



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025



SANTA ROSA INDEPENDENT SCHOOL DISTRICT

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

WWW.SRTX.ORG

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Santa Rosa Independent School District

Santa Rosa, Texas



Annual Comprehensive Financial Report For the Year Ended June 30, 2025

Prepared by the Business Office:

Mrs. Marisa Cuevas, Chief Financial Officer

*Santa Rosa Independent School District
P.O. Box 368
Santa Rosa, Texas 78593
www.srtx.org*

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INTRODUCTORY SECTION

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

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SANTA ROSA INDEPENDENT SCHOOL DISTRICT
Santa Rosa, Texas

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025

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Santa Rosa Independent School District

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

"Once a Warrior, Always a Warrior"

January 19, 2026

**Mrs. Alissa Perez, President,
Members of the Board of Trustees, and
Citizens of the Santa Rosa Independent School District
Santa Rosa, Texas 78593**

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

We are pleased to present the Santa Rosa Independent School District (the "District") Annual Comprehensive Financial Report (ACFR) for the 12 months ending June 30, 2025. The report was prepared by the Business Office. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures contained in the report, rests solely with the District.

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

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

The goal of the independent audit was to provide reasonable assurance that the financial statements of Santa Rosa Independent School District for 12 months ended June 30, 2025, are free of material misstatement and are presented in conformity with generally accepted accounting principles (GAAP). The independent audit involved examining, on a test basis, evidence supporting the

amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2025, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

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

GOVERNING BODY

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

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

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

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

Budgetary Controls

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

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

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

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

Services Provided

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

Enrollment

Santa Rosa I.S.D is a Title I District and has a total enrollment of 874 students for the 2024-2025 school year. Of these students, 98.74% are Hispanic, 1.14% are White, 0.11% are Black or African American, 89.02% of the students are economically disadvantaged, 69.45% of the students are At-Risk, 10.1% of all students are identified as English learners.

The breakdown of our student membership is as follows:

• Pre-K	77
• K-5	300
• 6-8	206
• 9-12	<u>291</u>
TOTAL	874

During the 2024-2025 school year, the district continued with a four-day school week for all students in the district. This was implemented to improve student attendance, to recruit and retain staff, and for other student benefits. Compared to the previous year, we saw a decrease in our enrollment throughout the entire district due to families moving away. The district is anticipating to see a decrease with both enrollment and ADA numbers for the 2025- 2026 school year.

Mission Statement

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

Long Range District Goals

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

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

Achievements

The District received a Superior rating on the School FIRST (Financial Integrity Rating System of Texas) financial accountability system for the fiscal year ending June 30, 2024. The rating system was established during the 77th Legislative session. School districts received its first official rating by TEA in August 2003 for the fiscal year 2001-2002.

Factors Affecting Financial Condition

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

Local Economy

Employment and the Labor Force

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

Long-term Financial Planning and Major Initiatives

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

Growth in the District’s tax base has continued, averaging 13.2% annual growth from fiscal years 2021-25. The District’s fiscal 2025 taxable assessed valuation (TAV) grew to \$163.0 million.

Some of the major initiatives for FY2025 included facility upgrades throughout the district and the renovation of the Career and Technical Education (CTE) building, funded through bond proceeds. Additionally, the district implemented the Regional Pathways Education Partnership (RPEP) program, collaborating with neighboring small districts to provide access to CTE programs not currently offered within our own district.

Debt Service

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

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

As of June 30, 2025, the District had \$12,330,000 of School Building Unlimited Tax Bonds and Refunding Bonds, with maturities extending into the year 2054. The District's Debt Service fund balance is \$701,322 as of June 30, 2025.

Rating

In March 2023, the District's bonds have been rated "AAA" by Moody's Investors Services. Moody's generally rates all bonds guaranteed by the Permanent School Fund of Texas "AAA". The currently outstanding tax supported debt of the District has a rating of "AAA" by Moody's by virtue of the Permanent School Fund Guarantee.

Fiduciary Operations

The District maintains the fiduciary responsibility of monitoring the individual campus' student activity funds. The District ensures that proper control over cash is maintained and that all procedures are in accordance with TEA's Financial Accountability Systems Resource Guide. As of June 30, 2025, total assets for student activity funds were \$77,640.

Acknowledgments

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

Administration

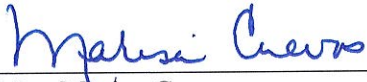
Dr. Reyes Isaac Rodriguez, Superintendent
Mrs. Marisa Cuevas, Chief Financial Officer
Dr. Gregorio Camarillo, Director of C&I
Mr. Adrian Montemayor, High School Principal
Mrs. Laura Garza, Middle School Principal
Mrs. Cynthia Hernandez, Elementary School Principal
Mr. Enrique Betancourt, Police Chief
Mr. Octavio Salazar, Food Services Director

Business and Finance

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

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

Respectfully Submitted,



Mrs. Marisa Cuevas,
Chief Financial Officer

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



Government Finance Officers Association

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Presented to

**Santa Rosa Independent School District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

SANTA ROSA INDEPENDENT SCHOOL DISTRICT

Santa Rosa, Texas

PRINCIPAL OFFICIALS, CONSULTANTS & ADVISORS

For the Year Ended June 30, 2025

ELECTED OFFICIALS

<u>Board of Trustees</u>	<u>Length of Service</u>	<u>Term Expires</u>	<u>Occupation</u>
Alissa Perez, President	3 Years, 2 Months	May 2026	President of Business
Juan Manuel Perez, Vice-President	9 Years, 2 Months	May 2026	Respiratory Therapist
Kelly Ballin, Secretary	4 Years, 2 Months	May 2028	Civil 3D Technician
Mark Chairez, Trustee	4 Years, 8 Months	May 2026	Business Owner
Rachel Olivarez, Trustee	4 Years, 8 Months	May 2026	Salesperson
Rene Flores, Trustee	1 Year, 2 Months	May 2028	Retired
Lorenzo Ovalle, Trustee	4 Years, 2 Months	May 2028	Certified Pharmacy Technician

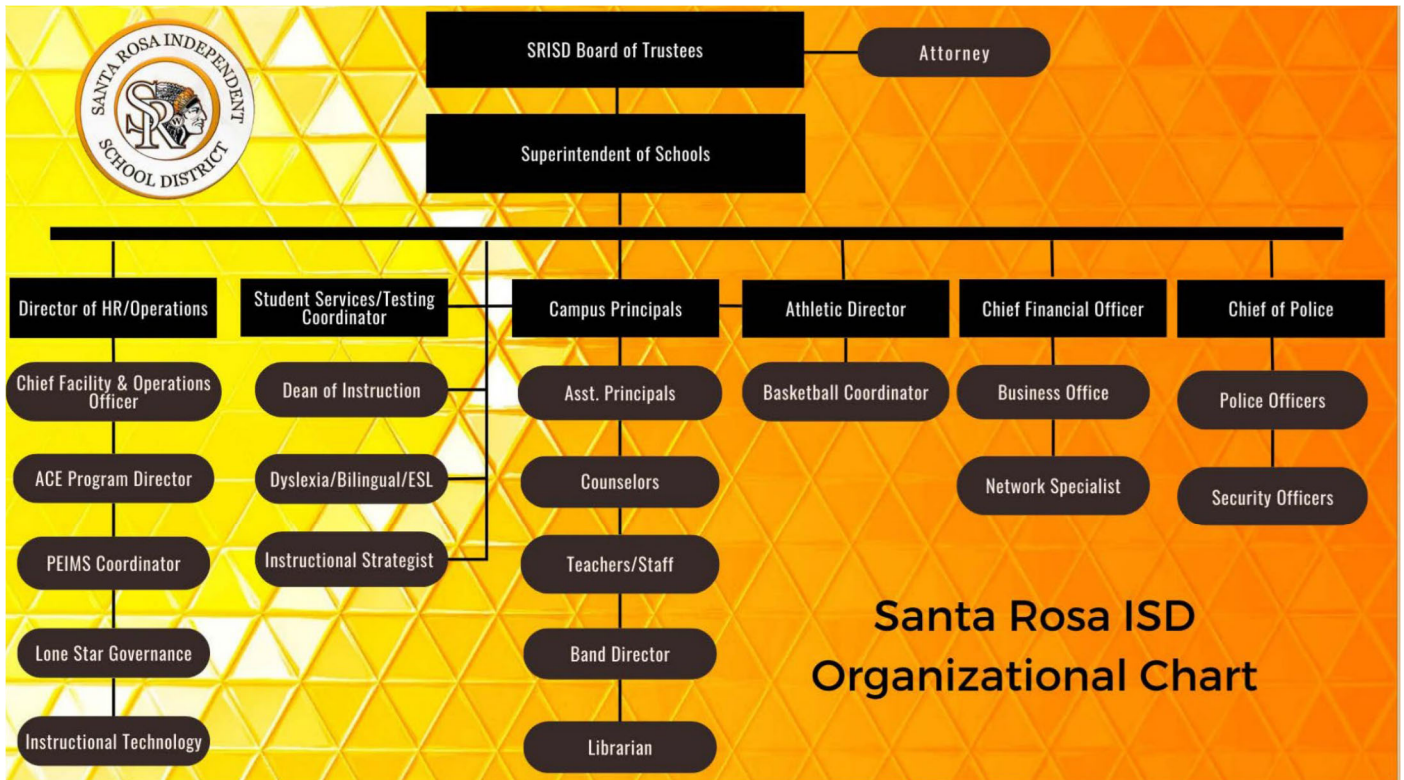
CONSULTANTS & ADVISORS

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

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

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

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



CERTIFICATE OF BOARD

Santa Rosa Independent School District
Name of School District

Cameron
County

031-914
County District Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and X approved disapproved for the year ended June 30, 2025 at the meeting of the Board of Trustees of such school district on the 19th day of January, 2026.

Signature of Board Secretary

Signature of Board President

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FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Santa Rosa Independent School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Santa Rosa Independent School District (the "District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Santa Rosa Independent School District as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2025 the District adopted a new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information and schedules related to net pension and OPEB liabilities on pages 17-29 and 85-96 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Santa Rosa Independent School District's basic financial statements. The accompanying combining nonmajor fund financial statements, Texas Education Agency required schedules, and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, Texas Education Agency required schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2026, on our consideration of the Santa Rosa Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Harlingen, Texas
January 19, 2026



Santa Rosa Independent School District

"Once a Warrior, Always a Warrior"

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2025 (UNAUDITED)

As management of the Santa Rosa Independent School District (the "District"), we are providing readers of the District's financial statements this narrative overview and analysis of the District's financial performance for the fiscal year ended June 30, 2025. Please read this discussion in conjunction with the transmittal letter, which can be found at the front of this report, and the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

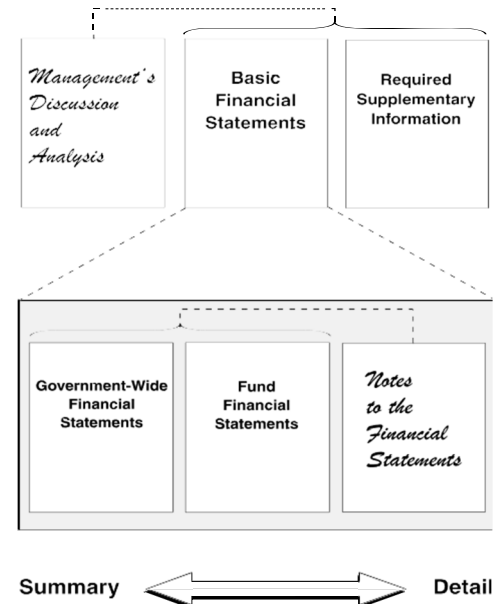
- The District's total combined net position as reflected in the government-wide Statement of Net Position were \$11,047,393 at June 30, 2025.
- The District's Statement of Activities reflects a decrease in net position for Governmental Activities in the amount of \$668,133. This is a result of expenses being more than the \$18,917,926 generated in taxes, state aid, investment earnings, and other revenues such as charges for services and federal grants. The District also received less in federal awards than in the prior year, which resulted in the decrease of net position.
- The General Fund reported a fund balance in the governmental funds financial statement this year of \$4,604,621. Approximately 94.4% of this total amount, \$4,344,866, is available for spending at the District's discretion (unassigned fund balance).
- As of the close of the fiscal year, the District governmental funds reported combined ending fund balances of \$8,762,847, a decrease of \$4,275,002 in comparison with the prior year. This is primarily due to the completion of renovations to the Career and Technical Education (CTE) building and ongoing upgrades to other district facilities. The projects were funded through bond proceeds approved in FY2023. In addition, the District received lower revenues compared to the prior year, further contributing to the decrease in fund balances.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



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

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

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

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

Government-wide Statements

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

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

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

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

Fund Financial Statements

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

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

The District's has the following kinds of funds:

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

Notes to the Financial Statements

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

Other Information

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

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position may serve over time as a useful indicator of a government's financial position. The District's combined net position was \$11,047,393 at June 30, 2025 (See Table A-1). The government-wide decrease in net position was \$668,133, primarily attributable to reductions in total assets, deferred outflows of resources, and total liabilities. These changes contributed to an overall decline in the District's financial position.

TABLE A-1

SANTA ROSA INDEPENDENT SCHOOL DISTRICT GOVERNMENTAL ACTIVITIES NET POSITION

	FY 2025	FY 2024	Percentage Change
Current Assets and Other Assets	\$11,663,968	\$15,287,189	-23.7%
Capital Assets	26,451,849	24,005,974	10.2%
Total Assets	38,115,817	39,293,163	-3.0%
Deferred Charge for Refunding	203,056	222,027	-8.5%
Deferred Outflow Related to TRS	4,051,759	5,350,406	-24.3%
Total Deferred Outflows of Resources	4,254,815	5,572,433	-23.6%
Current Liabilities	2,786,541	2,109,379	32.1%
Long-Term Liabilities	23,400,733	35,131,513	-6.9%
Total Liabilities	26,187,274	27,240,892	-3.9%
Deferred Inflow Related to TRS	5,135,965	5,545,955	-7.4%
Total Deferred Inflows of Resources	5,135,965	5,545,955	-7.4%
Net Position:			
Net Investment in Capital Assets	16,575,225	16,645,060	-0.4%
Restricted for Federal and State Programs	259,755	207,327	25.3%
Restricted for Debt Service	522,305	598,616	-12.7%
Unrestricted	(6,309,892)	(5,372,254)	17.5%
Total Net Position	11,047,393	12,078,749	-8.5%

Approximately 89.4% of the District's largest liability is for the repayment of general obligation bonds and pension liabilities. Other liabilities, representing about 10.6% of the District's total liabilities, consist almost entirely of payables on accounts and salaries and benefits. The largest portion of the District's net position, \$16,575,225, reflects its investment in capital assets (e.g., land, buildings, and equipment) and right-to-use lease assets less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students;

consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes and state aid), since the capital assets themselves cannot be used to liquidate these liabilities.

The smallest portion of the District's net position (7.1%) represents resources that are subject to external restrictions on how they may be used. Restricted net position decreased by \$23,883 during the 12 month period ended June 30, 2025. The remaining balance of unrestricted net position is a deficit of \$6,309,892 due to the large balances resulting from reporting the District's share of the Net Pension and Net OPEB liabilities. The District's current assets of \$11,663,968 were sufficient to cover current liabilities of \$2,786,541. This represents a current ratio of 4.19, which means that for every dollar the District owes there is \$4.19 available in current assets.

Governmental Activities

Governmental activities decreased the District's total net position by \$668,133. This, combined with a change in accounting principle of \$(363,223) due to the implementation of GASB 101, decreased the overall Net Position by 8.5%.

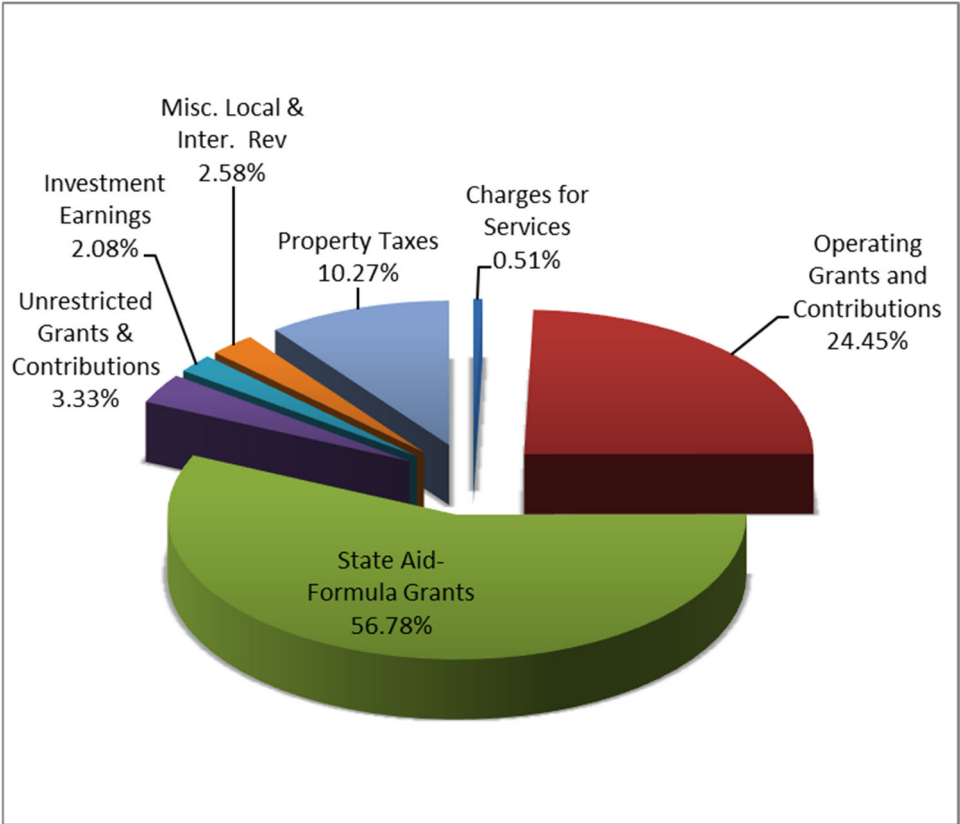
TABLE A-2

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

Program Revenues:	FY 2025	FY 2024
Charges for Services	\$ 96,833	\$ 97,824
Operating Grants and Contributions	4,625,750	5,326,032
General Revenues:		
State Aid - Formula Grants	10,740,882	10,832,354
Grants and Contributions not Restricted	629,251	469,045
Investment Earnings	393,670	559,829
Miscellaneous Local and Intermediate Revenue	487,888	37,912
Property Taxes	1,943,652	1,806,769
Total Program and General Revenues	18,917,926	19,129,765
Expenditures		
Instruction	8,647,622	9,100,133
Instructional Resources and Media Services	169,833	189,224
Curriculum and Staff Development	219,786	257,998
Instructional Leadership	312,439	328,134
School Leadership	814,221	961,517
Guidance, Counseling and Evaluation Services	613,378	462,736
Social Work Services	43,175	54,719
Health Services	203,621	261,374
Student (Pupil) Transportation	248,873	302,256
Food Services	971,067	1,187,011
Extracurricular Activities	996,542	993,138
General Administration	1,208,734	1,293,584
Facilities Maintenance and Operations	2,866,417	2,987,753
Security and Monitoring Services	304,883	336,976
Data Processing Services	403,331	427,547
Community Services	20,652	356
Debt Service - Interest on Long Term Debt	539,498	644,060
Debt Service - Bond Issuance Costs and Fees	1,350	1,054
Payments related to Shared Services Arrangements	972,175	928,389
Other Intergovernmental Charges	28,462	25,964
Total Expenditures	\$ 19,586,059	\$ 20,743,923
Increase (Decrease) in Net Position	\$ (668,133)	\$ (1,614,158)
Net Position at Beginning of Year	\$ 12,078,749	\$ 13,692,907
Increase (Decrease) in Net Position	(668,133)	(1,614,158)
Adjustment – Change in Accounting Principle	(363,223)	-0-
Net Position at End of Year	\$ 11,047,393	\$ 12,078,749

The following chart highlights the District’s revenues by funding source for the governmental activities. As you can see, State Aid comprises 56.78% of the total.

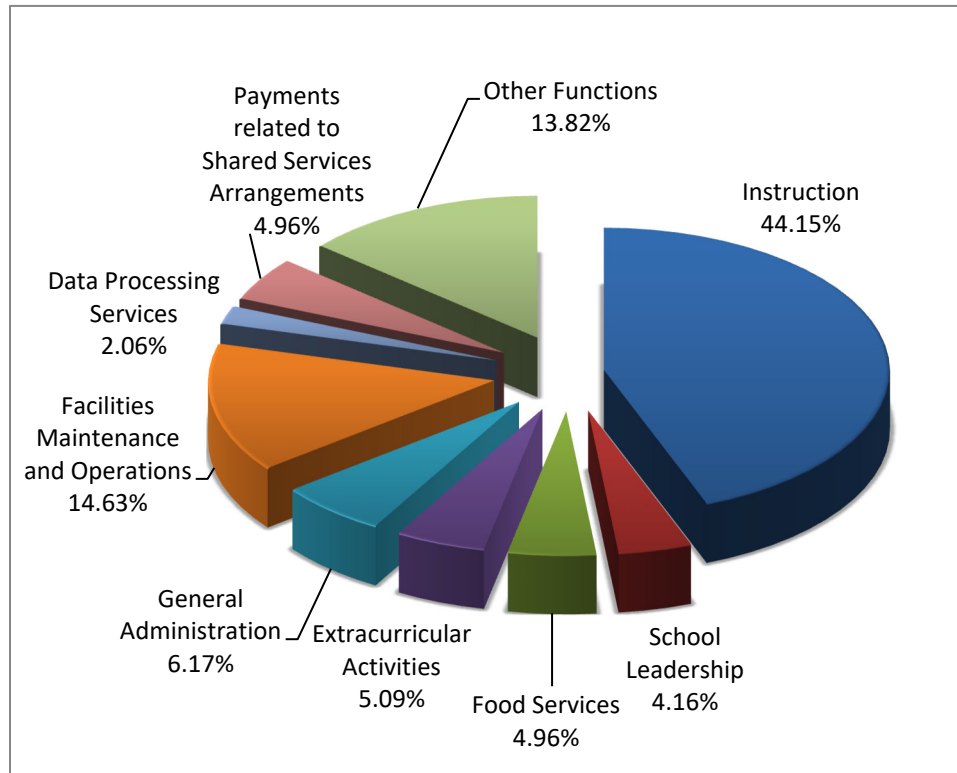
Figure A-3 District’s Total Revenues



Total revenues were \$18,917,926. Revenues for the District’s governmental activities decreased 1.1% compared to prior year. The largest decrease was in operating grants and contributions, which was primarily due to a reduction in state aid, which resulted from a decline in Average Daily Attendance (ADA). Additionally, investment earnings decreased as funds were withdrawn from investment accounts to finance capital projects funded by the bond approved in FY 2023.

The next chart presents the cost of each of the District’s largest functions. Of the total expenses, instructional services represent the largest dollar expense at \$8,647,622 or 44.2%, followed by facilities maintenance & operations at \$2,866,417 or 14.6%.

Figure A-4 District's Functional Expenses



Total expenses were \$19,586,059. Total expenses decreased by \$1,157,864 or 5.6%. The decrease in expenses was primarily due to staffing reductions in the instructional setting, campus administration, and facilities and maintenance and operations department, where certain employees who departed were not replaced. Additionally, expenditures in the child nutrition department declined as a result of significant purchases made in the previous fiscal year, as well as lower interest payments on long-term debt.

Governmental Funds

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

As of the end of the fiscal year, the District's governmental funds reported combined ending fund balances of \$8,762,847 a decrease of \$4,275,002 in comparison with the prior year. Approximately 49.6% or \$4,344,866 of this total amount constitutes unassigned fund balance, which is available for spending at the district's discretion. Despite higher revenues and lower expenditures compared to the prior year, the District's fund balance decreased as a result of ongoing declines in ADA and student enrollment. The remainder of fund balance is restricted or nonspendable to indicate that it is not available for new spending because it has already been assigned: 1) Federal or State Funds Grant Restriction \$237,868, 2) Retirement of Long Term Debt \$701,322, 3) Capital and other restrictions of \$3,456,904, and 4) Nonspendable for inventories and prepayments of \$14,898 and \$6,989, respectively.

General Fund. The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General fund was \$4,344,866 while total fund balance reached \$4,604,621. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 28.7% of total general fund expenditures, while total fund balance represents 30.4% of total general fund expenditures.

The \$4,344,866 of unassigned fund balance gives the District a balance that is the equivalent of 104.77 days of expenditures. This fund balance is adequate to minimize the likelihood of the District entering the short-term debt market to pay for current operating expenditures.

Capital Projects Fund. The Capital Projects Fund ended the fiscal year with a total combined fund balance of \$3,456,904, a decrease of \$3,528,263 compared to the prior year. This balance mainly represents bond proceeds approved by votes in FY 2023 to enhance and expand district facilities. The decrease in fund balance reflects the completion of several capital projects and continued facility upgrades across the district during the fiscal year.

Debt Service Fund. The Debt Service Fund ended with a total combined fund balance of \$701,322, all of which was reserved for the payment of debt service. This amount was set aside to help repay bond issues. The decrease in fund balance in the current year of \$47,175 was the result of less state program revenues received and an increase in expenditures compared to the prior year.

District's Analysis of Debt Service Fund

Debt Service Fund (599)			
	<u>2025</u>	<u>2024</u>	<u>% Change</u>
Revenues			
Property Taxes	\$755,313	\$686,703	10.0%
State Program Revenues	<u>358,812</u>	<u>383,484</u>	<u>-6.4%</u>
Total Revenues	<u>1,114,125</u>	<u>1,070,187</u>	<u>4.1%</u>
Expenditures by Function			
Principal Long Term Debt	605,000	485,001	24.7%
Interest on Long Term Debt	554,950	497,903	11.5%
Other Fees	<u>1,350</u>	<u>1,054</u>	<u>28.1%</u>
Total Expenditures	<u>1,161,300</u>	<u>983,958</u>	<u>18.0%</u>
Net Change in Fund Balance	(47,175)	86,229	154.7%
Fund Balance, Beginning	<u>748,497</u>	<u>662,268</u>	<u>13.0%</u>
Fund Balance, Ending	<u>701,322</u>	<u>748,497</u>	<u>-6.3%</u>

Business-Type Activities

The District did not have any business type of activities.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled \$19,509,206 a decrease of 1.1% over the preceding year. The decrease is mainly attributed to federal revenues, which decreased as a result of less funding for grants received during the fiscal year.

General Fund Budgetary Highlights

The FY 2024-2025 budget was developed by balancing the challenges of operating a small district whose enrollment and average daily attendance decreased. The most significant fund for the District is the General Fund, funded primarily through state aid and property tax revenue. Over the course of the year, the District revised its budget several times.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Capital Projects Fund is used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing educational programs for all students in the District. At the end of 2025, the District had invested \$26,451,849 in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-3.) This amount represents an increase of \$2,445,875 over last year. For readers interested in more detailed information please refer to Note 3 of the financials.

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

Capital Assets	FYE 2025	FYE 2024	Percentage Change
Land	265,271	265,271	0.0%
Buildings and Improvements	39,275,914	35,484,904	10.7%
Furniture & Equipment	6,407,679	6,421,322	-0.2%
Lease assets	1,051,889	1,051,889	0.0%
SBITAs assets	15,982	20,000	-20.1%
Construction in Progress	337,938	443,626	-23.8%
Totals at Historical Cost	47,354,673	43,687,012	8.4%
Less Accumulated Depreciation/Amortization	(20,902,824)	(19,681,038)	6.2%
Net Capital Assets	26,451,849	24,005,974	10.2%

LONG TERM LIABILITIES

At year end, the District has \$22,976,460 in long-term liabilities consisting of bonds, premium, leases, net pension liability and net OPEB liability outstanding as shown in Table A-4. More detailed information about the District's debt is presented in Note 3 to the financial statements.

TABLE A-4

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

Governmental Activities:	FYE 2025	FYE 2024	Percentage Change
Bonds Payable	\$12,330,000	\$12,935,000	-4.7%
Unamortized Bond Premium	933,487	1,040,731	-10.3%
Equipment financing arrangement	-	84,097	-100.0%
Leases	273,097	508,281	-46.3%
Net Pension Liability	5,605,486	7,361,087	-23.8%
Net OPEB Liability	3,834,390	3,134,135	22.3%
Totals	\$22,976,460	\$25,063,331	9.1%

Additionally, the District also had \$424,273 in compensated absences.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's board members considered many factors when setting the fiscal year 2025-2026 budget and tax rates. Some of these factors were the district needs, the campus needs, appraised values, and the Santa Rosa economy. The following factors are highlights of the budget:

- The Average Daily Attendance (ADA) is projected to decrease in fiscal year 2025-2026. The District's 2025-2026 ADA is projected to be 751 which is a decrease compared to prior year.
- The total budgeted tax rate is \$1.281904 which is composed of \$0.786900 compressed rate for maintenance and operations and \$0.495004 for the payment of principal and interest on bonds. Based on SB2, the tax rate compression for the M&O rate, the approval of disaster pennies, and the decrease to the I&S rate for the payment of principal and interest on bonds, the tax rate increased \$0.024644.

- The taxable value used for the 2025-2026 budget preparation is \$165,890,511 from the previous year, which is an increase of 1.9%.

These indicators were taken into account when adopting the general fund budget for fiscal year 2025-2026. Amounts available for appropriation in the general fund budget for 2026 are \$14,666,879, a decrease of 6.4% versus the final 2025 budget of \$15,671,600.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT DEPARTMENT

This annual comprehensive financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Mrs. Marisa Cuevas, Chief Financial Officer, Business Office, Santa Rosa I.S.D., P.O. Box 368, Santa Rosa, Texas 78593, by calling (956) 636-9815, or by emailing cuevasm@srtx.org.



BASIC FINANCIAL STATEMENTS

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

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

EXHIBIT A-1

Data Control Codes	Primary Government Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 8,768,393
1220 Property Taxes - Delinquent	590,100
1230 Allowance for Uncollectible Taxes	(59,010)
1240 Due from Other Governments	2,176,050
1267 Due from Fiduciary Funds	45,187
1290 Other Receivables, Net	121,361
1300 Inventories	14,898
1410 Prepayments	6,989
Capital Assets:	
1510 Land	265,271
1520 Buildings, Net	24,466,517
1530 Furniture and Equipment, Net	1,061,161
1550 Right-to-Use Leased Assets, Net	309,231
1553 SBITA Assets, Net	11,731
1580 Construction in Progress	337,938
1000 Total Assets	<u>38,115,817</u>
DEFERRED OUTFLOWS OF RESOURCES	
1701 Deferred Charge for Refunding	203,056
1705 Deferred Outflow Related to TRS Pension	1,698,048
1706 Deferred Outflow Related to TRS OPEB	2,353,711
1700 Total Deferred Outflows of Resources	<u>4,254,815</u>
LIABILITIES	
2110 Accounts Payable	420,825
2140 Interest Payable	325,508
2160 Accrued Wages Payable	1,300,460
2177 Due to Fiduciary Funds	639
2180 Due to Other Governments	736,474
2190 Due to Student Groups	2,635
Noncurrent Liabilities:	
2501 Due Within One Year: Loans, Note, Leases, etc.	1,089,422
Due in More than One Year:	
2502 Bonds, Notes, Loans, Leases, etc.	12,871,435
2540 Net Pension Liability (District's Share)	5,605,486
2545 Net OPEB Liability (District's Share)	3,834,390
2000 Total Liabilities	<u>26,187,274</u>
DEFERRED INFLOWS OF RESOURCES	
2605 Deferred Inflow Related to TRS Pension	796,537
2606 Deferred Inflow Related to TRS OPEB	4,339,428
2600 Total Deferred Inflows of Resources	<u>5,135,965</u>
NET POSITION	
3200 Net Investment in Capital Assets	16,575,225
Restricted:	
3820 Restricted for Federal and State Programs	259,755
3850 Restricted for Debt Service	522,305
3900 Unrestricted	(6,309,892)
3000 Total Net Position	<u><u>\$ 11,047,393</u></u>

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

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes	1	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		3	4	
		Charges for	Operating	Primary Gov.
	Expenses	Services	Grants and Contributions	Governmental Activities
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
11 Instruction	\$ 8,647,622	\$ -	\$ 1,642,066	\$ (7,005,556)
12 Instructional Resources and Media Services	169,833	-	60,676	(109,157)
13 Curriculum and Instructional Staff Development	219,786	-	139,089	(80,697)
21 Instructional Leadership	312,439	-	302,079	(10,360)
23 School Leadership	814,221	-	301	(813,920)
31 Guidance, Counseling, and Evaluation Services	613,378	-	299,711	(313,667)
32 Social Work Services	43,175	-	40,624	(2,551)
33 Health Services	203,621	-	57,301	(146,320)
34 Student (Pupil) Transportation	248,873	-	204	(248,669)
35 Food Services	971,067	54,475	913,786	(2,806)
36 Extracurricular Activities	996,542	40,958	480	(955,104)
41 General Administration	1,208,734	-	24,199	(1,184,535)
51 Facilities Maintenance and Operations	2,866,417	1,400	353,523	(2,511,494)
52 Security and Monitoring Services	304,883	-	40,836	(264,047)
53 Data Processing Services	403,331	-	5,662	(397,669)
61 Community Services	20,652	-	19,429	(1,223)
72 Debt Service - Interest on Long-Term Debt	539,498	-	-	(539,498)
73 Debt Service - Bond Issuance Cost and Fees	1,350	-	-	(1,350)
93 Payments Related to Shared Services Arrangements	972,175	-	725,784	(246,391)
99 Other Intergovernmental Charges	28,462	-	-	(28,462)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 19,586,059	\$ 96,833	\$ 4,625,750	(14,863,476)

Data Control Codes			
	General Revenues:		
	Taxes:		
MT	Property Taxes, Levied for General Purposes		1,170,267
DT	Property Taxes, Levied for Debt Service		773,385
SF	State Aid - Formula Grants		10,740,882
GC	Grants and Contributions not Restricted		629,251
IE	Investment Earnings		393,670
MI	Miscellaneous Local and Intermediate Revenue		487,888
TR	Total General Revenues		14,195,343
CN	Change in Net Position		(668,133)
NB	Net Position - Beginning as Previously Reported		12,078,749
PA	Adjustments (See Note 2)		(363,223)
	Net Position - Beginning as Restated and Adjusted		11,715,526
NE	Net Position - Ending		\$ 11,047,393

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

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

Data Control Codes	10 General Fund	Major SSA - 21st Century	60 Capital Projects
ASSETS			
1110 Cash and Cash Equivalents	\$ 4,432,739	\$ -	\$ 3,661,437
1220 Property Taxes - Delinquent	388,112	-	-
1230 Allowance for Uncollectible Taxes	(38,811)	-	-
1240 Due from Other Governments	1,372,367	496,379	-
1260 Due from Other Funds	597,737	-	-
1290 Other Receivables	19,703	-	-
1300 Inventories	14,898	-	-
1410 Prepayments	6,989	-	-
1000 Total Assets	<u>\$ 6,793,734</u>	<u>\$ 496,379</u>	<u>\$ 3,661,437</u>
LIABILITIES			
2110 Accounts Payable	\$ 42,694	\$ 173,499	\$ 204,533
2160 Accrued Wages Payable	1,065,250	108,116	-
2170 Due to Other Funds	58,382	214,764	-
2180 Due to Other Governments	726,555	-	-
2190 Due to Student Groups	2,635	-	-
2000 Total Liabilities	<u>1,895,516</u>	<u>496,379</u>	<u>204,533</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable Revenue - Property Taxes	293,597	-	-
2600 Total Deferred Inflows of Resources	<u>293,597</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable Fund Balance:			
3410 Inventories	14,898	-	-
3430 Prepaid Items	6,989	-	-
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	237,868	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	3,456,904
3480 Retirement of Long-Term Debt	-	-	-
3600 Unassigned Fund Balance	4,344,866	-	-
3000 Total Fund Balances	<u>4,604,621</u>	<u>-</u>	<u>3,456,904</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 6,793,734</u>	<u>\$ 496,379</u>	<u>\$ 3,661,437</u>

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

Other Funds	Total Governmental Funds
\$ 674,217	\$ 8,768,393
201,988	590,100
(20,199)	(59,010)
307,304	2,176,050
1,726	599,463
101,658	121,361
-	14,898
-	6,989
<u>\$ 1,266,694</u>	<u>\$ 12,218,244</u>
\$ 99	\$ 420,825
127,094	1,300,460
281,769	554,915
9,919	736,474
-	2,635
<u>418,881</u>	<u>3,015,309</u>
146,491	440,088
<u>146,491</u>	<u>440,088</u>
-	14,898
-	6,989
-	237,868
-	3,456,904
701,322	701,322
-	4,344,866
<u>701,322</u>	<u>8,762,847</u>
<u>\$ 1,266,694</u>	<u>\$ 12,218,244</u>

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SANTA ROSA INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2025

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$ 8,762,847
1 Capital assets, right-to-use lease Assets, and subscription assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. The cost of these assets was \$47,354,673 and the accumulated depreciation was (\$20,902,824).	26,451,849
2 Long-term liabilities, including bonds payable of (\$12,330,000), premium on bonds of (\$933,487) , lease liabilities of (\$273,097) and compensated absences of (\$424,273) are not due and payable in the current period, and therefore, are not reported as liabilities in the governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to decrease net position.	(13,960,857)
3 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS included a Deferred Resource Outflow in the amount of \$1,698,048, a Deferred Resource Inflow in the amount of (\$796,537) and a net pension liability in the amount of (\$5,605,486). This resulted in a decrease in net position.	(4,703,975)
4 Included in the items related to debt is the recognition of the District's proportionate share of the net OPEB liability by GASB 75. The net position included a deferred outflow in the amount of \$2,353,711 and a deferred inflow in the amount of (\$4,339,428) and a net OPEB liability in the amount of (\$3,834,390). This resulted in a decrease in net position.	(5,820,107)
5 Deferred charges on refunding are not due and payable in the current period; and therefore are not reported as liabilities in the governmental funds.	203,056
6 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue of \$440,088 and recognizing the liabilities associated with maturing long-term debt and accrued interest (\$325,508). The net effect of these reclassifications and recognitions is to increase net position.	114,580
29 Net Position of Governmental Activities	\$ 11,047,393

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

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes	10 General Fund	Major SSA - 21 st Century	60 Capital Projects
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 1,897,014	\$ -	\$ 247,026
5800 State Program Revenues	11,426,820	-	-
5900 Federal Program Revenues	1,112,257	1,678,305	-
5020 Total Revenues	14,436,091	1,678,305	247,026
EXPENDITURES:			
Current:			
0011 Instruction	6,705,090	664,454	-
0012 Instructional Resources and Media Services	106,044	-	-
0013 Curriculum and Instructional Staff Development	70,595	-	-
0021 Instructional Leadership	-	259,471	-
0023 School Leadership	818,949	-	-
0031 Guidance, Counseling, and Evaluation Services	302,365	-	-
0032 Social Work Services	-	-	-
0033 Health Services	144,623	-	-
0034 Student (Pupil) Transportation	251,088	-	-
0035 Food Services	921,984	-	-
0036 Extracurricular Activities	969,176	-	-
0041 General Administration	1,153,514	-	-
0051 Facilities Maintenance and Operations	2,386,047	4,222	11,863
0052 Security and Monitoring Services	262,891	8,703	-
0053 Data Processing Services	424,405	1,307	-
0061 Community Services	-	14,364	-
Debt Service:			
0071 Principal on Long-Term Liabilities	320,529	-	-
0072 Interest on Long-Term Liabilities	24,750	-	-
0073 Bond Issuance Cost and Fees	-	-	-
Capital Outlay:			
0081 Facilities Acquisition and Construction	-	-	3,763,426
Intergovernmental:			
0093 Payments to Fiscal Agent/Member Districts of SSA	246,391	725,784	-
0099 Other Intergovernmental Charges	28,462	-	-
6030 Total Expenditures	15,136,903	1,678,305	3,775,289
1100 Excess (Deficiency) of Revenues Over (Under)	(700,812)	-	(3,528,263)
OTHER FINANCING SOURCES (USES):			
7913 Right-to-Use Lease and SBITA Proceeds	1,248	-	-
7915 Transfers In	774,176	-	-
8911 Transfers Out (Use)	(774,176)	-	-
7080 Total Other Financing Sources (Uses)	1,248	-	-
1200 Net Change in Fund Balances	(699,564)	-	(3,528,263)
0100 Fund Balance - July 1 (Beginning)	5,304,185	-	6,985,167
3000 Fund Balance - June 30 (Ending)	\$ 4,604,621	\$ -	\$ 3,456,904

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

Other Funds		Total Governmental Funds	
\$	837,907	\$	2,981,947
	1,128,335		12,555,155
	1,181,542		3,972,104
	3,147,784		19,509,206
	977,612		8,347,156
	60,676		166,720
	139,089		209,684
	42,608		302,079
	301		819,250
	299,710		602,075
	40,624		40,624
	57,302		201,925
	204		251,292
	-		921,984
	480		969,656
	24,199		1,177,713
	349,301		2,751,433
	32,133		303,727
	4,355		430,067
	5,065		19,429
	605,000		925,529
	554,950		579,700
	1,350		1,350
	-		3,763,426
	-		972,175
	-		28,462
	3,194,959		23,785,456
	(47,175)		(4,276,250)
	-		1,248
	-		774,176
	-		(774,176)
	-		1,248
	(47,175)		(4,275,002)
	748,497		13,037,849
\$	701,322	\$	8,762,847

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$ (4,275,002)
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in longterm debt in the government-wide financial statements. The net effect of removing the current year capital outlays of \$3,802,945 and debt principal payments of \$925,529 is to increase the change net position.	4,728,474
Depreciation and amortization of leases are not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position.	(1,358,318)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing the increase in accrued interest on long term debt of (\$48,071), recording amortization of bond premiums of \$107,244, amortizations of deferred charges on refunding of (\$18,971) and recognizing the decrease in compensated absences of \$7,132. The net effect of these reclassifications and recognitions is to decrease the change in net position.	47,334
Property tax revenues that are not considered available are deferred in the funds but are recognized as revenue in governmental activities under full accrual accounting. The change in the unavailable portion of property taxes for the current period results in an increase to the change in net position.	22,690
GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$398,963. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This cause a decrease in the change in net position totaling (\$518,559). Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense decreased the change in net position by (\$317,373). The net result is a decrease in the change in net position.	(436,969)
GASB 75 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the reduction in ending net position to increase by \$86,962. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net OPEB liability. This caused a decrease in the change in net position totaling (\$96,397). Finally, the proportionate share of the TRS OPEB expense increased the change in net position by \$603,658.	603,658
Change in Net Position of Governmental Activities	\$ (668,133)

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

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025

	Private Purpose Trust Funds	Total Custodial Funds
ASSETS		
Cash and Cash Equivalents	\$ 6,498	\$ 76,726
Other Receivables	<u>-</u>	<u>45,622</u>
Total Assets	<u>6,498</u>	<u>\$ 122,348</u>
LIABILITIES		
Accounts Payable	-	1,437
Due to Other Funds	-	44,548
Due to Student Groups	485	(1,277)
Payable from Restricted Assets	<u>5,000</u>	<u>-</u>
Total Liabilities	<u>5,485</u>	<u>44,708</u>
NET POSITION		
Unrestricted Net Position	<u>1,013</u>	<u>77,640</u>
Total Net Position	<u><u>\$ 1,013</u></u>	<u><u>\$ 77,640</u></u>

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

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Private Purpose Trust Funds	Total Custodial Funds
ADDITIONS:		
Miscellaneous Revenue - Student Activities	\$ -	\$ 131,512
Cocurricular Services or Activities	-	108,662
Miscellaneous Additions	4,015	62,429
Total Additions	4,015	302,603
DEDUCTIONS:		
Payroll Costs	-	8,022
Professional and Contracted Services	-	43,309
Supplies and Materials	-	20,776
Other Deductions	4,500	216,396
Total Deductions	4,500	288,503
Change in Fiduciary Net Position	(485)	14,100
Total Net Position - July 1 (Beginning)	1,498	63,540
Total Net Position - June 30 (Ending)	\$ 1,013	\$ 77,640

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

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

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

Government-Wide Statements:

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

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

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Financial Statements:

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

The District reports the following major governmental funds:

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

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

Capital Projects Fund. The capital projects fund of the District accounts for proceeds from long-term debt financing and revenues and expenditures related to authorized construction and related capital asset acquisitions mainly due to receipt of the 2023 bonds.

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

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

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

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary Funds:

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Budgets

The official school budgets were prepared for adoption for the General Fund and Debt Service Fund by June 26, 2024. The budgets were formally adopted by the board of school trustees at a duly advertised public meeting prior to the expenditure of funds. No budget was formally adopted for ESSEER II and III. The budgets were amended by the board of school trustees throughout the year. Expenditures may not legally exceed budgeted appropriations at the function level.

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

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

Cash and Cash Equivalents

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

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Investments

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

Interfund Activities and Transactions

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

Inventory

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

Prepayments

Prepayments are expenditures that will benefit periods beyond June 30, 2025. In governmental funds, prepayments are accounted for by the consumption method whereby expenditures are recognized in the period for which the prepayment is applicable. The District has \$6,989 of prepayments in the current year.

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets

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

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

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

Deferred Outflows and Inflows of Resources

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

The District has three (3) items that qualify for reporting as deferred outflows of resources, the *deferred amount on refunding* and the *deferred outflows related to TRS pensions and OPEB*, both reported in the government-wide statement of net position. The deferred amount on refunding results from debt refinancing, whereby the reacquisition price of the funding debt instruments exceed their net carrying amount. The deferred amount on refunding is amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows related to TRS pensions and OPEB liabilities are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria* and P50: *Postemployment Benefits Other Than Pensions – Reporting for Benefits Provided through Trusts that Meet Specified Criteria – Defined Benefit*. The deferred outflows related to pensions and OPEB will be recognized as either pension and OPEB expense or a reduction in the net pension or net OPEB liability in future reporting years.

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows and Inflows of Resources (Continued)

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

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

Compensated Absences

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

For the year ended June 30, 2025, the District implemented GASB 101, *Compensated Absences*. This Statement defines a compensated absence as leave for which employees may receive one or more (a) cash payments when the leave is used for time off; (b) other cash payments, such as payment for unused leave upon termination of employment; or (c) noncash settlements, such as conversion to postemployment benefits. The District uses the first-in, first out (FIFO) flow assumption to determine compensated absence liability.

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

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

Long-term Obligations

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

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

Pensions

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

Other Post-Employment Benefits (OPEB) Liability

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

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Categories and Classification of Fund Equity

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

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

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

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

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

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

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

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

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Categories and Classification of Fund Equity (Continued)

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

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

Revenues and Expenditures/Expenses

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

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

Encumbrances

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

Accounting System

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

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Data Control Codes

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

Net Position

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

Use of Estimates

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

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 19, 2026. See Note 11 for relevant disclosure(s). No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Issued Accounting Pronouncements

In fiscal year 2025, the District implemented the following statements:

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. See Note 2 for the impact of the Statement on the District's financials.

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (Continued)

GASB Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The implementation of this statement did not have a significant impact on the District's financials.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

The District is evaluating the requirements of the above statements and the impact on reporting.

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 2: CHANGE IN ACCOUNTING PRINCIPLE

The District's fiscal year 2025 financial statements incorporate a change in accounting principle. GASB Statement No. 100, *Accounting Changes and Error Corrections*, requires disclosure of their nature and effect on amounts reported in the financial statements.

In fiscal year 2025, the District implemented GASB Statement No. 101, *Compensated Absences*. The implementation of the Statement requires the restatement of the June 30, 2024, net position for the compensated absences liability as of June 30, 2024. Compensated absences liability of \$363,223 were added to governmental activities.

The following tables summarize the restatements to the District's beginning net position as a result of the change in accounting principle:

6/30/2024 compensated absences as previously reported	\$ 68,182
Change due to implementation of GASB 101	363,223
7/1/2024 beginning balance as restated and adjusted	<u>\$ 431,405</u>

6/30/2024 net position as previously reported	\$ 12,078,749
Change due to implementation of GASB 101	(363,223)
6/30/2024 net position as restated and adjusted	<u>\$ 11,715,526</u>

NOTE 3: DETAILED NOTES ON ALL FUNDS

Deposits and Investments

Investment Accounting Policy

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

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

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

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

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

Custodial Credit Risk

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

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

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

Cash Deposits

At June 30, 2025, the District's carrying amount had a balance of \$2,062,702 (cash, certificates of deposit, and interest-bearing savings accounts) and the bank balance was \$2,645,885. In addition, the District maintains \$6,705,691 in a government investment pool. The District's cash deposits and investments at June 30, 2025 and during the year ended June 30, 2025 were entirely covered by FDIC insurance or by pledged collateral held in the District's name by a bank other than the pledging bank.

The District's cash deposits at June 30, 2025 are maintained primarily at Rio Bank. These deposits were entirely covered by FDIC insurance or pledged collateral held by the District's agent bank throughout the year. The deposits were collateralized in accordance with Texas Law, and the Texas Education Agency maintains copies of all safekeeping receipts in the name of the District. In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

- a) Name of Bank: Rio Bank
- b) Amount of bond and/or market value of securities pledged as of the date of the highest combined balance on deposit was \$5,998,598.
- c) Largest cash, savings and time deposit combined account balance amounted to \$3,698,772 and occurred during the month of January 2025.
- d) Total amount of FDIC coverage at the time of largest combined balance was \$250,000.

Interest Rate Risk

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

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

<u>Description</u>	<u>CUSIP</u>	<u>Amount</u>	<u>Maturity</u>	<u>Days</u>
TexPool	N/A	\$6,705,691	N/A	Daily

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

Credit Risk

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

<u>Description</u>	<u>Minimum Legal Rating</u>	<u>Amount</u>	<u>Rating</u>	<u>Percentage</u>
TexPool	AAA	\$6,705,691	AAA	100%

Concentration of Credit Risk

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

Public Funds Investment Pools

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

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

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

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

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Property Tax

Property taxes are levied by October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period and those expected to be collected during a 60-day period after the close of the school fiscal year. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. The District's 2024 tax rate was \$0.75520 for maintenance and \$0.50206 for debt service per \$100 assessed valuation.

The 2024 assessed valuation was \$163,072,278. Allowances for uncollectibles within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. At June 30, 2025 outstanding taxes in the general fund and debt service fund was \$388,112 and \$201,988 with a corresponding allowance for doubtful accounts of \$38,811 and \$20,199, respectively.

Due To and From Other Governments and Agencies

Amounts due to and from other governments and agencies at June 30, 2025 are as follows:

<u>General Fund</u>	<u>Due To</u>	<u>Due From</u>
<i>Texas Education Agency:</i>		
Foundation School Program	\$ 736,474	\$ 1,351,496
<i>Texas Department of Agriculture:</i>		
School Breakfast Program	-	6,007
National School Lunch Program	-	14,864
<u>Other Governmental Funds</u>		
<i>Texas Education Agency :</i>		
ESEA Title I, Part A	-	81,970
ESEA Title II, Part A	-	15,417
State Funded Special Revenue	-	3,349
Other Federally Funded Special Revenue Funds	-	146,268
Region One		2,996
<u>Major Special Revenue Fund</u>		
SSA - 21st Century Community Learning Centers	-	496,379
<u>Major Special Revenue Fund</u>		
<i>Other Governmental Entities:</i>		
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)		57,304
Total due to/from other governments and agencies	\$ 736,474	\$ 2,176,050

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Disaggregation of Receivables and Payables

Receivables at June 30, 2025, were as follows:

	Property Taxes	Due From Other Governments	Other Receivables	Accrued Interest	Due From Other Funds	Total Receivables
Governmental Activities:						
General Fund	\$ 388,112	\$ 1,372,367	\$ 19,703	\$ -	\$ 597,737	\$ 2,377,919
SSA - 21st Century Community Learning Centers	-	496,379	-	-	-	496,379
Nonmajor Governmental Funds	201,988	307,304	101,658	-	1,726	612,676
Gross receivables	590,100	2,176,050	121,361	-	599,463	3,486,974
Allowance for uncollectible amounts	(59,010)	-	-	-	-	(59,010)
Total Governmental Activities, net	\$ 531,090	\$ 2,176,050	\$ 121,361	\$ -	\$ 599,463	\$ 3,427,964
Amounts not scheduled for collection during the subsequent year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Payables at June 30, 2025, were as follows:

	Accounts Payable	Salaries, Benefits and Withholdings	Other Governments	Due To Other Funds	Total Payables
Governmental Activities:					
General Fund	\$ 42,694	\$ 1,065,250	\$ 726,555	\$ 58,382	\$ 1,892,881
SSA - 21st Century Community Learning Centers	173,499	108,116	-	214,764	496,379
Capital Projects	204,533	-	-	-	204,533
Nonmajor Governmental Funds	99	127,094	9,919	281,769	418,881
Total Governmental Activities	\$ 420,825	\$ 1,300,460	\$ 736,474	\$ 554,915	\$ 3,012,674
Amounts not scheduled for payment during the subsequent year	\$ -	\$ -	\$ -	\$ -	\$ -

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets

Capital asset activity for year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Increase	Decrease	Transfers	Balance June 30, 2025
Governmental activities					
Capital assets not being depreciated:					
Land	\$ 265,271	\$ -	\$ -	\$ -	\$ 265,271
Construction in Progress	443,626	157,500	-	(263,188)	337,938
Total capital assets not being depreciated	708,897	157,500	-	(263,188)	603,209
Capital assets being depreciated:					
Buildings and improvements	35,484,904	3,527,822	-	263,188	39,275,914
Furniture and equipment	6,421,322	117,623	(131,266)	-	6,407,679
Total capital assets being depreciated	41,906,226	3,645,445	(131,266)	263,188	45,683,593
Less accumulated depreciation:					
Building and improvements	(13,990,357)	(819,040)	-	-	(14,809,397)
Furniture and equipment	(5,178,088)	(299,696)	131,266	-	(5,346,518)
Total accumulated depreciation	(19,168,445)	(1,118,736)	131,266	-	(20,155,915)
Total capital assets being depreciated, net	22,737,781	2,526,709	-	263,188	25,527,678
Right-to-use lease assets being amortized					
Leased equipment	1,051,889	-	-	-	1,051,889
Less accumulated amortization	(508,069)	(234,589)	-	-	(742,658)
Total Right-to-use lease assets being amortized, net	543,820	(234,589)	-	-	309,231
Right-to-use subscription assets, SBITAs, being amortized					
Subscription-based information technology arrangements	20,000	1,248	(5,266)	-	15,982
Less accumulated amortization	(4,524)	(4,993)	5,266	-	(4,251)
Total right-to-use subscription assets, being amortized, net	15,476	(3,745)	-	-	11,731
Governmental activities capital assets, net	\$ 24,005,974	\$ 2,445,875	\$ -	\$ -	\$ 26,451,849

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (Continued)

Depreciation and amortization was charged to the following functions:

	<u>Depreciation</u>	<u>Amortization</u>
11 – Instruction	\$ 537,181	\$ 239,582
12 – Instructional Resources and Media Services	10,498	-
13 – Curriculum and Staff Development	13,203	-
21 – Instructional Leadership	19,021	-
23 – School Leadership	51,586	-
31 – Guidance, Counseling and Evaluation Services	37,911	-
32 – Social Work Services	2,558	-
33 – Health Services	12,720	-
34 – Student Transportation	15,823	-
35 – Food Services	58,054	-
36 – Cocurricular/Extracurricular Activities	67,292	-
41 – General Administration	74,157	-
51 – Plant Maintenance and Operations	173,390	-
52 – Security and Monitoring Services	19,191	-
53 – Data Processing Services	24,928	-
61 – Community Services	1,223	-
	<u>\$ 1,118,736</u>	<u>\$ 239,582</u>

The following summarizes the District's leased assets:

	Balance July 1, 2024	Increase	Decrease	Transfers	Balance June 30, 2025
Governmental activities					
Right to use assets					
Leased equipment	\$ 1,051,889	\$ -	\$ -	\$ -	\$ 1,051,889
Total right to use assets	1,051,889	-	-	-	1,051,889
Less accumulated amortization for					
Leased equipment	(508,069)	(234,589)	-	-	(742,658)
Total accumulated amortization	(508,069)	(234,589)	-	-	(742,658)
Right to use assets, net	\$ 543,820	\$ (234,589)	\$ -	\$ -	\$ 309,231

The following summarizes the District's SBITA assets:

	Balance July 1, 2024	Increase	Decrease	Transfers	Balance June 30, 2025
Right-to-use subscription assets, SBITAs					
Subscription-based information technology arrangements	\$ 20,000	\$ 1,248	\$ (5,266)	\$ -	\$ 15,982
Total subscription assets, SBITAs	20,000	1,248	(5,266)	-	15,982
Less accumulated amortization for SBITAs	(4,524)	(4,993)	5,266	-	(4,251)
Total accumulated amortization	(4,524)	(4,993)	5,266	-	(4,251)
Right-to-use subscription assets being amortized, net	\$ 15,476	\$ (3,745)	\$ -	\$ -	\$ 11,731

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Long-term Obligations

Long-term obligations include bonds, leases and compensated absences. Changes in long-term obligations for the year ended June 30, 2025, are as follows:

Governmental Activities	Beginning Balance 7/1/2024	Increase	Decrease	Ending Balance 6/30/2025	Due Within One Year
General Obligation Bonds					
Bond Series 2016	\$ 2,800,000	\$ -	\$ (140,000)	\$ 2,660,000	\$ 145,000
Bond Series 2017	3,085,000	-	(365,000)	2,720,000	385,000
Bond Series 2023	7,050,000	-	(100,000)	6,950,000	100,000
Total general obligation bonds	12,935,000	-	(605,000)	12,330,000	630,000
Premium on issuance – Refunding					
Bond Series 2016	226,619	-	(31,447)	195,172	29,030
Premium on issuance – Refunding					
Bond Series 2017	145,244	-	(39,849)	105,395	33,468
Premium on Issuance - Bond 2023	668,868	-	(35,948)	632,920	35,402
Equipment financing arrangement	84,097	-	(84,097)	-	-
Leases	508,281	-	(235,184)	273,097	242,353
Total general long term debt	14,568,109	-	(1,031,525)	13,536,584	970,253
Total governmental activities	\$ 14,568,109	\$ -	\$ (1,031,525)	\$ 13,536,584	\$ 970,253

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Long-term Obligations (Continued)

On December 1, 2016, the District issued \$3,500,000 in Unlimited Tax Refunding Bonds, Series 2016, in order to advance refund \$3,575,000 of the remaining bonds outstanding on the Unlimited Tax School Building Bonds, Series 2008 ("refunded bonds"). The net proceeds of the 2016 refunding bonds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds, and to pay costs of issuance. As a result, \$3,575,000 of the refunded bonds are considered defeased, and have been removed from the balance of long-term debt of the District. At June 30, 2025, the refunded bonds had an amount outstanding of \$2,660,000. The refunding resulted in a net present value savings of \$552,846. The 2016 bonds were issued with stated interest rates ranging from 2% to 4%, with interest payable semi-annually every year on February 15 and August 15 with final maturity on August 15, 2038.

\$2,660,000

On May 24, 2017, the District issued \$6,400,000 in Unlimited Tax Refunding Bonds, Series 2017, in order to advance refund \$6,795,000 of the remaining bonds outstanding on the Unlimited Tax Refunding Bonds, Series 2007 ("refunded bonds"). The net proceeds of the 2017 refunding bonds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds, and to pay costs of issuance. The \$6,795,000 of refunded bonds are considered defeased, and have been removed from the balance of long-term debt of the District. In addition, the refunded bonds had an original call date of August 15, 2017, and as of June 30, 2023, the bonds have been redeemed in full and no remaining is outstanding. The refunding resulted in a net present value savings of \$574,519. The 2017 refunding bonds were issued with stated interest rates ranging from 2% to 4%, with interest payable semi-annually every year on February 15 and August 15, with final maturity on August 15, 2031.

2,720,000

On May 11, 2023 the District issued \$7,050,000 in Unlimited Tax Refunding Bonds, Series 2023. The net proceeds of the 2023 bonds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds, and to pay costs of issuance. At June 30, 2025, the bonds had an amount outstanding of \$6,950,000. The 2023 bonds were issued with stated interest rates ranging from 4% to 5%, with interest payable semi-annually every year on February 15 and August 15 with final maturity on August 15, 2053.

6,950,000

Total general obligation bonds

\$12,330,000

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Debt service requirements on bonds payable and equipment financing arrangement at June 30, 2025, are as follows:

Year Ending June 30,	Bonds Payable		Total Requirement
	Principal	Interest	
2026	\$ 630,000	\$ 858,900	\$ 1,488,900
2027	655,000	827,200	1,482,200
2028	675,000	794,600	1,469,600
2029	695,000	761,200	1,456,200
2030	715,000	727,000	1,442,000
2031-2035	2,310,000	3,200,900	5,510,900
2036-2040	1,945,000	2,544,150	4,489,150
2041-2045	1,335,000	1,893,875	3,228,875
2046-2050	1,710,000	1,155,875	2,865,875
2051-2055	1,660,000	337,500	1,997,500
	<u>\$ 12,330,000</u>	<u>\$ 13,101,200</u>	<u>\$ 25,431,200</u>

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

Subscription-Based Information Technology Arrangements:

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

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Lease required payments are as follows:

Year Ending June 30,	Lease Liability		Total Requirement
	Principal	Interest	
2026	\$ 242,353	\$ 10,723	\$ 253,076
2027	30,744	140	30,884
	<u>\$ 273,097</u>	<u>\$ 10,863</u>	<u>\$ 283,960</u>

Other Long-term Liabilities

In addition to the long-term debt obligations noted above, Note 4 Defined Benefit Pension Plan and Note 5 Defined Other Post Employment Benefit Plans, the District has the following changes in other long-term liabilities for the year ended June 30, 2025 as follows:

Governmental Activities	As Restated*	Net Change	Ending	Due Within One Year
	Beginning Balance 7/1/2024		Balance 6/30/2025	
Compensated Absences	<u>\$ 431,405</u>	<u>\$ (7,132)</u>	<u>\$ 424,273</u>	<u>\$ 119,169</u>

*Beginning balance restated due to implementation of GASB 101.

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Interfund Receivables, Payables and Transfers

Interfund receivable and payable balances at June 30, 2025 were:

Due from Fund:	Due to Fund:		Total
	General Fund	Non Major Funds	
General Fund	\$ 56,656	\$ 1,726	\$ 58,382
SSA - 21st Century Community Learning Centers	214,764	-	214,764
Non Major Funds	281,769	-	281,769
Custodial Funds	44,548	-	44,548
Total	\$ 597,737	\$ 1,726	\$ 599,463

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

Revenues from Local and Intermediate Sources

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

	General Fund	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
Property taxes	\$ 1,103,953	\$ -	\$ 721,105	\$ 1,825,058
Food sales	54,475	-	-	54,475
Investment income	145,780	247,026	864	393,670
Penalties, interest and other tax-related income	62,560	-	33,344	95,904
Athletic activities	38,458	-	-	38,458
Other	491,788	-	82,594	574,382
Total governmental activities	\$ 1,897,014	\$ 247,026	\$ 837,907	\$ 2,981,947

Deferred Outflows and Inflows of Resources

Unavailable revenues from property taxes in the general fund and the nonmajor governmental fund at June 30, 2025 were \$293,597 and \$146,491 respectively.

At the government-wide financial statements (Exhibit A-1), the District reports cumulative deferred charges on refundings as a Deferred Outflows of Resources in the amount of \$203,056. In addition, deferred outflows and inflows of resources related to TRS pension liability are \$1,698,048 and \$796,537 respectively. Deferred outflows and inflows of resources related to the TRS OPEB liability are \$2,353,711 and \$4,339,428, respectively.

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

General Fund Federal Source Revenues

Federally financed programs are generally accounted for in the Special Revenue Funds of the District, except for indirect costs charged to federal programs which are accounted for in the General Fund as prescribed by the TEA and certain direct revenues. The District recognized in the General Fund such revenues for the year ended June 30, 2025 from various federal sources as follows:

Programs or Source	Federal AL Number	Amount
School Breakfast Program	10.553	\$ 299,694
National School Lunch Program	10.555	561,965
USDA - Child and Adult Care Food Program	10.558	104,408
Indirect Costs	Various	36,055
E-rate	-	33,415
SHARS	-	76,720
		<u>\$ 1,112,257</u>

Fund Balances and Net Position

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

Nonspendable: The District has inventories of \$14,898 and prepayment of \$6,989.

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

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

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Fund Balances and Net Position (Continued)

Unassigned – the unassigned fund balance has no constraints.

Fund balances at June 30, 2025 are composed of the following amounts:

	General Fund	Capital Projects	Total Nonmajor	Total Governmental Funds
Fund balances				
Nonspendable				
Inventories				
Food service	\$ 14,898	\$ -	\$ -	\$ 14,898
Prepaid items	6,989	-	-	6,989
Restricted				
Food service	237,868	-	-	237,868
Debt service	-	-	701,322	701,322
Capital Projects	-	3,456,904	-	3,456,904
Unassigned	4,344,866	-	-	4,344,866
	<u>\$ 4,604,621</u>	<u>\$ 3,456,904</u>	<u>\$ 701,322</u>	<u>\$ 8,762,847</u>

Net Position at June 30, 2025 is composed of the following amounts:

	Governmental Activities
Net investment in capital assets:	
Capital assets, net of accumulated depreciation	\$ 26,451,849
Less related liabilities	(13,536,584)
Plus Unspent Bond proceeds (fund balance 618)	3,456,904
Plus unamortized charges - deferred outflows of resources	203,056
Total net investment in capital assets	16,575,225
Restricted net position consists of the following:	
Federal and state programs	259,755
Debt Service	522,305
Total restricted net position	782,060
Unrestricted net position	(6,309,892)
Total net position	<u>\$ 11,047,393</u>

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

The District has a negative unrestricted net position in the Governmental Activities of \$6,309,892 at year-end. This negative balance is due to combined impact of the recognition of the net pension liability and net OPEB liability (Refer to Notes 4 and 5), the results of which are actuarially determined. The recognition of these significant long term liabilities has resulted in the negative unrestricted net position.

NOTE 4: RETIREMENT PLANS

Plan Description

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

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

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately- issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://www.trs.texas.gov/sites/default/files/migrated/TRS-Documents-trs-acfr-2024.pdf>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701- 2698.

Benefits Provided

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

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 4: RETIREMENT PLANS (Continued)

Benefits Provided (Continued)

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

Contributions

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

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

The following are the contribution rates for years 2024 and 2025:

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

Current fiscal year employer contributions	\$ 477,497
Current fiscal year member contributions	\$ 813,156
2024 measurement year NECE on-behalf contributions	\$ 507,552

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

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 4: RETIREMENT PLANS (Continued)

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

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

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

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

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 4: RETIREMENT PLANS (Continued)

Actuarial Assumptions

The total pension liability in the August 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

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

Valuation Date	August 31, 2023, rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term expected Investment Rate of Return	7.00%
Municipal Bond Rate as of August 2022	4.13% - The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax- exempt municipal bonds as reported in Fidelity Index's "20- Year Municipal GO AA Index."
Last year ending August 31 in Projection Period (100 years)	2124
Inflation	2.30%
Salary Increases including inflation	2.95% to 8.95%
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2024. For a full description of these assumptions please see the actuarial valuation report dated November 21, 2024.

Discount Rate

A single discount rate of 7.00 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 9.54 percent of payroll in fiscal year 2025 and thereafter. This includes all employer and state contributions for active and rehired retirees.

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 4: RETIREMENT PLANS (Continued)

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

The long-term rate of return on pension plan investments is 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 4: RETIREMENT PLANS (Continued)

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2024 are summarized below:

Asset Class	Target Allocation %**	Long-Term Expected Geometric Real Rate of Return ***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.0%	4.4%	1.0%
Non – U. S. developed	13.0%	4.2%	0.8%
Emerging Markets	9.0%	5.2%	0.7%
Private Equity	14.0%	6.7%	1.2%
Stable Value			
Government Bonds	16.0%	1.9%	0.4%
Stable Value Hedge Funds	5.0%	3.0%	0.2%
Absolute Return*	0.0%	4.0%	0.0%
Real Return			
Real Estate	15.0%	6.6%	1.2%
Energy, Natural Resources and Infrastructure	6.0%	5.6%	0.4%
Commodities	0.0%	2.5%	0.0%
Risk Parity			
Risk Parity	8.0%	4.0%	0.4%
Asset Allocation Leverage			
Cash	2.0%	1.0%	0.0%
Asset Allocation Leverage	-6.0%	1.3%	-0.1%
Inflation Expectation			2.4%
Volatility Drag ₃			-0.7%
Expected Return	100.0%		7.9%

*Absolute Return includes Credit Sensitive Investments.

**Target allocations are based on the FY2024 policy model.

***Capital Market Assumptions (CMA) come from 2024 SAA Study SMA Survey (as of 12/31/2023).

****The volatility drag results from the conversion between arithmetic and geometric mean returns.

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 4: RETIREMENT PLANS (Continued)

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.00%) in measuring the 2024 measurement year Net Pension Liability.

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
District's proportionate share of the net pension liability:	\$ 8,953,382	\$ 5,605,486	\$ 2,831,517

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

At June 30, 2025, the District reported a liability of \$5,605,486 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 5,605,486
State's proportionate share that is associated with the District	5,501,585
Total	\$ 11,107,071

The net pension liability was measured as of August 31, 2023 and rolled forward to August 31, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2023 thru August 31, 2024.

At August 31, 2024, the employer's proportion of the collective net pension liability was .0091766589%, which was a decrease of (0.0015396745%) from its proportion measured as of August 31, 2023.

Changes since the Prior Actuarial Valuation

The actuarial assumptions and methods are the same as used in the determination of the prior year's Net Pension Liability.

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 4: RETIREMENT PLANS (Continued)

Changes since the Prior Actuarial Valuation (Continued)

For the year ended June 30, 2025, the District recognized pension expense of \$1,493,463 and revenue of \$657,531 for support provided by the State.

At June 30, 2025, the District reports its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experiences	\$ 308,967	\$ 43,765
Changes in actuarial assumptions	289,423	38,802
Differences between projected and actual investment earnings	34,074	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	666,621	713,970
Total as of August 31, 2024 measurement date	1,299,085	796,537
Contributions paid to TRS subsequent to the measurement date	398,963	-
Total as of fiscal year-end	\$ 1,698,048	\$ 796,537

Contributions of \$398,963 paid to TRS subsequent to the measurement date are classified as deferred outflows of resources and will reduce pension liability in the next fiscal year. The remaining deferred inflows of resources and deferred outflows of resources related to pensions noted above will be amortized and recognized in pension expense in the government-wide financial statements as follows:

Fiscal Years ended June 30,	Pension Expense Amount
2026	\$ 69,506
2027	\$ 662,030
2028	\$ 84,944
2029	\$ (241,020)
2030	\$ (72,911)
Thereafter	\$ (1)

The net pension liability activity for the year ended June 30, 2025 were as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Net Pension Liability	\$ 7,361,087	\$ -	\$ 1,755,601	\$ 5,605,486

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

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

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

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

OPEB Plan Fiduciary Net Position. Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://www.trs.texas.gov/sites/default/files/migrated/TRS-Documents-trs-acfr-2024.pdf>; by writing to TRS at 1000 Red River Street, Austin, Texas 78701-2698; or by calling (512) 542-6592.

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

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

TRS-Care Plan Premium Rates

	Medicare	Non-Medicare
Retiree of surviving spouse	\$ 135	\$ 200
Retiree and spouse	529	689
Retiree or surviving spouse and children	468	408
Retiree and family	1,020	999

Contributions. Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon public school district payroll. The TRS Board of Trustees does not have the authority to set or amend contribution rates.

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

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

Texas Insurance Code, Section 1575.202 establishes the state's contribution rate which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65 percent of salary. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the employer. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	Contribution Rates	
	2024	2025
Member	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding Remitted by Employers	1.25%	1.25%

Current fiscal year employer contributions	\$ 102,681
Current fiscal year member contributions	\$ 64,067
2024 measurement year NECE on-behalf contributions	\$ 143,785

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

Actuarial Assumptions. The actuarial valuation was performed as of August 31, 2023. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2024. The actuarial valuation was determined using the following actuarial assumptions: *Actuarial Assumptions can be found in the 2024 TRS ACFR, Note 9, page 78.*

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuations performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2021. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2023 TRS pension actuarial valuation that was rolled forward to August 31, 2024:

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

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

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

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

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2023 rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	3.87% as of August 31, 2024
Aging Factors	Based on the Society of Actuaries' 2013 Study "Health Care Costs - From Birth to Death".
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs
Projected Salary Increases	2.95% to 8.95%, including inflation
Ad-hoc Post Employment Benefit Changes	None

Discount Rate. A single discount rate of 3.87 percent was used to measure the Total OPEB Liability. There was a decrease of 0.26 percent in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

The source of the municipal bond rate is the Fidelity “20-year Municipal GO AA Index” as of August 31, 2024 using the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

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

Sensitivity of the Net OPEB Liability:

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1 percentage less than and 1 percentage greater than the discount rate that was used (3.87%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (2.87%)	Discount Rate (3.87%)	1% Increase in Discount Rate (4.87%)
District's proportionate share of the net OPEB liability:	\$ 4,555,435	\$ 3,834,390	\$ 3,251,776

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB liability:	\$ 3,122,542	\$ 3,834,390	\$ 4,762,000

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At June 30, 2025, the District reported a liability of \$3,834,390 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 3,834,390
State's proportionate share that is associated with the District	4,804,439
Total	\$ 8,638,829

August 31, 2024 and the total OPEB liability used to calculate the Net OPEB liability was determined by an actuarial valuation as of that date. The employer's proportion of the Net OPEB liability was based on the employer's contributions to OPEB relative to the contributions of all employers to the plan for the period September 1, 2023 through August 31, 2024.

At August 31, 2024, the employer's proportion of the collective net OPEB liability was 0.0126332679% which was a decrease of (0.0015238013%) from its proportion measured as of August 31, 2023.

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

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

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

- The discount rate changed from 4.13 percent as of August 31, 2023 to 3.87 percent as of August 31, 2024. This change decreased the total OPEB liability.

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

For the year ended June 30, 2025, the District recognized OPEB expense of (\$1,141,184) and revenue of (\$624,488) for support provided by the State.

At June 30, 2025, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experiences	\$ 734,924	\$ 1,913,569
Changes in actuarial assumptions	490,757	1,251,117
Differences between projected and actual investment earnings	-	10,737
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	1,041,068	1,164,005
Total as of August 31, 2023 measurement date	2,266,749	4,339,428
Contributions paid to TRS subsequent to the measurement date	86,962	-
Total as of fiscal year-end	\$ 2,353,711	\$ 4,339,428

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

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

Contributions of \$86,962 paid to TRS subsequent to the measurement date are classified as deferred outflows of resources and will reduce OPEB liability in the next fiscal year. The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Years ended June 30,	OPEB Expense Amount
2026	\$ (595,446)
2027	\$ (421,781)
2028	\$ (414,438)
2029	\$ (387,154)
2030	\$ (181,348)
Thereafter	\$ (72,512)

The Net OPEB liability activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Net OPEB Liability	\$ 3,134,135	\$ 700,255	\$ -	\$ 3,834,390

NOTE 6: MEDICARE PART D

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. Under Medicare Part D, TRS-Care received retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the year ended June 30, 2025, 2024, and 2023, the subsidy payments received by TRS-Care on behalf of the District are as follows:

Fiscal Year	Medicare Part D
2025	\$ 62,460
2024	52,959
2023	49,134

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

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 7: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2025, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year. In addition, there were no settlements exceeding insurance for each of the past three fiscal years.

Health Coverage

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

Workers' Compensation Insurance

During the year ended June 30, 2025, the District met its statutory workers' compensation obligations through participation in the TASB Risk Management Fund ("the Fund"). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Workers Compensation Program is authorized by Chapter 504, Texas Labor Code. All districts participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties. The Fund provides statutory workers' compensation benefits to its members and their injured employees.

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

The Fund and its members are protected against higher than expected claims costs through the purchase of stop loss coverage for any claim in excess of the Fund's self-insured retention of \$1.5 million. The Fund uses the services of an independent actuary to determine reserve adequacy and fully funds those reserves. As of June 30, 2025, the Fund carries a discounted reserve in excess of \$50 million for future development on reported claims and claims that have been incurred but not yet reported. For the period ended June 30, 2025, member districts will have no additional liability beyond their contractual obligations for payment of contributions and reimbursable aggregate deductibles.

The Fund engages the services of Independent auditors to conduct an independent financial audit after the close of each plan year on August 31st and is approved by the Fund's Board of Trustees in February the following year. The Fund's audited financial statements as of June 30, 2025, are available at the TASB offices and have been filed with the Texas State Board of Insurance in Austin.

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

NOTE 8: COMMITMENTS AND CONTINGENCIES

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

Audits of all of these programs for the year ended June 30, 2025 have not been conducted. Accordingly, the District's compliance with applicable grant requirements will be established at some future date. Certain programs were audited and some expenditures were identified as unallowable. Expenditures which may be disallowed by the granting agencies of programs not audited cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

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

NOTE 9: JOINT VENTURE - SHARED SERVICE ARRANGEMENTS

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

The District is also the fiscal agent for an SSA that provides assistance to member districts under the 21st Century Community Learning Centers program. This program provides assistance to provide opportunities for academic enrichment and additional services to students related to educational development. During the year ended June 30, 2025, the District spent \$1,678,305. Of this amount \$725,696 was provided for assistance to other member Districts.

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

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

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

Revenues		GEAR UP	21st Century
5929	Federal revenue distributed by TEA	\$ -	\$ 815,473
5952	SSA - Federal revenues from fiscal agent	110,645	862,832
Total revenue		\$ 110,645	\$ 1,678,305
Expenditures			
6100	Payroll costs	\$ 103,512	\$ 721,228
6200	Purchased and contracted services	103	44,201
6300	Supplies and materials	5,407	117,420
6400	Miscellaneous operating expenses	1,623	795,456
Total expenditures		\$ 110,645	\$ 1,678,305

NOTE 10: COMPLIANCE AND ACCOUNTABILITY

Finance-Related Legal and Contractual Provision

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

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

NOTE 11: SUBSEQUENT EVENTS

Management evaluated all events or transactions that occurred after June 30, 2025 through January 19, 2026, the date the current year's financial statements were available to be issued. The following events occurred.

On the October 20, 2025 board meeting, the District approved the renovation of the District's animal barn. The estimated cost of the renovation is around \$600,000, and the District is currently in the process of requesting bids.

NOTE 12: CHAPTER 313 AGREEMENTS

The District entered into a tax abatement agreement with Monte Alto Windpower, LLC, ("Monte Alto") on May 25, 2022, pursuant to Chapter 313 of the Texas Tax Code. The agreement is for Monte Alto to invest capital of \$40,954,467 on a long-term basis for a valuation limit of \$15,000,000. The investment will be taxed at 100% for I & S purposes but will be limited to \$15,000,000 for M & O purposes. For fiscal year 2025, there is currently no investment by Monte Alto that is taxable.



**REQUIRED SUPPLEMENTARY
INFORMATION**

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

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
		Original	Final		
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 1,852,476	\$ 1,969,567	\$ 1,897,014	\$ (72,553)
5800	State Program Revenues	11,857,786	11,876,456	11,426,820	(449,636)
5900	Federal Program Revenues	267,616	1,120,387	1,112,257	(8,130)
5020	Total Revenues	13,977,878	14,966,410	14,436,091	(530,319)
EXPENDITURES:					
Current:					
0011	Instruction	6,606,996	6,711,289	6,705,090	6,199
0012	Instructional Resources and Media Services	106,282	106,234	106,044	190
0013	Curriculum and Instructional Staff Development	15,125	71,027	70,595	432
0023	School Leadership	994,849	820,790	818,949	1,841
0031	Guidance, Counseling, and Evaluation Services	311,285	303,517	302,365	1,152
0033	Health Services	151,810	145,610	144,623	987
0034	Student (Pupil) Transportation	210,553	262,033	251,088	10,945
0035	Food Services	-	1,071,184	921,984	149,200
0036	Extracurricular Activities	1,040,136	1,001,972	969,176	32,796
0041	General Administration	1,080,827	1,160,095	1,153,514	6,581
0051	Facilities Maintenance and Operations	2,326,655	2,399,400	2,386,047	13,353
0052	Security and Monitoring Services	254,354	267,494	262,891	4,603
0053	Data Processing Services	412,183	425,488	424,405	1,083
Debt Service:					
0071	Principal on Long-Term Liabilities	178,773	319,322	320,529	(1,207)
0072	Interest on Long-Term Liabilities	-	24,753	24,750	3
Capital Outlay:					
0081	Facilities Acquisition and Construction	-	306,538	-	306,538
Intergovernmental:					
0093	Payments to Fiscal Agent/Member Districts of SSA	260,103	246,391	246,391	-
0099	Other Intergovernmental Charges	27,947	28,463	28,462	1
6030	Total Expenditures	13,977,878	15,671,600	15,136,903	534,697
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(705,190)	(700,812)	4,378
OTHER FINANCING SOURCES (USES):					
7913	Right-to-Use Lease and SBITA Proceeds	-	-	1,248	1,248
7915	Transfers In	802,292	802,292	774,176	(28,116)
8911	Transfers Out (Use)	(802,292)	(802,292)	(774,176)	28,116
7080	Total Other Financing Sources (Uses)	-	-	1,248	1,248
1200	Net Change in Fund Balances	-	(705,190)	(699,564)	5,626
0100	Fund Balance - July 1 (Beginning)	5,304,185	5,304,185	5,304,185	-
3000	Fund Balance - June 30 (Ending)	\$ 5,304,185	\$ 4,598,995	\$ 4,604,621	\$ 5,626

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2025

	FY 2025 Plan Year 2024	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022
District's Proportion of the Net Pension Liability (Asset)	0.009176659%	0.010716333%	0.009880444%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 5,605,486	\$ 7,361,087	\$ 5,865,766
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	5,501,585	5,320,750	4,890,575
Total	<u>\$ 11,107,071</u>	<u>\$ 12,681,837</u>	<u>\$ 10,756,341</u>
District's Covered Payroll	\$ 10,184,056	\$ 9,786,418	\$ 8,827,315
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	55.04%	75.22%	66.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.51%	73.15%	75.62%

Note: GASB Codification, Vol. 2, P20.183 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2024 for year 2025, August 31, 2023 for year 2024, August 31, 2022 for year 2023, August 31, 2021 for year 2022, August 31, 2020 for year 2021, August 31, 2019 for year 2020, August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, and August 31, 2015 for year 2016.

FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015
0.008091276%	0.007849948%	0.008440681%	0.008026189%	0.008423647%	0.011021659%	0.00833336%
\$ 2,060,562	\$ 4,204,272	\$ 4,387,730	\$ 4,417,809	\$ 2,693,429	\$ 4,164,921	\$ 2,945,817
2,336,337	5,809,380	5,919,107	6,581,608	3,819,041	3,440,818	4,392,726
\$ 4,396,899	\$ 10,013,652	\$ 10,306,837	\$ 10,999,417	\$ 6,512,470	\$ 7,605,739	\$ 7,338,543
\$ 8,193,698	\$ 8,545,265	\$ 8,422,035	\$ 7,985,759	\$ 7,985,759	\$ 7,601,546	\$ 7,346,222
25.15%	49.20%	52.10%	55.32%	33.73%	54.79%	40.10%
88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024	2023
Contractually Required Contribution	\$ 477,497	\$ 629,644	\$ 558,097
Contribution in Relation to the Contractually Required Contribution	(477,497)	(629,644)	(558,097)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 9,984,261	\$ 10,372,560	\$ 9,665,381
Contributions as a Percentage of Covered Payroll	4.78%	6.07%	5.77%

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

2022	2021	2020	2019	2018	2017	2016
\$ 445,224	\$ 309,797	\$ 317,654	\$ 287,632	\$ 278,013	\$ 276,078	\$ 273,907
(445,224)	(309,797)	(317,654)	(287,632)	(278,013)	(276,078)	(273,907)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 8,866,674	\$ 7,867,755	\$ 8,530,216	\$ 8,422,035	\$ 8,218,118	\$ 7,985,759	\$ 7,601,546
5.02%	3.94%	3.72%	3.42%	3.38%	3.46%	3.60%

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2025

	FY 2025 Plan Year 2024	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.012633268%	0.014157069%	0.012912423%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 3,834,390	\$ 3,134,135	\$ 3,091,751
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	4,804,439	3,781,816	3,771,451
Total	<u>\$ 8,638,829</u>	<u>\$ 6,915,951</u>	<u>\$ 6,863,202</u>
District's Covered Payroll	\$ 10,184,056	\$ 9,786,418	\$ 6,863,202
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	37.65%	32.03%	35.02%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	13.70%	14.94%	11.52%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. For example, the amounts for FY 2025 are for the measurement date of August 31, 2024, etc.

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

FY 2022 Plan Year 2021		FY 2021 Plan Year 2020		FY 2020 Plan Year 2019		FY 2019 Plan Year 2018		FY 2018 Plan Year 2017	
0.012078562%		0.012358338%		0.013248264%		0.012452869%		0.013386392%	
\$	4,659,241	\$	4,697,962	\$	6,265,265	\$	6,217,832	\$	5,821,240
6,242,345		6,312,935		8,325,137		6,503,504		5,575,579	
\$	10,901,586	\$	11,010,897	\$	14,590,402	\$	12,721,336	\$	11,396,819
\$	8,193,698	\$	8,545,265	\$	8,422,035	\$	7,985,759	\$	7,985,759
56.86%		54.98%		74.39%		77.86%		72.90%	
6.18%		4.99%		2.66%		1.57%		0.91%	

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024	2023
Contractually Required Contribution	\$ 102,681	\$ 115,884	\$ 127,153
Contribution in Relation to the Contractually Required Contribution	(102,681)	(115,884)	(127,153)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 9,984,261	\$ 10,372,560	\$ 9,665,381
Contributions as a Percentage of Covered Payroll	1.03%	1.12%	1.32%

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

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

2022	2021	2020	2019	2018
\$ 99,480	\$ 89,322	\$ 94,671	\$ 92,194	\$ 87,738
(99,480)	(89,322)	(94,671)	(92,194)	(87,738)
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 8,866,674	\$ 7,867,755	\$ 8,530,216	\$ 8,422,035	\$ 8,218,118
1.12%	1.14%	1.11%	1.09%	1.07%

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2025

Stewardship, compliance, and accountability

I. Budgetary Information

The Board adopts an “appropriated budget” on a basis consistent with GAAP for the general fund and debt service fund. The general fund budget and actual is presented as required supplementary while debt service budget and actual is presented as TEA required schedule.

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

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

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2025

I. Budgetary Information (Continued)

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

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2025

TRS Pension

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

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

TRS – OPEB PLAN

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

The discount rate changed from 4.13 percent as of August 31, 2023 to 3.87 percent as of August 31, 2024. This change increased the total OPEB liability (TOL).

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



OTHER SUPPLEMENTARY INFORMATION

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



COMBINING STATEMENTS

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

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SANTA ROSA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

Data Control Codes		211 ESEA I, A Improving Basic Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	270 ESEA V, B,2 Rural & Low Income
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-	-
1240	Due from Other Governments	81,970	-	15,417	16,208
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	-	185	-
1000	Total Assets	<u>\$ 81,970</u>	<u>\$ -</u>	<u>\$ 15,602</u>	<u>\$ 16,208</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued Wages Payable	44,941	-	-	16,208
2170	Due to Other Funds	37,029	-	15,602	-
2180	Due to Other Governments	-	-	-	-
2000	Total Liabilities	<u>81,970</u>	<u>-</u>	<u>15,602</u>	<u>16,208</u>
DEFERRED INFLOWS OF RESOURCES					
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted Fund Balance:					
3480	Retirement of Long-Term Debt	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 81,970</u>	<u>\$ -</u>	<u>\$ 15,602</u>	<u>\$ 16,208</u>

274 GEAR UP	282 ESSER III ARP Act	289 Other Federal Special Revenue Funds	397 Advanced Placement Incentives	410 State Instructional Materials	429 Other State Special Revenue Funds	499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
57,303	-	84,053	-	46,007	3,349	2,997	307,304
-	-	-	-	-	-	-	-
-	-	-	-	-	40,890	60,583	101,658
<u>\$ 57,303</u>	<u>\$ -</u>	<u>\$ 84,053</u>	<u>\$ -</u>	<u>\$ 46,007</u>	<u>\$ 44,239</u>	<u>\$ 63,580</u>	<u>\$ 408,962</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 99	\$ -	\$ 99
21,492	-	33,626	-	-	1,041	9,786	127,094
35,811	-	50,427	-	46,007	43,099	53,794	281,769
-	-	-	-	-	-	-	-
<u>57,303</u>	<u>-</u>	<u>84,053</u>	<u>-</u>	<u>46,007</u>	<u>44,239</u>	<u>63,580</u>	<u>408,962</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 57,303</u>	<u>\$ -</u>	<u>\$ 84,053</u>	<u>\$ -</u>	<u>\$ 46,007</u>	<u>\$ 44,239</u>	<u>\$ 63,580</u>	<u>\$ 408,962</u>

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

Data Control Codes		599	Total
		Debt	Nonmajor
		Service	Governmental
		Funds	Funds
ASSETS			
1110	Cash and Cash Equivalents	\$ 674,217	\$ 674,217
1220	Property Taxes - Delinquent	201,988	201,988
1230	Allowance for Uncollectible Taxes	(20,199)	(20,199)
1240	Due from Other Governments	-	307,304
1260	Due from Other Funds	1,726	1,726
1290	Other Receivables	-	101,658
1000	Total Assets	<u>\$ 857,732</u>	<u>\$ 1,266,694</u>
LIABILITIES			
2110	Accounts Payable	\$ -	\$ 99
2160	Accrued Wages Payable	-	127,094
2170	Due to Other Funds	-	281,769
2180	Due to Other Governments	9,919	9,919
2000	Total Liabilities	<u>9,919</u>	<u>418,881</u>
DEFERRED INFLOWS OF RESOURCES			
2601	Unavailable Revenue - Property Taxes	146,491	146,491
2600	Total Deferred Inflows of Resources	<u>146,491</u>	<u>146,491</u>
FUND BALANCES			
Restricted Fund Balance:			
3480	Retirement of Long-Term Debt	701,322	701,322
3000	Total Fund Balances	<u>701,322</u>	<u>701,322</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 857,732</u>	<u>\$ 1,266,694</u>

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SANTA ROSA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes	211 ESEA I, A Improving Basic Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	270 ESEA V, B,2 Rural & Low Income
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	485,992	-	52,849	28,341
5020 Total Revenues	485,992	-	52,849	28,341
EXPENDITURES:				
Current:				
0011 Instruction	326,466	-	-	28,341
0012 Instructional Resources and Media Services	60,676	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	52,849	-
0021 Instructional Leadership	42,608	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	-	-	-
0032 Social Work Services	-	-	-	-
0033 Health Services	56,242	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	-	-	-
Debt Service:				
0071 Principal on Long-Term Liabilities	-	-	-	-
0072 Interest on Long-Term Liabilities	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
6030 Total Expenditures	485,992	-	52,849	28,341
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

274 GEAR UP	282 ESSER III ARP Act	289 Other Federal Special Revenue Funds	397 Advanced Placement Incentives	410 State Instructional Materials	429 Other State Special Revenue Funds	499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,594	\$ 82,594
-	-	-	204	240,735	528,584	-	769,523
110,645	19,613	484,102	-	-	-	-	1,181,542
110,645	19,613	484,102	204	240,735	528,584	82,594	2,033,659
4,218	7,594	112,193	204	240,735	179,888	77,973	977,612
-	-	-	-	-	-	-	60,676
-	-	86,240	-	-	-	-	139,089
-	-	-	-	-	-	-	42,608
-	-	301	-	-	-	-	301
105,999	-	191,917	-	-	1,794	-	299,710
-	-	40,624	-	-	-	-	40,624
-	-	-	-	-	1,060	-	57,302
-	-	-	-	-	-	204	204
-	-	-	-	-	-	480	480
-	-	24,199	-	-	-	-	24,199
-	12,019	-	-	-	337,282	-	349,301
-	-	23,573	-	-	8,560	-	32,133
-	-	4,355	-	-	-	-	4,355
428	-	700	-	-	-	3,937	5,065
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
110,645	19,613	484,102	204	240,735	528,584	82,594	2,033,659
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes		599	Total
		Debt	Nonmajor
		Service	Governmental
		Funds	Funds
REVENUES:			
5700	Total Local and Intermediate Sources	\$ 755,313	\$ 837,907
5800	State Program Revenues	358,812	1,128,335
5900	Federal Program Revenues	-	1,181,542
5020	Total Revenues	1,114,125	3,147,784
EXPENDITURES:			
Current:			
0011	Instruction	-	977,612
0012	Instructional Resources and Media Services	-	60,676
0013	Curriculum and Instructional Staff Development	-	139,089
0021	Instructional Leadership	-	42,608
0023	School Leadership	-	301
0031	Guidance, Counseling, and Evaluation Services	-	299,710
0032	Social Work Services	-	40,624
0033	Health Services	-	57,302
0034	Student (Pupil) Transportation	-	204
0036	Extracurricular Activities	-	480
0041	General Administration	-	24,199
0051	Facilities Maintenance and Operations	-	349,301
0052	Security and Monitoring Services	-	32,133
0053	Data Processing Services	-	4,355
0061	Community Services	-	5,065
Debt Service:			
0071	Principal on Long-Term Liabilities	605,000	605,000
0072	Interest on Long-Term Liabilities	554,950	554,950
0073	Bond Issuance Cost and Fees	1,350	1,350
6030	Total Expenditures	1,161,300	3,194,959
1200	Net Change in Fund Balance	(47,175)	(47,175)
0100	Fund Balance - July 1 (Beginning)	748,497	748,497
3000	Fund Balance - June 30 (Ending)	\$ 701,322	\$ 701,322

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 JUNE 30, 2025

	865 Custodial Fund Student Activity Acct	876 Middle School Student Activity Fund	877 Elementary School Studen Activity Acct	890 UIL Athletics & Academics	Total Custodial Funds
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 49,669	\$ 13,417	\$ 13,640	\$ -	\$ 76,726
Other Receivables	-	-	41	45,581	45,622
Total Assets	<u>49,669</u>	<u>13,417</u>	<u>13,681</u>	<u>45,581</u>	<u>122,348</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	-	-	1,317	120	1,437
Due to Other Funds	-	-	-	44,548	44,548
Due to Student Groups	-	(1)	(1,276)	-	(1,277)
Total Liabilities	<u>-</u>	<u>(1)</u>	<u>41</u>	<u>44,668</u>	<u>44,708</u>
NET POSITION					
Unrestricted Net Position	\$ 49,669	\$ 13,418	\$ 13,640	\$ 913	\$ 77,640
Total Net Position	<u>\$ 49,669</u>	<u>\$ 13,418</u>	<u>\$ 13,640</u>	<u>\$ 913</u>	<u>\$ 77,640</u>

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	865 Custodial Fund Student Activity Acct	876 Middle School Student Activity Fund	877 Elementary School Studen Activity Acct	890 UIL Athletics & Academics	Total Total Custodial Funds
ADDITIONS:					
Miscellaneous Revenue - Student Activities	\$ 131,512	\$ -	\$ -	\$ -	\$ 131,512
Cocurricular Services or Activities	-	-	-	108,662	108,662
Miscellaneous Additions	-	40,025	22,404	-	62,429
Total Additions	131,512	40,025	22,404	108,662	302,603
DEDUCTIONS:					
Payroll Costs	-	-	-	8,022	8,022
Professional and Contracted Services	-	-	-	43,309	43,309
Supplies and Materials	-	-	-	20,776	20,776
Other Deductions	117,305	42,755	20,694	35,642	216,396
Total Deductions	117,305	42,755	20,694	107,749	288,503
Change in Net Position	14,207	(2,730)	1,710	913	14,100
Net Position - July 1 (Beginning)	35,462	16,148	11,930	-	63,540
Net Position - June 30 (Ending)	\$ 49,669	\$ 13,418	\$ 13,640	\$ 913	\$ 77,640

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 JUNE 30, 2025

	806 Board and District Scholarship	807 Lou Ann Richardson Scholarship	Total Private Purpose Trust Funds
ASSETS			
Cash and Cash Equivalents	\$ 5,005	\$ 1,493	\$ 6,498
Total Assets	<u>5,005</u>	<u>1,493</u>	<u>6,498</u>
LIABILITIES			
Due to Student Groups	485	-	485
Payable from Restricted Assets	5,000	-	5,000
Total Liabilities	<u>5,485</u>	<u>-</u>	<u>5,485</u>
NET POSITION			
Unrestricted Net Position	<u>(480)</u>	<u>1,493</u>	<u>1,013</u>
Total Net Position	<u>\$ (480)</u>	<u>\$ 1,493</u>	<u>\$ 1,013</u>

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	806 Board and District Scholarship	807 Lou Ann Richardson Scholarship	Total Private Purpose Trust Funds
ADDITIONS:			
Miscellaneous Additions	\$ 4,015	\$ -	\$ 4,015
Total Additions	<u>4,015</u>	<u>-</u>	<u>4,015</u>
DEDUCTIONS:			
Other Deductions	<u>4,500</u>	<u>-</u>	<u>4,500</u>
Total Deductions	<u>4,500</u>	<u>-</u>	<u>4,500</u>
Change in Net Position	(485)	-	(485)
Net Position - July 1 (Beginning)	<u>5</u>	<u>1,493</u>	<u>1,498</u>
Net Position - June 30 (Ending)	<u>\$ (480)</u>	<u>\$ 1,493</u>	<u>\$ 1,013</u>



T.E.A. REQUIRED SCHEDULES

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

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2025

Last 10 Years Ended	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2016 and prior years	\$ 1.170000	\$ 0.202200	\$ 78,476,041
2017	1.170000	0.296600	77,986,041
2018	1.170000	0.276970	85,762,543
2019	1.170000	0.276970	87,770,268
2020	1.068350	0.276970	98,142,681
2021	1.063900	0.280290	103,014,431
2022	0.992000	0.260730	125,514,050
2023	0.942900	0.400520	140,644,560
2024	0.750000	0.500000	156,536,686
2025 (School year under audit)	0.755200	0.502060	163,072,278
1000 TOTALS			
8000 Total Taxes Refunded Under Section 26.1115, Tax Code			

(10) Beginning Balance 7/1/2024	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2025	(99) Taxes Refunded Under Section 26.1115c
\$ 56,594	\$	\$ 792	\$ 196	\$ (5,105)	\$ 50,501	
9,295		889	210	(468)	7,728	
12,109		1,533	363	(245)	9,968	
15,253		1,665	394	(140)	13,054	
17,983		3,264	846	-	13,873	
30,274		8,546	2,252	-	19,476	
40,887		14,159	3,721	-	23,007	
81,080		25,477	10,822	(554)	44,227	
274,115		96,332	63,585	(2,518)	111,680	
-	2,020,312	1,027,808	683,291	(12,627)	296,586	
<u>\$ 537,590</u>	<u>\$ 2,020,312</u>	<u>\$ 1,180,465</u>	<u>\$ 765,680</u>	<u>\$ (21,657)</u>	<u>\$ 590,100</u>	
						<u>\$ 70,168</u>

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 40,500	\$ 54,944	\$ 54,806	\$ (138)
5800 State Program Revenues	3,000	3,009	3,009	-
5900 Federal Program Revenues	852,000	922,471	910,777	(11,694)
5020 Total Revenues	895,500	980,424	968,592	(11,832)
EXPENDITURES:				
Current:				
0035 Food Services	894,300	1,071,184	921,984	149,200
Debt Service:				
0071 Principal on Long-Term Liabilities	1,200	1,150	1,117	33
0072 Interest on Long-Term Liabilities	-	50	50	-
6030 Total Expenditures	895,500	1,072,384	923,151	149,233
1200 Net Change in Fund Balances	-	(91,960)	45,441	137,401
0100 Fund Balance - July 1 (Beginning)	-	-	207,326	207,326
3000 Fund Balance - June 30 (Ending)	\$ -	\$ (91,960)	\$ 252,767	\$ 344,727

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 776,385	\$ 792,569	\$ 755,313	\$ (37,256)
5800 State Program Revenues	415,906	368,731	358,812	(9,919)
5020 Total Revenues	1,192,291	1,161,300	1,114,125	(47,175)
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Liabilities	605,000	605,000	605,000	-
0072 Interest on Long-Term Liabilities	554,950	554,950	554,950	-
0073 Bond Issuance Cost and Fees	1,100	1,350	1,350	-
6030 Total Expenditures	1,161,050	1,161,300	1,161,300	-
1200 Net Change in Fund Balances	31,241	-	(47,175)	(47,175)
0100 Fund Balance - July 1 (Beginning)	-	748,497	748,497	-
3000 Fund Balance - June 30 (Ending)	\$ 31,241	\$ 748,497	\$ 701,322	\$ (47,175)

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
 USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAMS
 FOR THE YEAR ENDED JUNE 30, 2025

Section A: Compensatory Education Programs

AP1	Did your district expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the district have written policies and procedures for its state compensatory education program?	Yes
AP3	Total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$1,237,390
AP4	Actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24,26,28,29,30)	\$699,771

Section B: Bilingual Education Programs

AP5	Did your district expend any bilingual education program state allotment funds during the district's fiscal year?	Yes
AP6	Does the district have written policies and procedures for its bilingual education program?	Yes
AP7	Total state allotment funds received for bilingual education programs during the district's fiscal year.	\$79,531
AP8	Actual direct program expenditures for bilingual education programs during the district's fiscal year. (PIC 25)	\$62,985



STATISTICAL SECTION

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STATISTICAL SECTION OVERVIEW

(Unaudited)

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

CONTENTS

PAGE

Financial Trends Information

117

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

Revenue and Expenditure Capacity

121

This section contains schedules that provide information about the District's most significant major own-source revenue, which is property taxes, the factors that impact the District's ability to generate such revenue and the stability of revenue.

Debt Capacity Information

125

These schedules contain information to help the reader assess the affordability of the District's current levels of outstanding debt, the District's ability to repay the debt, and the District's ability to issue additional debt in the future.

Demographic and Economic Information

135

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

Operating Information

138

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial reports relates to the services the District provides and activities it performs.

SOURCES

Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year. The District implemented GASB Statement No. 34 in 2002; schedules presenting government-wide information include information beginning in that year.

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FINANCIAL TRENDS INFORMATION

SCHEDULE 1

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

(Unaudited)

Governmental Activities

Fiscal Year	Net Investment in Capital Assets	Restricted	Unrestricted	Total Net Position
2016	13,362,577	136,947	3,762,183	17,261,707
2017	13,340,476	491,721	3,092,018	16,924,215
2018	14,074,069	572,219	(5,645,865)	9,000,423
2019	14,826,956	361,910	(6,261,795)	8,927,071
2020	14,984,904	1,032,613	(6,760,531)	9,256,986
2021	15,369,675	1,135,075	(5,666,002)	10,838,748
2022	16,027,534	1,183,508	(4,237,052)	12,973,990
2023	16,251,683	1,074,640	(3,633,416)	13,692,907
2024	16,645,060	805,943	(5,372,254)	12,078,749
2025	16,575,225	782,060	(6,309,892)	11,047,393

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

SCHEDULE 2

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

(Unaudited)

Expenses	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities:										
Instruction	\$ 7,396,103	\$ 7,395,194	\$ 5,113,612	\$ 8,467,325	\$ 7,904,055	\$ 7,759,031	\$ 8,266,523	\$ 9,199,350	\$ 9,100,133	\$ 8,647,622
Instructional Resources and Media Services	175,998	164,003	124,945	180,336	181,112	172,395	175,180	193,401	189,224	169,833
Curriculum and Staff Development	149,803	95,468	65,369	134,122	179,432	220,308	286,115	140,828	257,998	219,786
Instructional Leadership	224,677	219,536	161,399	332,983	294,891	147,121	169,990	241,783	328,134	312,439
School Leadership	602,516	640,547	450,869	706,063	645,895	646,520	808,965	855,923	961,517	814,221
Guidance, Counseling, & Evaluation Services	442,925	448,206	246,301	452,071	419,205	421,104	343,376	403,230	462,736	613,378
Social Work Services	72,157	113,856	65,630	105,415	56,980	69,260	(23,268)	15,634	54,719	43,175
Health Services	192,732	191,292	131,147	217,182	215,338	214,264	265,923	246,641	261,374	203,621
Student Transportation	227,510	262,799	160,946	294,165	154,537	181,439	175,888	232,031	302,256	248,873
Food Service	957,602	935,409	695,466	907,412	739,368	667,280	848,017	951,746	1,187,011	971,067
Cocurricular/Extracurricular Activities	1,099,488	1,120,053	954,428	1,060,644	863,459	583,502	845,476	885,770	993,138	996,542
General Administration	905,921	823,576	766,948	1,255,007	838,133	913,702	1,164,351	774,369	1,293,584	1,208,734
Plant Maintenance and Operations	2,003,002	2,052,265	1,909,322	2,207,755	1,810,709	2,432,481	2,246,613	2,433,017	2,987,753	2,866,417
Security and Monitoring Services	201,359	210,953	160,369	254,572	279,528	261,442	278,565	323,537	336,976	304,883
Data Processing Services	311,194	265,715	552,121	572,571	287,596	642,373	360,267	410,943	427,547	403,331
Community Services	43,675	44,224	28,771	49,070	22,498	22,702	24,537	961	356	20,652
Interest on Long Term Debt	583,379	348,785	304,008	283,512	201,930	251,035	239,570	212,315	644,060	539,498
Bond Issuance Cost and Fees	-	341,304	1,856	-	700	750	750	247,386	1,054	1,350
Capital Outlay	-	-	-	-	-	-	2	-	-	-
Payments Related to Shared Services Arrangements	80,507	76,838	71,171	625,408	733,936	826,924	853,317	833,976	928,389	972,175
Payments to Juvenile Justice Alternative Ed. Prg.	-	-	-	-	-	-	-	-	-	-
Other Intergovernmental Charges	9,846	12,959	17,747	16,154	12,067	16,996	19,667	24,274	25,964	28,462
Total Governmental Activities	15,680,394	15,762,982	11,982,425	18,121,767	15,841,369	16,450,629	17,349,824	18,627,115	20,743,923	19,586,059
Program Revenues										
Charges for Services										
Instruction	-	-	-	-	-	-	-	-	-	-
Instructional Resources and Media Services	-	-	-	-	-	-	-	-	-	-
Curriculum and Staff Development	-	-	-	-	-	-	-	-	-	-
Instructional Leadership	-	-	-	-	-	-	-	-	-	-
School Leadership	-	-	-	-	-	-	-	-	-	-
Guidance, Counseling, & Evaluation Services	66,710	58,202	-	-	-	-	-	-	-	-
Social Work Services	-	-	-	-	-	-	-	-	-	-
Health Services	-	-	-	-	-	-	-	-	-	-
Student Transportation	-	-	-	-	-	-	-	-	-	-
Food Service	98,365	79,606	75,943	79,421	59,565	38,599	58,453	59,418	61,886	54,475
Cocurricular/Extracurricular Activities	33,526	46,261	39,553	35,241	32,758	3,193	29,936	34,472	35,938	40,958
General Administration	-	-	-	-	-	-	-	-	-	-
Plant Maintenance and Operations	-	-	-	-	-	-	-	-	-	1,400
Security and Monitoring Services	-	-	-	-	-	-	-	-	-	-
Data Processing Services	-	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-	-
Interest on Long Term Debt	-	-	-	-	-	-	-	-	-	-
Bond Issuance Cost and Fees	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Payments Related to Shared Services Arrangements	-	-	-	-	-	-	-	-	-	-
Other Intergovernmental Charges	-	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	2,844,710	2,679,302	883,462	4,521,361	3,026,959	4,537,307	6,808,937	6,541,494	5,326,032	4,625,750
Total Governmental Activities	3,043,311	2,863,371	998,958	4,636,023	3,119,282	4,579,099	6,897,326	6,635,384	5,423,856	4,722,583
Net Governmental Activities	\$ (12,637,083)	\$ (12,899,611)	\$ (10,983,467)	\$ (13,485,744)	\$ (12,722,087)	\$ (11,871,530)	\$ (10,452,498)	\$ (11,991,731)	\$ (15,320,067)	\$ (14,863,476)

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

SCHEDULE 3

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

(Unaudited)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net Governmental Activities										
Revenue/(Expense)	(12,637,083)	(12,899,611)	(10,983,467)	(13,485,744)	(12,722,087)	(11,871,530)	(10,452,498)	(11,991,731)	(15,320,067)	(14,863,476)
General Revenues and Changes in Net Position:										
Property Taxes, Levied for General Purposes	871,689	904,839	953,001	1,037,282	1,014,444	1,126,550	1,305,159	1,347,866	1,089,337	1,170,267
Property Taxes - Debt Service	221,972	214,976	225,842	245,737	262,382	295,478	342,342	568,316	717,432	773,385
State Aid	10,534,837	9,867,780	10,699,072	10,745,321	10,075,512	11,015,838	10,164,739	10,305,937	10,832,354	10,740,882
Grants & Contributions not Restricted	1,219,350	1,031,796	1,090,346	1,091,665	1,598,552	916,371	666,002	416,250	469,045	629,251
Investment Earnings	23,376	36,298	64,173	78,938	42,098	18,115	14,386	119,629	559,829	393,670
Transfer In (Out)	-	-	-	-	-	-	-	(50,376)	-	-
Miscellaneous Local and Intermediate Revenue	72,834	506,430	91,543	213,449	59,014	80,941	95,112	3,026	37,912	487,888
Total General Revenues	12,944,058	12,562,119	13,123,977	13,412,392	13,052,002	13,453,293	12,587,740	12,710,648	13,705,909	14,195,343
Change in Net Position	\$ 306,975	\$ (337,492)	\$ 2,140,510	\$ (73,352)	\$ 329,915	\$ 1,581,763	\$ 2,135,242	\$ 718,917	\$ (1,614,158)	\$ (668,133)

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

SCHEDULE 4

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

(Unaudited)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
PRE GASB 54										
Reserved Fund Balances:										
Investments in Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid Items										
Reserve for Food Service										
Designated Fund Balance:										
Construction	-	-	-	-	-	-	-	-	-	-
Unreserved and Undesignated:										
Reported in the General Fund	-	-	-	-	-	-	-	-	-	-
POST GASB 54										
Nonspendable:										
Investments in Inventory	9,202	22,367	25,581	25,581	26,627	24,298	17,348	25,922	22,246	14,898
Prepaid Items	94,035	70	-	-	450	2,100	5,702	2,572	3,792	6,989
Restricted:										
Restricted - Federal or State Funds Grant Restriction	103,800	5,221	30,898	30,897	72,350	4,250	303,970	265,359	185,081	237,868
Assigned:										
Assigned for Construction	-	-	-	-	-	-	-	-	-	-
Unassigned:										
Reported in the General Fund	5,431,527	5,306,398	4,808,046	4,676,674	4,580,430	5,843,364	6,619,497	6,886,081	5,093,066	4,344,866
Total General Fund Balance	5,638,564	5,334,056	4,864,525	4,733,152	4,679,857	5,874,012	6,946,517	7,179,934	5,304,185	4,604,621
All Other Governmental Funds										
PRE GASB 54										
Reserved, Reported In:										
Debt Service										
Food Service										
Designated Fund Balance:										
Construction	-	-	-	-	-	-	-	-	-	-
Unreserved and Undesignated:										
Reported in Special Revenue funds	-	-	-	-	-	-	-	-	-	-
Reported in Permanent Funds	-	-	-	-	-	-	-	-	-	-
Reported in Capital Projects Funds										
POST GASB 54										
Special Revenues										
Unassigned:										
Federal or State Funds Grant Restriction	-	-	-	-	-	-	-	-	-	-
Debt Service										
Restricted:										
Retirement of Long-Term Debt	35,309	10,909	178,720	198,157	1,020,938	1,042,890	784,457	662,268	748,497	701,322
Other Funds										
Restricted:										
Restricted - Federal or State Funds Grant Restriction	-	-	-	-	-	-	-	-	-	-
Capital Projects										
Restricted:										
Other Purposes	3,583	423,155	305,383	-	-	55,902	56,074	7,489,987	6,985,167	3,456,904
Assigned:										
Other Assigned Fund Balance	-	-	-	-	-	-	-	-	-	-
Unassigned:										
Other Unassigned Fund Balance	-	-	-	(122,536)	-	-	-	-	-	-
Total All Other Governmental Fund Balance	38,892	434,064	484,104	75,621	1,020,938	1,098,792	840,531	8,152,255	7,733,664	4,158,226
Total Government Funds -- Fund Balance	\$ 5,677,456	\$ 5,768,120	\$ 5,348,629	\$ 4,808,773	\$ 5,700,795	\$ 6,972,804	\$ 7,787,048	\$ 15,332,189	\$ 13,037,849	\$ 8,762,847
Governmental Funds										
Beginning Fund Balance	\$ 5,925,797	\$ 5,677,456	\$ 5,768,120	\$ 5,348,629	\$ 4,808,773	\$ 5,700,795	\$ 6,972,804	\$ 7,787,048	\$ 15,332,189	\$ 13,037,849
Net Change in Fund Balance	(248,341)	90,664	(419,492)	(539,856)	892,022	1,272,009	814,244	7,545,141	(2,294,340)	(4,275,002)
Ending Balance	\$ 5,677,456	\$ 5,768,120	\$ 5,348,629	\$ 4,808,773	\$ 5,700,795	\$ 6,972,804	\$ 7,787,048	\$ 15,332,189	\$ 13,037,849	\$ 8,762,847

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



REVENUE AND EXPENDITURE CAPACITY

SCHEDULE 5

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

(Unaudited)

Fiscal Year	Local and Intermediate Sources	State Program Revenues	Federal Programs Revenues	Total
2016	1,400,014	12,156,509	2,133,918	15,690,441
2017	1,538,079	11,339,096	2,147,343	15,024,518
2018	1,591,326	12,475,684	2,154,482	16,221,492
2019	1,704,429	12,480,381	3,453,339	17,638,149
2020	1,415,233	11,412,408	2,691,439	15,519,080
2021	1,585,581	12,450,457	3,844,591	17,880,629
2022	1,962,821	11,509,277	6,715,816	20,187,914
2023	2,114,054	11,333,292	6,454,280	19,901,626
2024	2,545,643	12,164,229	5,011,963	19,721,835
2025	2,981,947	12,555,155	3,972,104	19,509,206

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

SCHEDULE 6

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

(Unaudited)

Function	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction	\$ 6,563,727	\$ 6,658,228	\$ 7,155,299	\$ 7,561,406	\$ 6,713,653	\$ 7,251,030	\$ 8,853,693	\$ 9,032,223	\$8,651,953	\$ 8,347,156
Instructional Resources and Media Services	157,574	146,974	162,609	160,626	152,225	158,101	199,133	191,812	182,577	166,720
Curriculum and Staff Development	137,120	88,119	64,314	123,697	156,438	203,412	285,916	136,875	244,091	209,684
Instructional Leadership	199,369	191,510	244,323	298,350	239,968	134,784	176,205	239,112	309,090	302,079
School Leadership	532,886	582,529	606,787	628,130	546,834	590,832	863,038	866,665	953,624	819,250
Guidance, Counseling, & Evaluation Services	392,689	403,610	349,654	401,642	356,366	385,580	362,118	400,123	455,192	602,075
Social Work Services	64,236	97,759	103,961	93,823	46,791	63,711	(1,969)	14,692	51,755	40,624
Health Services	170,451	170,604	188,516	192,470	181,041	195,716	273,520	243,753	252,689	201,925
Student Transportation	285,248	239,524	649,680	257,136	123,814	166,667	189,653	413,433	303,487	251,292
Food Service	862,077	890,708	836,992	839,293	646,825	618,830	829,070	948,810	1,222,820	921,984
Cocurricular/Extracurricular Activities	1,004,240	1,059,833	1,046,807	962,577	761,237	537,786	841,927	882,481	1,013,659	964,656
General Administration	813,961	752,840	880,582	1,145,172	742,325	844,956	1,886,720	1,085,452	1,252,893	1,177,713
Plant Maintenance and Operations	1,824,616	1,916,981	2,070,371	2,056,429	1,650,224	2,285,560	2,232,442	2,406,518	3,090,308	2,751,433
Security and Monitoring Services	177,661	252,593	214,070	225,092	246,523	304,111	289,016	325,139	335,198	303,727
Data Processing Services	295,266	344,531	579,431	560,739	369,455	597,157	508,825	434,804	456,115	395,548
Community Services	38,945	37,988	42,243	43,717	18,620	21,225	23,125	903	337	19,429
Principal on Long Term Debt	930,289	1,038,058	832,854	803,954	141,878	845,270	947,583	1,152,216	870,379	925,529
Interest on Long Term Debt	586,230	401,353	458,252	421,447	217,723	366,430	339,063	308,380	543,122	579,700
Bond Issuance Cost and Fees	-	341,304	1,856	-	700	750	750	247,386	1,054	1,350
Capital Outlay	609,932	28,800	63,465	827,189	568,415	192,792	124,457	191,808	871,479	3,802,945
Payments Related to Shared Services Arrangements	80,507	76,838	71,171	625,408	733,936	826,924	853,317	833,976	928,389	972,175
Payments to Juvenile Justice Alternative Ed. Prg.	-	-	-	-	-	-	-	-	-	-
Other Intergovernmental Charges	9,846	12,959	17,747	16,154	12,067	16,996	19,667	24,274	25,964	28,462
Total Expenditures	15,736,870	15,733,643	16,640,984	18,244,451	14,627,058	16,608,620	20,097,269	20,380,835	22,016,175	23,785,456
Ratio of Debt Service to Noncapital Expenditures	10.0%	11.3%	7.8%	7.0%	2.6%	7.4%	6.4%	8.5%	6.7%	7.5%
Ratio of Capital Outlay to Operating Expenditures	4.5%	0.2%	0.4%	5.1%	4.1%	1.3%	0.7%	1.0%	4.4%	20.6%

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

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

SCHEDULE 7

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

(Unaudited)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Excess of Revenues Over (Under) Expenditures	\$ (46,429)	\$ (709,125)	\$ (419,492)	\$ (606,302)	\$ 892,022	\$ 1,272,009	\$ 90,645	\$ (479,209)	\$ (2,294,340)	\$ (4,276,250)
Other Financing Sources (Uses)										
Refunding Bonds Issued	-	9,900,000	-	-	-	-	-	-	-	-
Capital-Related Debt Issued	-	-	-	-	-	-	-	7,050,000	-	-
Proceeds of Right-to-Use Lease	-	-	-	-	-	-	-	328,290	-	-
Prepaid Interest	-	-	-	-	-	-	-	-	-	-
Sale of Real and Personal Property	-	-	-	66,446	-	-	-	-	-	-
Non-Current Loans	-	-	-	-	-	-	-	-	-	-
Transfers In	792,082	100,000	-	-	372,365	498,321	694,638	712,103	736,983	774,176
Insurance Recovery	-	420,000	-	-	-	-	-	-	-	-
Premium or Discount on Issuance of Bonds	-	1,276,927	-	-	-	-	-	696,436	-	-
Other Resources	-	-	-	-	-	-	-	-	-	-
Transfers Out	(792,082)	(100,000)	-	-	(372,365)	(498,321)	(694,638)	(712,103)	(736,983)	(774,176)
Payment to Bond Refunding Escrow Agent	-	(10,797,138)	-	-	-	-	-	-	-	-
Right-to-Use Leases	-	-	-	-	-	-	723,599	-	-	1,248
Other Uses	-	-	-	-	-	-	-	(50,376)	-	-
Total Other Financing Sources (Uses)	-	799,789	-	66,446	-	-	723,599	8,024,350	-	1,248
Prior Period Adjustment	(201,912)	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	\$ (248,341)	\$ 90,664	\$ (419,492)	\$ (539,856)	\$ 892,022	\$ 1,272,009	\$ 814,244	\$ 7,545,141	\$ (2,294,340)	\$ (4,275,002)

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

SCHEDULE 8

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

(Unaudited)

Function	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction	\$ 6,210	\$ 6,410	\$ 6,927	\$ 7,363	\$ 7,906	\$ 8,377	\$ 11,226	\$ 11,360	\$ 10,916	\$ 10,942
Instructional Resources and Media Services	\$ 149	\$ 141	\$ 157	\$ 156	\$ 179	\$ 183	\$ 252	\$ 241	\$ 230	\$ 219
Curriculum and Staff Development	\$ 130	\$ 85	\$ 62	\$ 120	\$ 184	\$ 235	\$ 363	\$ 172	\$ 308	\$ 275
Instructional Leadership	\$ 189	\$ 184	\$ 237	\$ 291	\$ 283	\$ 156	\$ 223	\$ 301	\$ 390	\$ 396
School Leadership	\$ 504	\$ 561	\$ 587	\$ 612	\$ 644	\$ 683	\$ 1,094	\$ 1,090	\$ 1,203	\$ 1,074
Guidance, Counseling, & Evaluation Services	\$ 372	\$ 389	\$ 338	\$ 391	\$ 420	\$ 445	\$ 459	\$ 503	\$ 574	\$ 789
Social Work Services	\$ 61	\$ 94	\$ 101	\$ 91	\$ 55	\$ 74	\$ (2)	\$ 18	\$ 65	\$ 53
Health Services	\$ 161	\$ 164	\$ 182	\$ 187	\$ 213	\$ 226	\$ 347	\$ 307	\$ 319	\$ 265
Student Transportation	\$ 270	\$ 231	\$ 629	\$ 250	\$ 146	\$ 193	\$ 240	\$ 520	\$ 383	\$ 329
Food Service	\$ 816	\$ 857	\$ 810	\$ 817	\$ 762	\$ 715	\$ 1,051	\$ 1,193	\$ 1,543	\$ 1,209
Cocurricular/Extracurricular Activities	\$ 950	\$ 1,020	\$ 1,013	\$ 937	\$ 896	\$ 621	\$ 1,068	\$ 1,110	\$ 1,279	\$ 1,265
General Administration	\$ 770	\$ 725	\$ 852	\$ 1,115	\$ 874	\$ 976	\$ 2,392	\$ 1,365	\$ 1,581	\$ 1,544
Plant Maintenance and Operations	\$ 1,726	\$ 1,845	\$ 2,004	\$ 2,002	\$ 1,943	\$ 2,641	\$ 2,831	\$ 3,027	\$ 3,899	\$ 3,607
Security and Monitoring Services	\$ 168	\$ 243	\$ 207	\$ 219	\$ 290	\$ 351	\$ 366	\$ 409	\$ 423	\$ 398
Data Processing Services	\$ 279	\$ 332	\$ 561	\$ 546	\$ 435	\$ 690	\$ 645	\$ 547	\$ 575	\$ 519
Community Services	\$ 37	\$ 37	\$ 41	\$ 43	\$ 22	\$ 25	\$ 29	\$ 1	\$ 0	\$ 25
Principal on Long Term Debt	\$ 880	\$ 999	\$ 806	\$ 783	\$ 167	\$ 977	\$ 1,202	\$ 1,449	\$ 1,098	\$ 1,213
Interest on Long Term Debt	\$ 555	\$ 386	\$ 444	\$ 410	\$ 256	\$ 423	\$ 430	\$ 388	\$ 685	\$ 760
Capital Outlay	\$ 577	\$ 28	\$ 61	\$ 805	\$ 669	\$ 223	\$ 158	\$ 241	\$ 1,100	\$ 4,985
Payments Related to Shared Services Arrangements	\$ 76	\$ 74	\$ 69	\$ 609	\$ 864	\$ 955	\$ 1,082	\$ 1,049	\$ 1,171	\$ 1,274
Payments to Juvenile Justice Alternative Ed. Prg.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Intergovernmental Charges	\$ 9	\$ 12	\$ 17	\$ 16	\$ 14	\$ 20	\$ 25	\$ 31	\$ 33	\$ 37
Total Expenditures	\$ 14,888	\$ 15,147	\$ 16,109	\$ 17,765	\$ 17,225	\$ 19,188	\$ 25,483	\$ 25,632	\$ 27,777	\$ 31,177
Average Daily Attendance	1,057	1,039	1,033	1,027	849	866	789	795	793	763

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



DEBT CAPACITY INFORMATION

SCHEDULE 9

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

(Unaudited)

Fiscal Year	Assessed Taxable Value			Estimated Actual Market Value	Ratio of Total Assessed To Total Estimated Actual Value	*Total Direct Tax Rate
	Real Property	Personal Property	Total			
2016	\$ 64,480,454	\$ 9,248,972	\$ 73,729,426	\$ 149,213,406	49.41%	1.466600
2017	67,954,831	8,896,835	76,851,666	154,790,546	49.65%	1.446965
2018	71,236,755	9,358,696	80,595,451	158,211,127	50.94%	1.446965
2019	77,254,190	9,833,215	87,087,405	171,488,068	50.78%	1.446965
2020	79,791,106	11,295,679	91,086,785	173,767,006	52.42%	1.345320
2021	84,503,543	11,850,936	96,354,479	179,511,450	53.68%	1.344190
2022	107,667,935	15,752,947	123,420,882	209,945,664	58.79%	1.252731
2023	103,914,557	36,730,003	140,644,560	252,849,553	55.62%	1.343420
2024	119,892,689	34,707,567	154,600,256	318,630,970	48.52%	1.257500
2025	125,709,199	37,363,079	163,072,278	372,198,903	43.81%	1.257260

Source: Cameron County Appraisal District

* Per \$100 of assessed value

SCHEDULE 10

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

(Unaudited)

Collected Within the Fiscal Year of the Levy							Total Collections to Date		
Fiscal Year	Original Tax Levy	Adjustments	Adjusted Tax Levy	Taxes Collected	Percent of Adjusted Tax Levy	Collections in Subsequent Years	Total Taxes Collected	Total Collected as Percent of Current Tax Levy	
2015	\$ 1,055,163	\$ (4,199)	\$ 1,050,964	\$ 948,729	89.91%	\$ 90,201	\$ 1,038,930	98.46%	
2016	1,119,377	9,192	1,128,569	997,788	89.14%	112,192	1,109,980	99.16%	
2017	1,162,364	(3,594)	1,158,770	1,023,811	88.08%	102,615	1,126,426	96.91%	
2018	1,211,137	2,697	1,213,834	1,084,443	89.54%	73,862	1,158,305	95.64%	
2019	1,321,679	(3,650)	1,318,029	1,180,963	89.35%	-	1,180,963	89.35%	
2020	1,284,061	(517)	1,283,544	1,119,712	87.20%	-	1,119,712	87.20%	
2021	1,348,014	12,479	1,360,493	1,192,037	88.43%	-	1,192,037	88.43%	
2022	1,628,523	(12,909)	1,615,614	1,458,070	89.53%	-	1,458,070	89.53%	
2023	1,949,275	(27,146)	1,922,129	1,672,306	85.79%	-	1,672,306	85.79%	
2024	1,954,295	(40,801)	1,913,494	1,639,379	83.89%	-	1,639,379	83.89%	
2025	2,020,312	(12,627)	2,007,685	1,711,100	84.69%	-	1,711,100	84.69%	

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

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

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

SCHEDULE 11

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

(Unaudited)

Fiscal Year	Tax Rates (Per \$100 of Assessed Value)			Tax Levies		
	General Fund	Debt Service Fund	Total	General Fund	Debt Service Fund	Original Levy Total
2016	1.170000	0.296600	1.466600	892,998	226,379	1,119,377
2017	1.170000	0.276965	1.446965	939,875	222,489	1,162,364
2018	1.170000	0.276965	1.446965	979,312	231,825	1,211,137
2019	1.170000	0.276965	1.446965	1,068,695	252,984	1,321,679
2020	1.068350	0.276970	1.345320	1,019,703	264,358	1,284,061
2021	1.063900	0.280290	1.344190	1,066,927	281,087	1,348,014
2022	0.992000	0.260731	1.252731	1,289,578	338,945	1,628,523
2023	0.942900	0.400520	1.343420	1,368,129	581,146	1,949,275
2024	0.757500	0.500000	1.257500	1,177,239	777,056	1,954,295
2025	0.755200	0.502060	1.257260	1,213,543	806,769	2,020,312

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

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

SCHEDULE 12

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

(Unaudited)

Fiscal Year	Tax Year	Direct Tax Rate	Overlapping Tax Rates			Total Direct and Overlapping Tax Rate
		Santa Rosa Independent School District	South Texas ISD	City of Santa Rosa	Cameron County	
2016	2015	1.466600	0.049200	0.575649	0.399291	2.490740
2017	2016	1.446965	0.049200	0.650000	0.407743	2.553908
2018	2017	1.446965	0.049200	0.720000	0.410803	2.626968
2019	2018	1.446965	0.049200	0.720000	0.416893	2.633058
2020	2019	1.345320	0.049200	0.750000	0.436893	2.581413
2021	2020	1.344190	0.049200	0.750000	0.436893	2.580283
2022	2021	1.252731	0.049200	0.736092	0.436893	2.474916
2023	2022	1.343420	0.049200	0.820000	0.436893	2.649513
2024	2023	1.257500	0.049200	0.820000	0.431893	2.558593
2025	2024	1.257260	0.049200	0.820000	0.426893	2.553353

Source: Cameron County Tax Assessor-Collector

SCHEDULE 13

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

(Unaudited)

Taxpayer	Nature of Property	Fiscal Year 2025			Fiscal Year 2016		
		Tax Year 2024 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Tax Year 2015 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
East RaymondWind Farm LLC	Wind Turbines	\$ 14,945,040	1	9.16%	-		0.00%
AEP Texas Inc	Utility	4,526,110	2	2.78%	2,485,950	1	3.37%
Union Pacific RR Co	Railroad	3,569,080	4	2.19%	2,037,280	2	2.76%
Electric Transmission of Texas	Electric Cooperative	-		0.00%	659,600	4	0.89%
Magie Valley Elec Coop	Electric Cooperative	1,853,550	6	1.14%	1,052,120	3	1.43%
Gonzalez Elsa R	Residential	779,684	9	0.48%	-		0.00%
Carson Family Trust	Retail - Commercial	883,740	7	0.54%	-		0.00%
Garcia Grain Trading Corp	Agriculture	-		0.00%	649,931	5	0.88%
VOA Texas Santa Rosa Village LP	Apartments	781,566	8	0.48%	525,470	7	0.71%
SMT Santa Rosa LLC	Utility	2,576,030	5	1.58%	-		0.00%
Huttonco Development LP	Retail - Commercial	-		0.00%	518,677	8	0.70%
Casitas Azucar LP	Apartments	761,483	10	0.47%	-		0.00%
OS Enterprises Inc	Business-Personal	3,680,059	3	2.26%	-		0.00%
La Jarita Internacional LLC	Agriculture	-		0.00%	544,436	6	0.74%
JPO Enterprises Inc	Retail - Commercial	-		0.00%	421,278	9	0.57%
Verizon Southwest	Utility	-		0.00%	418,110	10	0.57%
Totals		\$ 34,356,342		21.07%	\$ 9,312,852		12.63%

Source: Cameron County Appraisal District

SCHEDULE 14

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

(Unaudited)

Fiscal Year	Bonds Payable	Capital Lease Payable	Unamortized Bond Premium	Accreted Interest	Deferred Issuance/Loss	Total Debt	* Total Debt as % of Personal Income	* Total Debt Per Capita Income	* Ratio of Total Debt to Estimated Actual Property Value	* Total Debt Per Average Daily Membership
2016	11,120,000	1,407,679	439,543	-	-	12,967,222	0.11%	479.86	8.69%	11,465
2017	9,860,000	1,159,620	1,218,694	-	-	12,238,314	0.11%	446.21	7.91%	11,006
2018	9,220,000	966,766	1,054,752	-	-	11,241,518	0.09%	390.93	7.11%	10,201
2019	8,550,000	832,813	903,765	-	-	10,286,578	0.08%	343.71	6.00%	9,292
2020	8,550,000	690,935	766,538	-	-	10,007,473	0.07%	297.05	5.76%	10,028
2021	7,855,000	540,665	645,440	-	-	9,041,105	56.45%	238.80	5.04%	9,670
2022	7,130,000	644,493	540,579	-	-	8,315,072	52.39%	222.77	3.96%	9,794
2023	13,420,000	732,587	1,148,267	-	-	15,300,854	93.08%	397.19	6.05%	16,722
2024	12,935,000	508,281	1,040,731	-	-	14,484,012	85.71%	365.74	4.55%	15,557
2025	12,330,000	273,097	933,487	-	-	13,536,584	77.92%	332.51	3.64%	15,488

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

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

SCHEDULE 15

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

As of June 30, 2025

(Unaudited)

<u>Political Subdivision</u>	<u>Net Debt Amounts</u>		<u>As of</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Cameron County	\$ 223,910,000	A	06/30/25	0.63%	\$ 1,410,633
Cameron Co DD# 6	5,320,000		06/30/25	13.00%	691,600
					\$ 2,102,233
Santa Rosa ISD Direct Debt		B	06/30/25	100.00%	\$ 12,330,000
Unamortized Bond Premiums			06/30/25		\$ 933,487
Leases			06/30/25		\$ 273,097
Total Direct and Overlapping Debt					<u>\$ 15,638,817</u>
A - Municipal Advisory Council of Texas					
B - Long-Term Liabilities Note					

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

SCHEDULE 16

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

(Unaudited)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Assessed Valuation	\$ 73,729,426	\$ 76,851,666	\$ 80,595,451	\$ 87,087,405	\$ 91,086,785	\$ 96,354,479	\$ 123,420,882	\$ 140,644,560	\$ 154,600,256	\$ 163,072,278
Debt Limit - 20% of Assessed Valuation	\$ 14,745,885	\$ 15,370,333	\$ 16,119,090	\$ 17,417,481	\$ 18,217,357	\$ 19,270,896	\$ 24,684,176	\$ 28,128,912	\$ 30,920,051	\$ 32,614,456
General Obligation Bonds	11,120,000	9,860,000	9,220,000	8,550,000	8,550,000	7,855,000	7,130,000	13,420,000	12,935,000	12,330,000
Deduct Amount Available in Debt Service Fund	25,648	40,978	210,357	232,506	933,186	1,057,600	800,414	603,095	598,616	701,322
Legal Debt Margin	\$ 3,651,533	\$ 5,551,311	\$ 7,109,447	\$ 9,099,987	\$ 10,600,543	\$ 12,473,496	\$ 18,354,590	\$ 15,312,007	\$ 18,583,667	\$ 20,985,778
Debt Margin as a Percentage of the Debt Limit	24.76%	36.12%	44.11%	52.25%	58.19%	64.73%	74.36%	54.44%	60.10%	64.35%

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

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

SCHEDULE 17

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

(Unaudited)

Fiscal Year	Average Daily Membership	Estimated Actual Value	Total Bonded Debt	Restricted Net Position Debt Service	Net Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt Per Average Daily Membership
2016	1,131	149,213,406	11,559,543	25,648	11,533,895	7.73%	10,197.96
2017	1,112	154,790,546	11,078,694	40,978	11,037,716	7.13%	9,926.00
2018	1,102	158,211,127	10,274,752	210,357	10,064,395	6.36%	9,132.84
2019	1,107	171,488,068	9,453,765	232,506	9,221,259	5.38%	8,329.95
2020	998	173,767,006	9,316,538	933,186	8,383,352	4.82%	8,400.15
2021	935	179,511,450	8,500,440	1,057,600	7,442,840	4.15%	7,960.26
2022	849	209,945,664	7,670,579	800,414	6,870,165	3.27%	8,092.07
2023	915	252,849,553	14,568,267	603,095	13,965,172	5.52%	15,262.48
2024	931	318,630,970	13,975,731	598,616	13,377,115	4.20%	14,368.54
2025	874	372,198,903	13,263,487	522,305	12,741,182	3.42%	14,578.01

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

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

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

SCHEDULE 18

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

(Unaudited)

Fiscal Year	Principal	Interest*	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service To General Fund Expenditures
2016	930,289	586,230	1,516,519	13,268,639	11.43%
2017	1,038,058	401,353	1,439,411	12,822,538	11.23%
2018	832,854	458,252	1,291,106	13,982,385	9.23%
2019	803,954	421,447	1,225,401	14,204,837	8.63%
2020	141,878	217,723	359,601	12,320,173	2.92%
2021	845,270	366,430	1,211,700	12,366,639	9.80%
2022	947,583	339,063	1,286,646	13,489,719	9.54%
2023	1,152,216	308,380	1,460,596	13,998,821	10.43%
2024	870,379	543,122	1,413,501	15,919,190	8.88%
2025	925,529	579,700	1,505,229	15,136,903	9.94%

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

Note: * Excludes Other Fees



DEMOGRAPHIC AND ECONOMIC INFORMATION

SCHEDULE 19

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

(Unaudited)

Calendar Year	Population *	Personal Income *	Per Capita Income*	Average Daily Attendance	Unemployment Rate **
2016	421,766	11,407,526,000	27,023	1,057	7.6%
2017	423,725	11,606,636,000	27,427	1,039	7.2%
2018	423,908	12,189,811,000	28,756	1,033	6.1%
2019	423,163	12,664,258,000	29,928	1,027	5.3%
2020	424,180	14,290,654,000	33,690	849	11.2%
2021	423,029	16,016,476	37,861	866	9.7%
2022	425,208	15,870,893	37,325	789	6.9%
2023	426,710	16,438,294	38,523	795	5.9%
2024***	427,137	16,898,566	39,602	793	6.2%
2025***	427,564	17,371,726	40,710	763	7.5%

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

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

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

SCHEDULE 20

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

(Unaudited)

Employer	2025*			2016**		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Santa Rosa ISD	242	1	60.50%	196	1	55.52%
Fedex	65	2	16.25%			
Diamond Eight	15	4	3.75%			
Stripes/Valero Gas Station	23	3	5.75%	25	3	7.08%
City of Santa Rosa	14	5	3.50%	60	2	17.00%
Family Dollar	7	8	1.75%			
Su Clinica	9	6	2.25%	15	4	4.25%
Oldies Restaurant	7	8	1.75%	7	9	1.98%
Taco Loco	8	7	2.00%			
Dollar General	5	10	1.25%	15	6	4.25%
Romy's	5	10	1.25%			
Subway Resturant				15	5	4.25%
Santa Rosa Café				8	7	2.27%
K's Max Convenience Store				7	8	1.98%
Magda's Hair Salon				5	10	1.42%
Total	<u>400</u>		<u>100.00%</u>	<u>353</u>		<u>100.00%</u>

Source:

Note: *City of Santa Rosa information.

** Some of current 2025 employers did not exist in 2016

SCHEDULE 21

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

(Unaudited)

Fiscal Year	Single-Family Construction Permits	Average Construction Value	Estimated Actual Market Value
2016	0	-	149,213,406
2017	0	-	154,790,546
2018	0	-	158,211,127
2019	0	-	171,488,068
2020	0	-	173,767,006
2021	0	-	179,511,450
2022	0	-	209,945,664
2023	0	-	252,849,553
2024	0	-	318,630,970
2025	0	-	372,198,903

Source: City-data.com



OPERATING INFORMATION

SCHEDULE 22

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

(Unaudited)

Classification	Fiscal Year		Fiscal Year		Fiscal Year		Fiscal Year		Fiscal Year	
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Number of Employees										
Teachers	86.54	83.00	86.01	86.72	83.65	77.02	76.12	88.08	89.53	81.65
Professional Support	17.60	21.59	19.97	25.53	24.45	22.63	24.22	17.88	19.35	25
Campus Administration	3.00	3.00	3.00	3.00	3.00	3.00	4	7	5.68	6
Central Administration	2.40	2.76	2.76	2.00	1.00	1.00	0.9	3.5	3.5	2.8
Educational Aides	17.92	18.79	19.95	20.53	22.62	24.00	21.6	21.22	21.57	19.2
Auxiliary Staff	70.97	70.41	70.51	75.69	71.01	59.44	56.14	61.78	59.69	65.2
Total Employees	198.43	199.55	202.20	213.47	205.73	187.09	182.98	199.46	199.32	199.85
Percent of Total										
Teachers	43.61%	41.59%	42.54%	40.62%	40.66%	41.17%	41.60%	44.16%	44.92%	40.86%
Professional Support	8.87%	10.82%	9.88%	11.96%	11.88%	12.10%	13.24%	8.96%	9.71%	12.51%
Campus Administration	1.51%	1.50%	1.48%	1.41%	1.46%	1.60%	2.19%	3.51%	2.85%	3.00%
Central Administration	1.21%	1.38%	1.36%	0.94%	0.49%	0.53%	0.49%	1.75%	1.76%	1.40%
Educational Aides	9.03%	9.42%	9.87%	9.62%	10.99%	12.83%	11.80%	10.64%	10.82%	9.61%
Auxiliary Staff	35.77%	35.28%	34.87%	35.46%	34.52%	31.77%	30.68%	30.97%	29.95%	32.62%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Texas Education Agency PEIMS Standard Reports

SCHEDULE 23

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

(Unaudited)

Fiscal Year	Average		Average	Statewide	Average	Bachelor's	Master's
	Minimum	Maximum	Teacher Salary	Average Teacher Salary	Years of Experience	Education	Education
2016	41,000	55,675	45,974	51,891	10.7	94.2%	5.8%
2017	43,200	57,201	47,736	52,525	11.6	96.4%	3.6%
2018	41,992	58,200	47,826	53,334	10.7	96.5%	3.5%
2019	42,836	58,804	48,618	54,122	11.0	96.5%	3.5%
2020	45,962	61,596	51,318	57,091	11.1	90.5%	9.5%
2021	48,198	61,743	51,239	57,641	12.0	90.9%	9.1%
2022	47,446	63,110	51,960	58,887	10.3	89.7%	8.9%
2023	51,188	62,997	54,777	60,717	11.2	78.4%	19.3%
2024	48,499	63,705	55,075	62,474	10.6	81.7%	17.4%
2025*	54,737	64,859	56,611	63,749	10.1	77.1%	21.7%

Source: Texas Academic Performance Reports (TAPR) FY 2013-2025 &
Academic Excellence Indicator System (AEIS) FY 2010-2012

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

SCHEDULE 24

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

(Unaudited)

Fiscal Year	Average Daily Attendance *	Average Daily Membership	Percent of Attendance
2016	1,057	1,131	93.46%
2017	1,039	1,112	93.41%
2018	1,033	1,102	93.74%
2019	1,027	1,107	92.77%
2020	849	998	85.09%
2021	866	935	92.57%
2022	789	849	92.89%
2023	795	915	86.90%
2024**	793	931	85.13%
2025**	763	874	87.28%

Source: Texas Academic Performance Reports (TAPR) FY 2013-2025 &
 Academic Excellence Indicator System (AEIS) FY 2010-2012

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

SCHEDULE 25

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	Average Daily Attendance	Governmental Operating Expenditures	Cost per Pupil	Percent Change	Government Wide Operating Expenses	Cost per Pupil	Percent Change
2016	1,057	13,610,419	12,876	3.38%	15,097,015	14,283	10.10%
2017	1,039	13,924,128	13,405	9.23%	15,072,893	14,511	1.59%
2018	1,033	15,284,557	14,796	10.38%	11,676,561	11,304	-22.10%
2019	1,027	16,191,861	15,766	6.55%	17,838,255	17,369	53.66%
2020	849	13,698,342	16,131	2.32%	15,638,739	18,417	6.03%
2021	866	15,203,378	17,565	8.89%	16,198,844	18,715	1.62%
2022	789	18,685,416	23,693	34.89%	17,109,502	21,695	15.92%
2023	795	18,481,045	23,243	-1.90%	18,167,414	22,849	5.32%
2024	793	19,730,141	24,893	7.10%	20,098,809	25,358	10.98%
2025	763	18,475,932	24,219	-2.71%	19,045,211	24,965	-1.55%

Source: ACFR

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

SCHEDULE 26

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

(Unaudited)

Fiscal Year	Student/ Teacher Ratio	No. of Economically Disadvantaged Students	Percentage of Economically Disadvantaged Students
2016	13.1	974	86.1%
2017	13.4	964	86.9%
2018	12.8	970	87.9%
2019	12.8	974	88.4%
2020	11.9	875	87.9%
2021	12.1	829	88.7%
2022	11.2	757	89.1%
2023	10.4	804	87.9%
2024	10.4	812	87.2%
2025*	10.7	778	89.0%

Source: Texas Academic Performance Reports (TAPR) FY 2013-2025 &
Academic Excellence Indicator System (AEIS) FY 2010-2012

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

SCHEDULE 27

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

(Unaudited)

	Estimated Square Footage	Recommended Capacity	Enrollment
HIGH SCHOOLS			
SANTA ROSA HIGH SCHOOL (2006)	122,377	750	291
MIDDLE SCHOOLS			
JO NELSON MIDDLE SCHOOL (2003)	33,649	360	206
ELEMENTARY SCHOOLS			
ELMA E. BARRERA ELEMENTARY SCHOOL (1999)	102,852	800	377
GRAND TOTAL	258,878	1,910	874

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



FEDERAL AWARDS SECTION

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

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

To the Board of Trustees
Santa Rosa Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 19, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Harlingen, Texas
January 19, 2026

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE**

To the Board of Trustees
Santa Rosa Independent School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Santa Rosa Independent School District’s (the “District”) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the District’s major federal program for the year ended June 30, 2025. The District’s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Santa Rosa Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2025.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Harlingen, Texas
January 19, 2026

**Santa Rosa Independent School District
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weakness (es) identified?

_____ Yes X No

- Significant deficiency (ies) identified that are not considered to be material weaknesses?

_____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness (es) identified?

_____ Yes X No

- Significant deficiency (ies) identified that are not considered to be material weaknesses?

_____ Yes X None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?

_____ Yes X No

Type of auditor's report issued on compliance for major programs:

Unmodified

Identification of major programs:

Assistance Listing Number(s)

Name of Federal Program or Cluster

10.553/10.555

Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 X yes _____ no

**Santa Rosa Independent School District
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025**

Section II – Financial Statement Findings

None noted.

Section III - Federal Award Findings and Questioned Cost

None noted.

Section IV – Summary of Prior Year Findings

None noted.

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Federal Agency	Federal AL Number	Contract/Grant Number	Expenditures(\$)	Payments to
United States Department of Agriculture				
<u>Passed through Texas Department of Agriculture</u>				
Child Nutrition Cluster				
*School Breakfast Program	10.553		\$ 299,694	\$ -
Total Assistance Listing Number 10.553			299,694	-
*National School Lunch Program	10.555		526,849	-
*Warehouse Delivery Fees	10.555		5,165	-
Total Assistance Listing Number 10.555			532,014	-
Total Child Nutrition Cluster			831,708	-
Local Food for Schools Cooperative Agreement Program	10.185		29,951	-
Total Assistance Listing Number 10.185			29,951	-
Child and Adult Care Food Program	10.558		104,408	-
Total Assistance Listing Number 10.558			104,408	-
Total Passed Through Texas Department of Agriculture			966,067	-
Total United States Department of Agriculture			966,067	-
United States Department of Education				
<u>Passed through Texas Education Agency</u>				
Title I Grants to Local Educational Agencies	84.010	24610101031914	55,253	-
Title I Grants to Local Educational Agencies	84.010	25610101031914	439,614	-
Total Assistance Listing Number 84.010			494,867	-
Twenty-First Century Community Learning Centers	84.287	246950337110005	122,501	72,542
Twenty-First Century Community Learning Centers	84.287	256950337110041	1,492,236	609,940
Twenty-First Century Community Learning Centers	84.287C	246950367110038	80,729	43,214
Total Assistance Listing Number 84.287			1,695,466	725,696
Supporting Effective Instruction State Grants	84.367		11,139	-
Supporting Effective Instruction State Grants	84.367		42,772	-
Total Assistance Listing Number 84.367			53,911	-
COVID-19 Education and Stabilization Fund (ESSER III)	84.425	21528001031914	19,615	-
Total Assistance Listing Number 84.425			19,615	-
Student Support and Academic Enrichment Program	84.424A	24680101031914	306	-
Student Support and Academic Enrichment Program	84.424A	25680101031914	30,170	-
Student Support and Academic Enrichment Program	84.424	236811017110003	340,726	-
Total Assistance Listing Number 84.424			371,202	-
Career and Technical Education -- Basic Grants to States	84.048		-	-
Career and Technical Education -- Basic Grants to States	84.048		-	-
Total Assistance Listing Number 84.048			-	-
Comprehensive Literacy Development	84.371	246470127110005	11,793	-
Comprehensive Literacy Development	84.371	256470127110006	108,423	-
Total Assistance Listing Number 84.371			120,216	-
Title V, Part B Rural and Low-Income School Program	84.358B	25696001031914	28,341	-
Total Assistance Listing Number 84.358B			28,341	-
Total Passed Through Texas Education Agency			2,783,618	725,696
<u>Passed through La Feria ISD</u>				
Career and Technical Education -- Basic Grants to States	84.048		-	-
Total Passed through La Feria ISD			-	-
<u>Passed through Region One ESC</u>				
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	P334A180024	1,017	-
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	P334A180024	69,417	-
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334A	P334A240004	41,849	-
Total Assistance Listing Number 84.334			112,283	-
Response: Public Health Crisis Response	93.354		-	-
Total Assistance Listing Number 93.354			-	-
Total Passed through Region One ESC			112,283	-
Total United States Department of Education			2,895,901	725,696
Total Expenditures of Federal Awards			\$ 3,861,968	\$ 725,696
*Clustered programs				

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

Note 2: INDIRECT COST RATE

The Uniform Guidance allows an organization to elect a 10% de minimis indirect cost rate. For the year ended June 30, 2025, the District did not elect to use this rate.

Note 3: PROGRAM REPORTING

SHARS and \$83,121 of indirect costs are accounted for in the general fund. The Child Nutrition Cluster Program and Child and Adult Care Food Program are accounted for in the General Fund. Expenditures are not specifically attributable to these revenues and are shown on this schedule in an amount equal to revenue for balancing purposes only.

Reconciliation

Amount of federal revenues Exhibit C-3	\$ 3,972,104
--	--------------

Less amounts not considered to be federal awards, excluded on the Schedule of Expenditures of Federal Awards:	
---	--

School Health and Related Service Program (SHARS)	(76,721)
ERATE	(33,415)

Total expenditures of federal awards, per the Schedule of Expenditures of Federal Awards (Exhibit K-1)	<u><u>\$ 3,861,968</u></u>
--	----------------------------

Note 4: LOAN / LOAN GUARANTEE OUTSTANDING BALANCES

The District did not have any federal loans or loan guarantees outstanding during the year ended June 30, 2025.

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Note 5: NONCASH ASSISTANCE AND OTHER

The District did not receive any federally funded insurance during the year ended June 30, 2025.

Noncash awards:

For the year ended June 30, 2025, the district did not receive any non-cash assistance under the National School Lunch Program (Assistance Listing Number 10.555).

Note 6: CONTINGENCIES

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

Note 7: FEDERAL PASS-THROUGH FUNDS

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