or other contemplated expenditure in which the local education agency is to have a part and specifies the full resources estimated to be available to finance the projected expenditures.

Capital Projects Fund – A governmental fund type with budgetary control established to account for projects that are financed by the proceeds from bond issues or for capital projects required to be so accounted for in this fund.

Classification, Function – As applied to expenditures, this term has reference to an activity or service aimed at accomplishing a certain purpose or end; for example, Instructional, School Leadership and Nursing.

Classification, Object – As applied to expenditures, this term has reference to an article or service received, for example, payroll costs, purchased and contracted services, materials and supplies.

Coding – A system of numbering, or otherwise designating, accounts, entries, invoices, vouchers, etc., in such a manner that the symbol used quickly reveals certain required information.

Community Eligibility Provision – CEP is a National School Lunch Program (NSLP) that allows the schools and districts to serve breakfast and lunch at no cost to all enrolled students without collecting household applications. Schools that adopt CEP are reimbursed using a formula based on the percentage of students categorically eligible for free meals based on their participation in other specific means-tested programs, such as the Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF).

Contracted Services – Labor, material and other costs for services rendered by personnel who are not on the payroll of the local education agency.

Cost Accounting – A method of accounting which provides for the assembling and recording of all the elements of cost incurred to accomplish a purpose, to carry on an activity or operation, or to complete a unit of work or a specific job.

Cost per Pupil – See Current Expenditures per Pupil.

County Education District – A CED is an independent school district formed by the consolidation of the local districts in its boundaries for the limited purpose of exercising a portion of the taxing power previously authorized by the voters in those school districts and of distributing revenue of the CED to those districts. Senate Bill 7 passed by the 73rd Legislature and signed into law by Governor Ann Richards, abolished the system of CED's created by Senate Bill 351.

Current Expenditures Per Pupil – Current expenditures for a given period of time divided by a pupil unit of measure (average daily membership, average daily attendance, etc.).

Current Loans – A loan payable in the same fiscal year in which the money was borrowed. See also Tax Anticipation Notes.

Debt – An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of local education agencies include bonds, warrants and notes, etc.

Debt Limit – The maximum amount of gross or net debt which is legally permitted.

Debt Service Fund – A governmental fund with budgetary control that accounts for expenditures for the retirement of debt and expenditures for interest on debt, except principal and interest of current loans. See also Current Loans.

Delinquent Taxes – Taxes that remain unpaid after the date on which a penalty for nonpayment is attached. Tax statements are mailed out in October and become delinquent if unpaid by January 31.

Department – A specific functional area or "cost center" within a district division.

Depreciation – The process of estimating and recording the expired useful life of a fixed asset which is used to distribute its cost over its revenue producing years.

Division – An administrative division of the district having management responsibility for a group of departments.

Early Childhood Education– Provides those children from birth to prekindergarten meaningful early learning opportunities for those students who are struggling so they can enter schools with the foundational knowledge and skills to be curious, confident, and successful learners.

Educational Span – Identifies the level or characteristics of the student receiving instruction.

Encumbrance Accounting – A system or procedure which involves giving recognition in the accounting budgetary expenditure control records for the issuance of purchase orders, statements, or other commitments chargeable to an appropriation in advance of any liability or payment.

Encumbrance – Any commitment of funds against an appropriation. It may be in the form of a purchase order or a contract. Encumbrance accounting is formally integrated into the accounting system for expenditure control purposes. An encumbrance differs from an account payable as follows: an account payable represents a legal liability to pay and results from the goods and/or services requested in a purchase order or contract having been delivered to the district. Until such time as the goods and/or services are delivered, the commitment is referred to as an encumbrance.

Equalized Wealth Level – Equalized Wealth Level means the wealth per student provided by Section 36.002, Texas Education Code.

Equipment – Moveable items used for school operation that are of a non-expendable and mechanical nature, i.e. perform an operation. Typewriters, projectors, vacuum cleaners, accounting machines, computers, lathes, clocks, machinery and vehicles, etc., are classified as equipment. (Heating and air conditioning systems, lighting fixtures and similar items permanently fixed to or within a building, are considered as part of the building.)

ESSER – Elementary and Secondary School Emergency Relief (ESSER) Grant Programs are one-time federal pandemic relief funds comprised of the ESSER I, Coronavirus Response and Relief Supplemental Appropriations (CRRSA) ESSER II, American Rescue Plan Act (ARP) ESSER III and the ESSER-SUPP grant programs. These federal programs run through September 30th of three different years. The ESSER I program runs through September 30, 2022, the ESSER II program runs through September 30, 2023 and the ESSER III program runs through September 30, 2024.

Estimated Revenue – When the accounts are kept on an accrual basis, this term designates the amount of revenue estimated to accrue during a given period regardless of whether or not it will be collected during the period.

Expenditures – This includes total charges incurred, whether paid or unpaid, for current expense, capital outlay and debt service. (Transfers between funds, encumbrances, exchanges of cash for other current assets such as the purchase stores and investment of cash in U.S. Bonds, payments of cash in settlement of liabilities already accounted as expenditures and the repayment of the principal of current loans are not considered as expenditures.)

Expense – Charges incurred, whether paid or unpaid, for operation, maintenance, interest and other charges which are presumed to benefit the current fiscal period. Legal provisions sometimes make it necessary to treat as expense charges whose benefits extend over future periods.

Fiscal Period – Any period at the end of which a local education agency determines its financial position and the results of its operations. The period may be a month, a quarter, or a year, depending upon the scope of operations and requirements for managerial control and reporting.

Fiscal Year – A twelve-month period of time to which the annual budget applies and at the end of which a local education agency determines its financial position and the results of its operations. The Red Oak ISD's fiscal year is July 1 through June 30.

Fixed Assets – Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, machinery, furniture and other equipment.

Foundation School Program (FSP) – A program for the financial support of a basic instructional program for all Texas schoolchildren. Money to support the program comes from the Permanent School Fund, Available School Fund, Foundation School Fund, state general revenue and local property taxes. The state establishes a foundation level and sets, for each district, a calculated contribution level called the local fund assignment (LFA). The greater a district's property wealth, the higher the LFA. State aid makes up the difference between the LFA and the foundation level. Currently, the FSP described in the Texas Education Code consists of three parts or tiers. The first provides funding for a basic program. The second tier provides a guaranteed-yield system so that school districts have substantially equal access to revenue sufficient to support an accredited program. The third tier equalizes debt service requirements for existing facilities debt.

Floating Debt – Liabilities (except bonds) payable on demand or at an early date; for example, accounts payable, bank loans, notes, or warrants.

Forfeiture – The automatic loss of cash or other property as a punishment for not complying with legal provisions and as compensation for the resulting damages or losses.

FTE – Full-Time Equivalent measures the extent to which one individual or student occupies a full-time position or provides instruction, e.g., a person who works four hours a day or a student that attends a half of a day represents a .5 FTE. When FTE counts are included in reports they represent the aggregate of all FTE percentages, e.g., if one teacher provides four hours of instruction and four others provide one hour, together they represent one FTE.

Full-Time Equivalence – The amount of employed time required in a part-time position expressed in proportion to that required in a full-time position, with "1.00" representing one full-time position. It may be expressed as a percentage or as a fraction. It is derived by dividing the amount of employed time required in part-time position by the amount of employed time required in a corresponding full-time position.

Fund – An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources, together with all related liabilities, obligations, reserves and equities which are segregated for the purpose of carrying on in accordance with special regulations, restrictions, or limitations.

Fund Balance – The excess of assets of a fund over its liabilities and reserves. During the fiscal year prior to closing, it represents the excess of the fund's assets and estimated revenues for the period over its liabilities, reserves and appropriations for the period during the fiscal year prior to closing.

Fund, Permanent School – The Permanent School fund consists of money, securities, or lands which have been set aside as an investment for public school purposes of which the income but not the principal may be expended. These funds, in most cases, have been derived from the sale of State school lands set aside by the Federal and/or State Government, from rents and royalties and from surplus revenue returned to the State by the Federal Government.

Furniture – Moveable items used for school operation that are not of a mechanical nature. Chairs, tables, desks, file cabinets, pictures, chalkboards, lamps, lockers and carpets, etc., are examples of furniture.

General Fund – A fund group with budgetary control used to show transactions resulting from operations of ongoing organizations and activities from a variety of revenue sources for which fund balance is controlled by and retained for the use by the local education agency. The General Fund is used to finance the ordinary operations of a governmental unit except those activities required to be accounted for in another fund.

General Obligation Debt – Tax supported bonded debt which is backed by the full faith and credit of the district.

Gift – Money received from a philanthropic foundation, private individual, or private organization for which no repayment or special service to the contributor is expected.

Grant – A contribution by one governmental unit to another. The contribution is usually made to aid in the support of specified function (for example, job training), but it is sometimes also for general purposes.

Homestead Exemption – An exemption that removes part of the value from the assessed value of your house or residential property and lowers your property taxes. The General Homestead Exemption is available to taxpayers who own and reside in the home as of January 1st of the year.

House Bill 3 – A transformative school finance bill that was passed by the 86th Texas Legislature in June 2019. The bill provides more money for Texas classrooms, increases teacher compensation, reduces recapture and cuts local property taxes for Texas taxpayers.

Improvements – Buildings, other structures and other attachments or annexations to land which are in-tended to remain so attached or annexed, such as sidewalks, trees, drives, tunnels, drains and sewers.

Independent Audit – An audit performed by an independent auditor.

Independent Auditor – An auditor who is independent of the agency whose accounts are being audited.

Instruction – The activities dealing directly with the teaching of students or improving the quality of teaching.

Instructional Materials Allotment (IMA) – A State funding allotment determined biennially by the TEA Commissioner and based on the legislative appropriation. The IMA allotment can be used to purchase instructional materials, technological equipment, certain related software, systems, and services.

Interfund Transfers – Money which is taken from one fund under the control of the school board and added to another fund under the board's control. Interfund transfers are not receipts or expenditures of the school district.

Internal Service Fund – A proprietary fund type accounted for on the accrual basis and not required to be reported in budget data submitted through Public Education Information Management System (PEIMS) to the Texas Education Agency. This fund may be used to finance and account for services and commodities furnished by a designated department or agency to other departments or agencies with a single governmental unit or to other governmental units on a cost reimbursement basis.

Judgment – An amount to be paid or collected as a result of a court decision.

Levy – (Verb) To impose taxes or special assessments. (Noun) The total of taxes special assessments imposed by a governmental unit.

Long-Term Budget – A budget prepared for a period longer than a fiscal year. If the long-term budget is restricted to capital expenditures, it is called a Capital Program or a Capital Improvement Program.

Maintenance Plant (Plant Repairs and Repair and Replacements of Equipment) – Those activities which are concerned with keeping the grounds, buildings and equipment at their original condition of completeness or efficiency, either through repairs or by replacements or property (anything less than replacement of a total building).

MCR – Maximum Compressed Rate is the district's maximum compressed rate, which is the tax rate for the current tax year per \$100 of valuation of taxable property at which the district must levy a maintenance & operations tax to receive the full amount of the tier one allotment to which the district is entitled.

M&O Tax Rate – The tax rate calculated to provide the revenues needed to cover Maintenance & Operations (M&O). M&O includes such things as salaries, utilities and day-to-day operations.

Modified Accrual Accounting – A basis of accounting in which expenditures are accrued when incurred and revenues are accounted for when they become measurable and available.

No-New-Revenue Tax Rate – State law in Texas prescribes a formula for calculating the no-new-revenue tax rate (used to be called effective tax rate) for districts. The net effect of the formula is to produce a tax rate that goes down when property values rise (and vice versa) to generate a rate that produces approximately the same revenue as the prior year. The formula adjusts for additional debt service, newly annexed property and newly constructed property. If the tax rate increases more than the prior year's no-new-revenue tax rate, State law requires that special notices must be posted and published.

Personnel, Administration – Personnel on the school payroll who are primarily engaged in activities which have as their purpose the general regulation, direction and control of the affairs of the school district that are system-wide and not confined to one school, subject, or narrow phase of school activity; for example, superintendent of schools, business manager and accountant.

Personnel, Clerical – Personnel occupying positions which have as their major responsibilities the preparing, transferring, transcribing, systematizing, or preserving of written communications and records. This also includes stock clerks, shipping clerks, etc.

Personnel Expenditures – For the purpose of budgeting, this term refers to all wages and related payroll costs: regular pay, extra duty pay, overtime pay, teacher career allotment, employee allowances, social security, group health and life insurance, workers' compensation insurance, unemployment insurance and teacher retirement/TRS care.

Personnel, Full-Time – School employees who occupy positions the duties of which require them to be on the job on school days, throughout the school year, at least the number of hours the schools in the system are in session.

Personnel, Guidance – Persons who have been assigned specific duties and school time to carry on recognized functions of the guidance programs in whole or in part. Classified here are: counselors, deans, placement counselors, guidance specialists, assessment staff and similar personnel.

Personnel, Health – Persons in the field of physical and mental health such as physicians, psychiatrists, school nurses, dentists, dental hygienists, psychiatric social workers and therapists, whose services are directed primarily at individuals, although sometimes used for group activities.

Personnel, Instructional Administration – Persons who manage, direct and supervise the districtwide instructional program and improve the quality of instruction and the curriculum. Included here are: supervisors of instruction, curriculum, research and development, etc.

Personnel, Maintenance – Personnel on the school payroll who are primarily engaged in repair and upkeep of grounds, buildings, and equipment.

Program – A group of related activities performed by one or more organizational units for the purpose of accomplishing a function or project for which the district is responsible.

Program Budget – A budget wherein expenditures are based primarily on programs of work and secondarily on character and object. A program budget is a traditional type of budget between the traditional character and object budget on the one hand, the performance budget on the other.

Public Education Information Management System – PEIMS encompasses all data requested and received by TEA about public education, including student demographic and academic performance, personnel, financial, and organizational information. TEA then creates reports containing district and state information.

Receipts, Non-Revenue – Amounts received which either incur an obligation that must be met at some future date or change the form of an asset from property to cash and thereafter decrease the amount and value of school property. Money received from loans, sale of bonds, sale of property purchased from capital funds and proceeds from insurance loss settlements constitute most of the non-revenue receipts.

Receipts, Revenue – Additions to assets which do not incur an obligation that must be met at some future date and do not represent exchanges of property for money.

Refined ADA – Refined Average Daily Attendance is based on the number of days of instruction in the school year. The aggregate eligible days attendance is divided by the number of days of instruction to compute the refined average daily attendance. See also ADA.

Refunding Bonds – Bonds issued to pay off bonds already outstanding.

Reserved Fund Balance – The portion of fund equity which is not available for appropriation or which has been legally separated for a specific purpose.

Retirement Fund System – A plan whereby a fund of money, built up through contributions from participants and other sources, is used to make regular payments to those who retire from service in the educational system by reason of age, disability, or length of service.

Revenue – The yield of taxes, tuition, interest earnings and other monetary resources that the district collects and receives into the treasury for public use. For those revenues which are recorded on the accrual basis, this term designates additions to assets which (a) do not increase any liability; (b) do not represent the recovery of an expenditure; (c) do not represent contributions of fund capital in enterprise and internal service funds. The same definition applies to those cases where revenue is recorded on the modified accrual or cash basis, except that additions would be partially or entirely to cash. See Receipts, Revenue.

Revenue Bonds – Bonds of the district which are supported by the revenue generating capacity of primarily athletic gate receipts.

School – A division of the school system consisting of a group of students composed of one or more teachers to give instruction of a defined type and housed in a school plant of one or more buildings. More than one school may be housed in one school plant, as is the case when the elementary and secondary programs are housed in the same school plant.

School Board – The elected or appointed body which has been created according to State law and vested with responsibilities for educational activities in a given geographical area. These bodies are sometimes called board of education, governing boards, boards of directors, school committees, board of trustees, school trustees, etc. This definition relates to the general term and covers State boards, intermediate administrative unit boards and local basic administrative unit boards.

School, Elementary – A school classified as elementary by State and local practice and composed of any span of grades not above 8th grade. In this handbook this term includes kindergartens and childcare schools if they are under the control of the local school board.

School, Middle School – A separately organized secondary school intermediate between elementary and senior high school.

School, Senior High – A school offering the final years of high school work necessary for graduation; invariably preceding by a middle school in the same system.

School, Summer – The name applied to the school session carried on during the period between the end of the regular school term and the beginning of the next regular school term.

School Plant – The site, buildings and equipment constituting the physical facilities used by a single school or by two or more schools sharing the use of common facilities.

School Site – The land and all improvements to the site, other than structure, such as grading, drainage, drives, parking areas, walks, plantings, play courts and play fields.

Serial Bonds – Bonds whose principal is to be repaid in periodic installments over the life of the issue.

Special Revenue Funds – A governmental fund type with budgetary control, used to account for the proceeds of specific revenue sources, other than expendable trusts or for major capital projects, that are legally restricted to expenditures for specified purposes.

Student-Body Activities – Direct and personal services for public school pupils, such as interscholastic athletics, entertainments, publications, clubs, band and orchestra, that are managed or operated by the student body under the guidance and direction of an adult and are not part of the regular instructional program.

Tax Anticipation Notes – Notes (sometimes called "warrants") issued to finance current operations in anticipation of collection of taxes that are usually used to pay back the short-term notes from the tax collections and frequently only from the tax collections anticipated with their issuance. The proceeds of tax anticipation notes or warrants are treated as current loans if paid back from the tax collections anticipated with the issuance of the notes.

Tax Base – The total value of all real, personal and mineral property in the district as of January 1 of each year, as certified by the County Appraisal Board. The tax base represents net value after all exemptions.

Taxes – Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit. The term includes licenses and permits. It does not include special assessments.

Tax Rate – Total tax rate is set by the School Board and is made up of two components: maintenance and operating and debt service rates. It is the amount levied for each \$100 of assessed valuation.

Tax Roll – The official list showing the amount of taxes levied against each taxpayer or property.

Teacher – A person employed to instruct pupils or students. This term is not applied to principals, librarians or other instructional or non-instructional support personnel.

Term Bonds – Bonds of the same issue, usually maturing all at one time, ordinarily to be retired from sinking funds.

Texas Education Agency – TEA is the state agency that oversees primary and secondary public education. It is headed by the commissioner of education. The Texas Education Agency improves outcomes for all public school students in the state by providing leadership, guidance, and support to school systems.

Textbooks – Books obtained primarily for use in certain classes, grades, or other particular student groups rather than for general school use.

Undesignated Fund Balance – For budget purposes, the undesignated fund balance is that portion of fund equity that is currently available for allocation.

User Charges – The payment of a fee for direct receipt of a public service such as data processing services by the department benefiting from the service.

Voter-Approved Tax Rate – A tax rate that exceeds the voter-approved tax rate (used to be called rollback tax rate) will automatically trigger an election to limit school taxes on a date not less than 30 days or more than 90 days after the tax rate is adopted. If the election to limit school taxes is successful, the tax rate the district may impose for the current year is limited to the calculated voter-approved tax rate.

WADA – To treat school districts fairly in funding, a Weighted Average Daily Attendance (WADA) is used to measure the extent students are participating in special programs. The concept of WADA in effect converts all of a school district's students with their different weights to a calculated number of regular students required to raise the same amount of revenue. The greater the number of students eligible for special entitlements, the greater a school district's WADA will be.

Wealth Equalization Transfer – The amount budgeted by districts for the cost of reducing their property wealth to the required equalization wealth level. Sometimes referred to as Robin Hood Funds.

Wealth Per Student – "Wealth per student" means the taxable value of property, as determined under Section § 1 1.86, Texas Education Code, divided by the number of students in weighted average daily.