

**South San Antonio
Independent School District**
Annual Financial Report
For the Fiscal Year Ended August 31, 2025



South San Antonio Independent School District

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Certificate of the Board

South San Antonio Independent School District

Name of School District

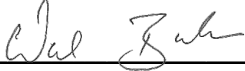
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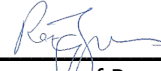
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Co.-Dist Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and X approved disapproved for the fiscal year ended August 31, 2025 at a meeting of the Board of Trustees of such school district on the 23 day of February, 2026.



Signature of Board Secretary



Signature of Board President

If the Board of Trustees disapproved the auditor's report, the reason(s) for disapproving it is/are (attach list as necessary):



Financial Section



Independent Auditor's Report

To the Board of Trustees of
South San Antonio Independent School District
San Antonio, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of South San Antonio Independent School District (the District), as of and for the fiscal year ended August 31, 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 District, as of August 31, 2025, and the respective changes in financial position and where applicable, cash flows thereof for the fiscal 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), 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 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

As discussed in Note 1 and Note 5 to the basic financial statements, during the year ended August 31, 2025, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Beginning net position has been restated as a result of the implementation of this statement. Our opinions are 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 auditor's 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 GAAS and GAS 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 GAAS and GAS, 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 the Required Supplementary Information, as listed in the table of contents, 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 District's basic financial statements. The Supplementary Information, as listed in the table of contents, and the 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* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 Supplementary Information and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Required Responses to Selected School FIRST Indicators but does not include the 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 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 February 3, 2026 on our consideration of the 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 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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P

Austin, Texas
February 3, 2026



Management's Discussion and Analysis

As management of the South San Antonio Independent School District (the District), we offer readers of the accompanying report this narrative overview and analysis of the financial activities of the District for the fiscal year ended August 31, 2025. In reviewing this report, readers should be mindful that it is often necessary for management to make and use estimates in the preparation of financial statements. Examples of the use of such estimates may be found in amounts reported for depreciation, net taxes receivable, total other postemployment benefit and net pension liability, and compensated absences.

Financial Highlights

- Liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources at year-end by \$33,643,147 (net position). Of this amount, unrestricted net position was negative \$45,994,488.
- The District's total net position decreased by \$463,673.
- As of the close of the year, the District's governmental funds had combined ending fund balances of \$38,522,872, an increase of \$1,121,767 as compared to the preceding year.
- At the end of the year, fund balance of the general fund was \$25,366,154, or 30 percent of the year's total general fund expenditures.
- The District's net bonded debt decreased by \$8,547,699 (7 percent) during the year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required supplementary information and supplementary information in addition to the basic financial statements.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector enterprise.

The *Statement of Net Position* (Exhibit A-1) presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as an indicator of how the financial position of the District is changing.

The *Statement of Activities* (Exhibit B-1) presents information showing how the District's net position changed during the year. Changes in net position are reported upon occurrence of the underlying event giving rise to the change, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some transactions that will not result in cash flows until future fiscal periods (e.g., uncollected taxes).

The government-wide financial operations (*governmental activities*) of the District are principally supported by taxes, intergovernmental revenues, and charges for services. The governmental activities of the District include *Instruction, Instructional Resources and Media Services, Curriculum and Instructional Staff Development, Instructional Leadership, School Leadership, Guidance, Counseling, and Evaluation Services, Social Work Services, Health Services, Student Transportation, Food Services, Cocurricular/Extracurricular Activities, General Administration, Plant Maintenance and Operations, Security and Monitoring Services, Data Processing Services, Community Services, Interest on Long-term Debt, Issuance Costs and Fees, Payments to Related Shared Service Arrangements, Payments to Juvenile Justice Alternative Education Programs, Facilities Repair and Maintenance, and Other Intergovernmental Charges.*

The government-wide financial statements can be found as noted in the table of contents of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, as do other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of cash resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating near-term financing requirements.

Because the focus of governmental funds financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintained twenty-nine individual governmental funds during the year. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and Other State Special Revenue funds which are considered to be major funds. Data from the other twenty-six governmental funds are combined into a single, aggregated presentation titled total non-major funds.

The District adopts an annual revenue and appropriations budget for its general fund, debt service fund and national school breakfast and lunch program special revenue fund. All other governmental funds adopt project length budgets. Subsequent to adoption, amendments approved by the governing body are reflected in a revised budget column. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with its budget.

The basic governmental fund financial statements are noted in the table of contents of this report.

Proprietary Fund. The District maintains one type of propriety fund – *Internal Service Funds*.

The District uses internal service funds to account for the management of its print shop, workers' compensation and medical insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

The basic proprietary fund financial statements are noted in the table of contents of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of students and other organizations that benefit the students and the District. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the District's own programs and activities. A statement of net position and statement of changes is presented for fiduciary funds, as noted in the table of contents of this report.

Notes to the Basic 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. The notes to the basic financial statements are noted in the table of contents of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report presents required supplementary information and supplementary information, including schedules required by the Texas Education Agency. Such information is noted in the table of contents of this report.

Government-wide Financial Analysis

As mentioned earlier, net position may, over time, serve as an indicator of a District's changing financial position. At the close of the District's most recent fiscal year, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources at year-end by \$33,643,147.

South San Antonio Independent School District's Net Position

	Governmental Activities	
	2025	2024
Current and other assets	\$ 50,414,860	\$ 48,245,593
Capital assets, net of accumulated depreciation and amortization	<u>122,855,054</u>	<u>129,627,648</u>
Total assets	173,269,914	177,873,241
Total deferred outflows of resources	19,048,184	24,966,376
Other liabilities	8,197,973	8,518,967
Long-term liabilities outstanding	<u>190,440,521</u>	<u>197,339,081</u>
Total liabilities	198,638,494	205,858,048
Total deferred inflows of resources	27,322,751	30,161,043
Net position:		
Net investment in capital assets	9,611,435	8,209,205
Restricted	2,739,906	3,296,200
Unrestricted	<u>(45,994,488)</u>	<u>(44,684,879)</u>
Total net position	<u>\$ (33,643,147)</u>	<u>\$ (33,179,474)</u>

A portion of the District's net position is net investment in capital assets, representing the District's investment in capital assets (e.g., land and improvements, buildings and improvements, and furniture and equipment), less any related debt used to acquire those assets. 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, since the capital assets themselves cannot be used to liquidate these liabilities. Net position of \$2,739,906, is restricted for grant expenditures and other purposes. *Unrestricted* net position of negative \$45,994,488 represents the unrestricted net position of the District, which is mainly negative due to the recognition of the District's Pension and OPEB liability following the implementation of GASB Statements No. 68 and No. 75.

Governmental Activities. Governmental activities increased the District’s net position by \$6,177,233 from current operations. Key elements of this change may be determined from the table below. An adjustment to beginning net position of negative \$6,640,906 was made as a result of the change in accounting principle related to implementation of GASB 101. Additional information on the implementation of GASB 101 can be found in the notes to the financial statements as per the table of contents of this report.

South San Antonio Independent School District Changes in Net Position

	Governmental Activities	
	2025	2024
Revenue		
Program revenues:		
Charges for services	\$ 395,491	\$ 438,911
Operating grants and contributions	32,911,954	33,089,146
General revenues:		
Property taxes, levied for general purposes	18,092,883	16,883,238
Property taxes, levied for debt service	12,979,624	12,599,502
Grants and contributions not restricted to specific programs	57,603,253	52,339,629
Investment earnings	1,835,374	2,552,974
Gain on sale of capital asset	-	214,134
Miscellaneous	403,989	650,409
Total revenues	124,222,568	118,767,943
Expenses		
Instruction	56,555,124	61,569,430
Instructional resources and media services	1,201,238	1,405,277
Curriculum and instructional staff development	4,899,472	6,449,562
Instructional leadership	2,665,807	2,847,238
School leadership	5,305,727	5,948,240
Guidance, counseling, and evaluation services	3,971,366	4,779,708
Social work services	681,666	720,028
Health services	1,215,597	1,385,951
Student transportation	2,893,476	2,970,904
Food services	8,006,209	8,424,580
Cocurricular/extracurricular activities	2,643,275	3,107,097
General administration	2,664,073	3,972,474
Plant maintenance and operations	13,226,584	12,160,382
Security and monitoring services	3,909,905	1,907,038
Data processing services	1,713,497	1,789,075
Community services	913,155	919,298
Interest on long-term debt	4,899,793	1,454,844
Issuance costs and fees	319,603	3,771,023
Payments to related shared service arrangements	173,676	172,852
Payments to juvenile justice alternative education program	4,076	8,151
Other intergovernmental charges	182,016	160,524
Total expenses	118,045,335	125,923,676
Increase (decrease) in net position before transfers	6,177,233	(7,155,733)
Change in net position	6,177,233	(7,155,733)
Net position - beginning, as originally reported	(33,179,474)	(26,023,741)
Implementation of GASB 101, <i>Compensated Absences</i>	(6,640,906)	-
Net position - beginning (as restated)	(39,820,380)	(26,023,741)
Net position - ending	\$ (33,643,147)	\$ (33,179,474)

Revenues are generated primarily from two sources. Grants and contributions from the state, federal government, and other sources (program and general revenues) totaling \$90,515,207 represent 73 percent of total revenues and property taxes totaling \$31,072,507 represent 25 percent of total revenues. The remaining 2 percent is generated from charges for services, investment earnings, and miscellaneous sources. The overall increase to revenue is attributed to the increase in property taxes revenue from the increase in property values and increase in the maintenance and operations rate from prior year. In addition, the District received an increase in state aid funding.

The primary functional category of expenses of the District is *Instruction* with \$56,555,124 of expenses in the current fiscal year, which represents 48 percent of total expenses while all remaining expense categories are individually 11 percent or less of total expenses.

Financial Analysis of the Government's Funds

As mentioned earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. At the end of the fiscal year, the District's governmental funds had combined ending fund balances of \$38,522,872, an increase of \$1,121,767 from the preceding year. Comments as to each individual major fund's change in fund balance follows.

The general fund is the primary operating fund of the District. At year-end, unassigned fund balance of the general fund was \$24,043,789, while total fund balance was \$25,366,154. To evaluate the general fund's liquidity, it may be helpful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 28 percent of total general fund expenditures, while total fund balance represents 30 percent of that same total. The fund balance of the general fund decreased \$1,672,418 during the year. The decrease in the general fund balance can largely be attributed to the lack of sufficient funding to adequately support the District's operations. This challenge underscores the District's need to adapt to the evolving financial landscape while addressing its operational requirements with reduced external resources.

The debt service fund ended the year with a total fund balance of \$10,159,058, all of which is restricted for the payment of principal and interest on debt. The debt service fund balance increased \$3,534,787 during the year. The increase in revenue is primarily attributed to property tax collections. Additionally, the District benefited from an increase in state funding through Additional State Aid for Homestead Exemption (ASAHE), which resulted directly from the homestead exemption increase from \$40,000 to \$100,000. These factors combined have contributed to a significant improvement in the District's financial position.

The other state special revenue funds ended the year with a total fund balance of \$11,958. The purpose of these funds is to account for the proceeds of state revenue sources that are not assigned to other fund numbers and are restricted for expenditures for specific purposes. This major fund had a \$2,656,569 due from other governments receivable at year end, as well as a \$1,943,906 due to general fund due to timing of a large reimbursement received after year end. The District utilizes a pooled cash account and funds are expended for the benefit of the special revenue fund, the District subsequently submits a reimbursement from the grantor and the funds are reimbursed.

Governmental funds financial statements may be found by referring to the table of contents.

Proprietary Funds. The District's proprietary funds, comprising of internal service funds, financial statements provide the same type of information found in the government-wide financial statements, but in more detail. The net position of internal service funds increased by \$1,502,615 in the current year, primarily due to the District's decision to wind down its medical insurance fund. This change is part of a strategic plan to transition from a self-funded insurance model to participation in TRS ActiveCare, which was implemented in FY 2025. This proactive measure aligns with the District's efforts to optimize its insurance program and enhance long-term sustainability.

Budgetary Highlights

In accordance with State law and generally accepted accounting standards, the District prepares an annual budget for the general fund, the food service special revenue fund, and the debt service fund for board approval. Special revenue funds have budgets approved by the funding agency and are amended throughout the year as required.

During the period ended August 31, 2025, the District amended its budget as required by State law and to reflect current levels of revenue and anticipated expenses. There were no significant changes between the original budget and the final amended budget, except for adjustments to debt service and capital outlay. These changes were needed to meet the requirements of GASB 87, *Leases* and GASB 96, *Subscription-Based Information Technology Arrangements* (SBITAs). The general fund's actual revenues were more than the budgeted revenues by \$1,006,493 and the budgeted expenditures exceeded actual expenditures by \$1,966,223. There are no major differences, as the final budgeted amounts align with the actual expenditures for each function.

The budget was adopted using the \$0.6969 maintenance and operations rate in addition to the debt service rate of \$0.4990.

Capital Assets and Long-term Liabilities

Capital Assets. The District's investment in capital assets for its governmental activities as of August 31, 2025 was \$122,855,054 (net of accumulated depreciation and amortization). Depreciation and amortization expense for the year of \$9,637,395 was also recognized together with the capital asset additions resulted in a net decrease to capital assets of \$6,772,594. Investment in capital assets includes land and improvements, buildings and improvements, furniture and equipment, construction in progress, the right-to-use lease assets, and the right-to-use subscription assets.

Additional information on the District's capital assets can be found in the notes to the financial statements as per the table of contents of this report.

South San Antonio Independent School District's Capital Assets (Net of Depreciation and Amortization)

	Governmental Activities	
	2025	2024
	Amount	Amount
Land and improvements	\$ 2,793,983	\$ 2,793,983
Buildings and improvements	115,761,805	123,750,887
Furniture and equipment	2,521,459	2,684,364
Right-to-use lease assets	722,523	13,058
Right-to-use subscription assets	1,055,284	385,356
Totals	\$ 122,855,054	\$ 129,627,648

Long-term Liabilities. At year-end, the District had the following long-term liabilities:

South San Antonio Independent School District's Outstanding Long-term Liabilities

	Governmental Activities					
	2025		2024		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
General obligation bonds (net)	\$ 101,873,709	53	\$ 112,376,709	56	\$ (10,503,000)	(9)
Notes payable	5,034,000	3	5,760,000	3	(726,000)	(13)
Leases payable	722,864	-	14,347	-	708,517	4,938
Subscriptions payable	1,161,330	1	530,885	-	630,445	119
Financed purchase liability	-	-	176,934	-	(176,934)	(100)
Compensated absences	7,764,251	4	1,315,469	1	6,448,782	490
Unamortized premium	6,055,480	3	5,462,570	3	592,910	11
Accreted interest	14,725,673	8	13,378,744	7	1,346,929	10
Net pension liability	32,304,435	17	41,504,967	21	(9,200,532)	(22)
Net OPEB liability	20,798,779	11	16,818,456	9	3,980,323	24
Totals	<u>\$ 190,440,521</u>	<u>100</u>	<u>\$ 197,339,081</u>	<u>100</u>	<u>\$ (6,898,560)</u>	

The District's net bonded debt, which include general obligation bonds, unamortized premiums and accreted interest, decreased by \$8,547,699 (7 percent) during the current fiscal year, which resulted primarily from required payments. The debt is supported by the full faith and credit of the District, as further guaranteed by the Permanent School Fund of the State of Texas.

State statutes do not limit the tax rate or amount of local tax support of school districts' bonded indebtedness. However, approval of the Attorney General of the State of Texas is required prior to the sale of bonds.

Additional information on the District's long-term debt can be found in the notes to the financial statements as per the table of contents of this report.

Economic Factors and Next Year's Budgets and Rates

The South San Antonio Independent School District is situated in the well-established south and southwest areas of San Antonio, spanning 21 square miles. The district is experiencing economic growth in alignment with the broader metropolitan region, with several hundred new single-family homes and apartment units planned for development over the coming years.

For the 2025-2026 fiscal year, the District's Board of Trustees adopted a Maintenance & Operations tax rate of \$0.6969 and an Interest & Sinking tax rate of \$0.4990, resulting in a combined tax rate of \$1.1959 per \$100 of property valuation.

In developing the 2025-2026 budget, the District estimated an Average Daily Attendance (ADA) of 6,506, consistent with recent enrollment trends.

Fitch Ratings and S&P Global Ratings affirmed an 'A' underlying rating for the District's general obligation (GO) debt outstanding at the beginning of the 2025-2026 fiscal year, reflecting the District's stable financial position.

On February 19, 2025 the Texas Education Agency (TEA) announced the appointment of a seven-member Board of Managers and a new Superintendent to lead and operate the South San Antonio Independent School District. Two decades of elected trustees and administrative dysfunction resulting in diminished outcomes, poor financial controls, weakened public trust and multiple TEA investigations. Additionally, a TEA appointed Conservator continues to monitor and report District activities.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, students, and creditors with a general overview of the District's finances and to demonstrate the District's commitment to accountability for the money it receives.

If you have questions about this report or need additional financial information, contact the South San Antonio Independent School District business office at 5622 Ray Ellison Boulevard., San Antonio, Texas.

Basic Financial Statements

South San Antonio Independent School District
Statement of Net Position
August 31, 2025

Exhibit A-1

Data Control Codes		Governmental Activities
ASSETS		
1110	Cash and cash equivalents	\$ 6,642,054
1120	Current investments	26,356,038
1220	Property taxes receivables	3,709,562
1230	Allowance for uncollectible taxes	(370,957)
1240	Due from other governments	13,694,130
1290	Other receivables	43,347
1300	Inventories	42,748
1410	Prepaid items	297,938
	Capital assets, not being depreciated or amortized:	
1510	Land and improvements	2,793,983
	Capital assets, net of depreciation and amortization:	
1520	Buildings and improvements (net)	115,761,805
1530	Furniture and equipment (net)	2,521,459
1550	Right to use lease assets (net)	722,523
1553	Right to use subscription assets (net)	<u>1,055,284</u>
1000	Total assets	173,269,914
DEFERRED OUTFLOWS OF RESOURCES		
1705	Deferred outflows - pension	8,499,716
1706	Deferred outflows - OPEB	9,113,411
1710	Deferred charge on refunding	<u>1,435,057</u>
1700	Total deferred outflows of resources	19,048,184
LIABILITIES		
2110	Accounts payable	2,107,671
2140	Interest payable	177,391
2150	Payroll deductions and withholdings	908,639
2160	Accrued wages payable	4,505,994
2180	Due to other governments	49,007
2190	Due to student groups	2,317
2200	Accrued liabilities	305,208
2300	Unearned revenue	141,746
	Noncurrent liabilities:	
2501	Due within one year	13,529,456
2502	Due in more than one year	123,807,851
2540	Net pension liabilities	32,304,435
2545	Net OPEB liability	<u>20,798,779</u>
2000	Total liabilities	198,638,494
DEFERRED INFLOWS OF RESOURCES		
2605	Deferred inflows - pension	4,260,375
2606	Deferred inflows - OPEB	23,021,510
2610	Deferred gain on refunding	<u>40,866</u>
2600	Total deferred inflows of resources	27,322,751
NET POSITION		
3200	Net investment in capital assets	9,611,435
3820	Restricted for grants	2,422,432
3890	Restricted for other purposes	317,474
3900	Unrestricted	<u>(45,994,488)</u>
3000	TOTAL NET POSITION	<u><u>\$ (33,643,147)</u></u>

The Notes to the Financial Statements are an integral part of this statement.

South San Antonio Independent School District

Exhibit B-1

Statement of Activities

For the Fiscal Year Ended August 31, 2025

Data Control Codes	Functions/Programs	1 Expenses	3 Program Revenues		4 Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
			Charges for Services	Governmental Activities		
PRIMARY GOVERNMENT						
	Governmental activities:					
0011	Instruction	\$ 56,555,124	\$ -	\$ 9,279,274	\$ (47,275,850)	
0012	Instructional resources and media services	1,201,238	-	61,584	(1,139,654)	
0013	Curriculum and instructional staff development	4,899,472	-	4,255,383	(644,089)	
0021	Instructional leadership	2,665,807	-	1,137,393	(1,528,414)	
0023	School leadership	5,305,727	-	375,078	(4,930,649)	
0031	Guidance, counseling, and evaluation services	3,971,366	-	511,341	(3,460,025)	
0032	Social work services	681,666	-	127,097	(554,569)	
0033	Health services	1,215,597	-	72,375	(1,143,222)	
0034	Student transportation	2,893,476	-	363,439	(2,530,037)	
0035	Food services	8,006,209	188,067	7,575,158	(242,984)	
0036	Cocurricular/extracurricular activities	2,643,275	156,850	171,155	(2,315,270)	
0041	General administration	2,664,073	-	243,401	(2,420,672)	
0051	Plant maintenance and operations	13,226,584	-	2,789,896	(10,436,688)	
0052	Security and monitoring services	3,909,905	-	2,411,969	(1,497,936)	
0053	Data processing services	1,713,497	-	67,617	(1,645,880)	
0061	Community services	913,155	50,574	820,226	(42,355)	
0072	Interest on long-term debt	4,899,793	-	2,525,907	(2,373,886)	
0073	Issuance costs and fees	319,603	-	100	(319,503)	
0081	Facilities repair and maintenance	-	-	117,786	117,786	
0093	Payments related to shared services arrangements	173,676	-	2,788	(170,888)	
0095	Payments to juvenile justice alternative education programs	4,076	-	65	(4,011)	
0099	Other intergovernmental charges	182,016	-	2,922	(179,094)	
TG	Total governmental activities	<u>118,045,335</u>	<u>395,491</u>	<u>32,911,954</u>	<u>(84,737,890)</u>	
TP	TOTAL PRIMARY GOVERNMENT	<u>\$ 118,045,335</u>	<u>\$ 395,491</u>	<u>\$ 32,911,954</u>	<u>(84,737,890)</u>	
	General revenues:					
MT	Property taxes, levied for general purposes				18,092,883	
DT	Property taxes, levied for debt service				12,979,624	
GC	Grants and contributions not restricted to specific programs				57,603,253	
IE	Investment earnings				1,835,374	
MI	Miscellaneous				<u>403,989</u>	
TR	Total general revenues and extraordinary items				<u>90,915,123</u>	
CN	Change in net position				6,177,233	
NB	Net position - beginning, as originally reported				(33,179,474)	
PA	Implementation of GASB 101, <i>Compensated Absences</i>				<u>(6,640,906)</u>	
	Net position - beginning (as restated)				<u>(39,820,380)</u>	
NE	NET POSITION - ENDING				<u>\$ (33,643,147)</u>	

The Notes to the Financial Statements are an integral part of this statement.

South San Antonio Independent School District

Balance Sheet
 Governmental Funds
 August 31, 2025

199

Data

Control Codes

General Fund

		<u>General Fund</u>
ASSETS		
1110	Cash and cash equivalents	\$ 3,017,389
1120	Current investments	16,396,404
1220	Property taxes receivables	2,312,301
1230	Allowance for uncollectable taxes	(231,231)
1240	Due from other governments	8,969,945
1260	Due from other funds	3,632,992
1290	Other receivables	20,471
1300	Inventories	-
1410	Prepaid items	<u>31,487</u>
1000	Total assets	<u>34,149,758</u>
1000a	TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 34,149,758</u></u>
LIABILITIES		
2110	Accounts payable	\$ 978,397
2150	Payroll deductions and withholdings	908,639
2160	Accrued wages payable	4,242,452
2170	Due to other funds	680,866
2180	Due to other governments	25,988
2190	Due to student groups	-
2200	Accrued liabilities	19,645
2300	Unearned revenue	<u>-</u>
2000	Total liabilities	6,855,987
DEFERRED INFLOWS OF RESOURCES		
2600	Unavailable revenue - property taxes	<u>1,927,617</u>
	Total deferred inflows of resources	1,927,617
FUND BALANCES		
3410	Nonspendable - inventories	-
3430	Nonspendable - prepaid items	31,487
3450	Restricted - grants	-
3470	Restricted - capital acquisitions and contractual obligations	-
3480	Restricted - debt service	-
3490	Restricted - other	-
3545	Committed - other	882,595
3550	Assigned - construction	408,283
3600	Unassigned	<u>24,043,789</u>
3000	Total fund balances	<u>25,366,154</u>
4000	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u><u>\$ 34,149,758</u></u>

The Notes to the Financial Statements are an integral part of this statement.

599		429	
Debt Service Fund	Other State Special Revenue Funds	Total Nonmajor Funds	Total Governmental Funds
\$ 39,070	\$ -	\$ 2,622,680	\$ 5,679,139
9,943,988	-	6,042	26,346,434
1,397,261	-	-	3,709,562
(139,726)	-	-	(370,957)
56,300	2,656,569	2,011,316	13,694,130
35,177	-	-	3,668,169
-	-	-	20,471
-	-	42,748	42,748
-	-	176,958	208,445
<u>11,332,070</u>	<u>2,656,569</u>	<u>4,859,744</u>	<u>52,998,141</u>
<u>\$ 11,332,070</u>	<u>\$ 2,656,569</u>	<u>\$ 4,859,744</u>	<u>\$ 52,998,141</u>
\$ -	\$ 699,705	\$ 421,824	\$ 2,099,926
-	-	-	908,639
-	-	263,542	4,505,994
-	1,943,906	1,043,623	3,668,395
21,029	-	1,990	49,007
-	-	2,317	2,317
-	-	-	19,645
-	1,000	140,746	141,746
<u>21,029</u>	<u>2,644,611</u>	<u>1,874,042</u>	<u>11,395,669</u>
<u>1,151,983</u>	<u>-</u>	<u>-</u>	<u>3,079,600</u>
1,151,983	-	-	3,079,600
-	-	42,748	42,748
-	-	176,958	208,445
-	11,958	2,410,474	2,422,432
-	-	209,573	209,573
10,159,058	-	-	10,159,058
-	-	317,474	317,474
-	-	-	882,595
-	-	-	408,283
-	-	(171,525)	23,872,264
<u>10,159,058</u>	<u>11,958</u>	<u>2,985,702</u>	<u>38,522,872</u>
<u>\$ 11,332,070</u>	<u>\$ 2,656,569</u>	<u>\$ 4,859,744</u>	<u>\$ 52,998,141</u>



South San Antonio Independent School District
Reconciliation of the Governmental Funds Balance
Sheet to the Statement of Net Position
August 31, 2025

Exhibit C-1R

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS (EXHIBIT C-1) \$ 38,522,872

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The governmental capital assets, excluding those capital assets reported in the internal service funds, at year-end consists of:

Governmental capital assets costs	\$ 323,155,209	
Accumulated depreciation and amortization of governmental capital assets	<u>(200,300,155)</u>	122,855,054

Property taxes receivable, which will be collected subsequent to year-end, but are not available soon enough to pay expenditures are deferred in the funds.		3,079,600
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Long-term liabilities, including bonds payable, notes payable, leases payable, subscriptions payable, compensated absences, and net pension and OPEB liability, are not due and payable in the current period and, therefore are not reported as liabilities in the funds. Liabilities at year-end related to such items consist of:

Bonds payable, at original par	\$ (101,873,709)	
Premiums on bonds payable	(5,942,355)	
Deferred gain on refunding adjustment	(40,866)	
Deferred charge on refunding adjustment	1,435,057	
Accreted interest on capital appreciation bonds	(14,725,673)	
Accrued interest on bonds	(172,812)	
Leases payable	(722,864)	
Subscriptions payable	(1,161,330)	
Compensated absences	(7,764,251)	
Notes payable	(5,034,000)	
Premium on notes payable	(113,125)	
Accrued interest on notes	(4,579)	
Net pension liability	(32,304,435)	
Net OPEB liability	<u>(20,798,779)</u>	(189,223,721)

The internal service funds are used by the District to charge the costs of various services to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities:

Group benefits - health care	\$ 648,629	
Print shop	21,636	
Workers' compensation fund	<u>121,541</u>	791,806

Deferred outflows of resources for pension represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenses/expenditures) until then.		8,499,716
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Deferred inflows of resources for pension represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.		(4,260,375)
--	--	-------------

Deferred outflows of resources for OPEB represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenses/expenditures) until then.		9,113,411
---	--	-----------

Deferred inflows of resources for OPEB represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.		<u>(23,021,510)</u>
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TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES (EXHIBIT A-1) \$ (33,643,147)

South San Antonio Independent School District
Statement of Revenues, Expenditures, and Changes
in Fund Balances – Governmental Funds
For the Fiscal Year Ended August 31, 2025

199

Data	General Fund
Control Codes	
REVENUES	
5700 Local and intermediate sources	\$ 19,786,129
5800 State program revenues	61,842,687
5900 Federal program revenues	1,626,228
	<hr/>
5020 Total revenues	83,255,044
EXPENDITURES	
Current:	
0011 Instruction	45,715,978
0012 Instructional resources and media services	1,055,016
0013 Curriculum and instructional staff development	929,500
0021 Instructional leadership	1,596,391
0023 School leadership	4,752,370
0031 Guidance, counseling, and evaluation services	3,567,835
0032 Social work services	379,624
0033 Health services	1,162,116
0034 Student transportation	2,859,322
0035 Food services	3,173
0036 Cocurricular/extracurricular activities	2,401,168
0041 General administration	3,829,825
0051 Plant maintenance and operations	10,441,268
0052 Security and monitoring services	1,652,373
0053 Data processing services	1,543,221
0061 Community services	145,994
Debt service:	
0071 Principal on long-term debt	1,305,912
0072 Interest on long-term debt	177,799
0073 Other debt service fees	6,200
Capital outlay:	
0081 Facilities acquisition and construction	1,160,840
Intergovernmental:	
0093 Payments related shares services arrangements	173,676
0095 Payments to juvenile justice alternative education programs	4,076
0099 Other intergovernmental charges	182,016
	<hr/>
6030 Total expenditures	85,045,693
1100 Excess (deficiency) of revenues over (under) expenditures	(1,790,649)
OTHER FINANCING SOURCES (USES)	
7911 Issuance of bonds	-
7913 Proceeds from right to use leased assets and subscriptions	1,118,231
7916 Premium or discount on issuance of bonds	-
8911 Transfers out	(1,000,000)
8949 Payments to escrow agent	-
	<hr/>
7080 Total other financing sources (uses)	118,231
1200 Net change in fund balances	(1,672,418)
0100 Fund balances - beginning, as previously presented	27,038,572
Change from nonmajor to major fund	<hr/>
0100 Fund balances - beginning, as restated	27,038,572
	<hr/>
3000 FUND BALANCES - ENDING	\$ 25,366,154

The Notes to the Financial Statements are an integral part of this statement.

599		429	
Debt Service Fund	Other State Special Revenue Funds	Total Nonmajor Funds	Total Governmental Funds
\$ 13,613,457	\$ -	\$ 972,356	\$ 34,371,942
2,399,794	3,879,301	1,292,254	69,414,036
-	-	19,245,691	20,871,919
16,013,251	3,879,301	21,510,301	124,657,897
-	22,745	6,371,787	52,110,510
-	-	37,985	1,093,001
-	63,082	3,780,387	4,772,969
-	-	949,255	2,545,646
-	-	122,739	4,875,109
-	-	247,170	3,815,005
-	-	325,793	705,417
-	-	1,372	1,163,488
-	-	205,514	3,064,836
-	-	7,968,833	7,972,006
-	-	170,092	2,571,260
-	-	35,538	3,865,363
-	1,526,539	943,600	12,911,407
-	2,266,935	58,206	3,977,514
-	-	6,037	1,549,258
-	-	753,052	899,046
8,488,000	-	106,653	9,900,565
3,971,100	-	182	4,149,081
313,403	-	-	319,603
-	-	910,278	2,071,118
-	-	-	173,676
-	-	-	4,076
-	-	-	182,016
12,772,503	3,879,301	22,994,473	124,691,970
3,240,748	-	(1,484,172)	(34,073)
20,825,000	-	-	20,825,000
-	-	743,570	1,861,801
2,443,247	-	-	2,443,247
-	-	-	(1,000,000)
(22,974,208)	-	-	(22,974,208)
294,039	-	743,570	1,155,840
3,534,787	-	(740,602)	1,121,767
6,624,271	-	3,738,262	37,401,105
-	11,958	(11,958)	-
6,624,271	11,958	3,726,304	37,401,105
\$ 10,159,058	\$ 11,958	\$ 2,985,702	\$ 38,522,872

South San Antonio Independent School District
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Fiscal Year Ended August 31, 2025

Exhibit C-2R

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS (EXHIBIT C-2) \$ 1,121,767

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the costs of those assets are capitalized and allocated over their estimated useful lives as depreciation expense.

Capital assets increased	\$ 2,864,801	
Depreciation and amortization expense	<u>(9,637,395)</u>	(6,772,594)

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues increased (decreased) by this amount this year. (140,184)

Issuance of bonds provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.

Par value	\$ (20,825,000)	
Premium	<u>(2,443,247)</u>	(23,268,247)

Payment to the escrow agent, net of accrued interest, to refund bonds reduces long-term liabilities. 22,707,736

Issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.

Issuance of leases and subscriptions payable (1,861,801)

Repayment of principal on long-term det is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Repayment of bonds payable principle	\$ 8,488,000	
Repayment of notes payable principle	726,000	
Repayment of subscriptions payable principle	414,987	
Repayment of leases payable principle	<u>283,986</u>	9,912,973

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The change reported in the statement of activities consists of the following:

Accrued interest on bonds payable (increased) decreased	\$ 6,459	
Interest accreted on the capital appreciation bonds	(1,346,929)	
Amortization of bond and note premium	1,036,141	
Amortization of deferred gain on refunding	4,540	
Amortization of deferred charge on refunding	(197,263)	
Accrued interest on notes payable (increased) decreased	<u>404</u>	(496,648)

The (increase) decrease in compensated absences is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. 192,124

An internal service fund is used by the District to charge the costs of various services to the individual funds. The net activity of the following internal service funds is reported in the government-wide statements:

Group benefits - health care	\$ 1,236,306	
Print shop	(2,308)	
Workers' compensation fund	<u>268,617</u>	<u>1,502,615</u>

The net change in net pension liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:

Deferred outflows increased (decreased)	\$ (8,077,949)	
Deferred inflows (increased) decreased	(1,682,620)	
Net pension liability (increased) decreased	<u>9,200,532</u>	(560,037)

The net change in net OPEB liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:

Deferred outflows increased (decreased)	\$ 3,303,480	
Deferred inflows (increased) decreased	4,516,372	
Net OPEB liability (increased) decreased	<u>(3,980,323)</u>	<u>3,839,529</u>

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES (EXHIBIT B-1) \$ 6,177,233

The Notes to the Financial Statements are an integral part of this statement.

South San Antonio Independent School District

Statement of Net Position

Proprietary Funds

August 31, 2025

Exhibit D-1

<u>Data Control Codes</u>		<u>Governmental Activities Total Internal Service Funds</u>
	ASSETS	
	Current assets:	
1110	Cash and cash equivalents	\$ 962,915
1120	Current investments	9,604
1260	Due from other funds	226
1290	Other receivables	22,876
1410	Prepaid items	<u>89,493</u>
	Total current assets	<u>1,085,114</u>
1000	Total assets	1,085,114
	LIABILITIES	
	Current liabilities:	
2110	Accounts payable	7,745
2200	Accrued liabilities	<u>285,563</u>
	Total current liabilities	<u>293,308</u>
2000	Total liabilities	293,308
	NET POSITION	
3900	Unrestricted	<u>791,806</u>
3000	TOTAL NET POSITION	<u><u>\$ 791,806</u></u>

The Notes to the Financial Statements are an integral part of this statement.

South San Antonio Independent School District
Statement of Revenues, Expenses, and Changes
in Net Position – Proprietary Funds
For the Fiscal Year Ended August 31, 2025

Exhibit D-2

<u>Data Control Codes</u>		<u>Governmental Activities Total Internal Service Funds</u>
	OPERATING REVENUES	
5700	Local and Intermediate Sources	\$ 221,791
5020	Total operating revenues	221,791
	OPERATING EXPENSES	
6100	Payroll costs	75,353
6200	Professional and contracted services	60,958
6400	Other operating costs	604,999
6030	Total operating expenses	741,310
1100	Operating loss	(519,519)
	NONOPERATING REVENUES	
7955	Closeout of self-insured health insurance liability	1,022,134
7080	Total nonoperating revenues	1,022,134
	Income before contributions and transfers	502,615
7915	Transfers in	1,550,000
8911	Transfers out	(550,000)
1200	Change in net position	1,502,615
0100	Net position - beginning	(710,809)
3000	NET POSITION - ENDING	<u>\$ 791,806</u>

The Notes to the Financial Statements are an integral part of this statement.

South San Antonio Independent School District

Statement of Cash Flows - Proprietary Funds

For the Fiscal Year Ended August 31, 2025

Exhibit D-3

	Governmental Activities
	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from services provided	\$ 199,115
Cash payments for claims and administrative services	(686,288)
Cash payments to employees for services	<u>(75,353)</u>
Net cash used in operating activities	(562,526)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	1,550,000
Transfers to other funds	<u>(550,000)</u>
Net cash provided by noncapital financing activities	1,000,000
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	<u>(420)</u>
Net cash used in investing activities	<u>(420)</u>
Net increase in cash and cash equivalents	437,054
Cash and cash equivalents - beginning	<u>525,861</u>
CASH AND CASH EQUIVALENTS - ENDING	<u><u>\$ 962,915</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating loss	\$ (519,519)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	(800)
Change in:	
Due from other funds	200
Other receivables	(22,876)
Prepaid items	(5,571)
Accounts payable	7,745
Claims payable	<u>(21,705)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u><u>\$ (562,526)</u></u>

The Notes to the Financial statements are an integral part of this statement.

South San Antonio Independent School District**Exhibit E-1**

Statement of Net Position

Fiduciary Funds

August 31, 2025

	<u>Trust Funds</u>	<u>Custodial Funds</u>
	<u>Private Purpose Trust Funds</u>	<u>Total Custodial Funds</u>
ASSETS		
Cash and cash equivalents	\$ 28,550	\$ 240,266
Other receivables	-	3,898
	<hr/>	<hr/>
Total assets	28,550	244,164
LIABILITIES		
Accounts payable	-	4,470
Due to student groups	-	104
	<hr/>	<hr/>
Total liabilities	-	4,574
NET POSITION		
Restricted for:		
Private purpose	28,550	-
For individuals and organizations	-	239,590
	<hr/>	<hr/>
TOTAL NET POSITION	<u>\$ 28,550</u>	<u>\$ 239,590</u>

The Notes to the Financial statements are an integral part of this statement.

South San Antonio Independent School District

Statement of Changes in Net Position

Fiduciary Funds

August 31, 2025

Exhibit E-2

	Trust Funds	Custodial Funds
	Private Purpose Trust Funds	Total Custodial Funds
ADDITIONS		
Contributions or gifts	\$ -	\$ 7,940
Fundraising activity	-	272,045
Student club fees	-	20,156
Other	-	2,806
	<hr/>	<hr/>
Total additions	-	302,947
DEDUCTIONS		
Student activities	-	281,938
Beneficiary payments	35,500	-
	<hr/>	<hr/>
Total deductions	35,500	281,938
	<hr/>	<hr/>
Net position - beginning of year	64,050	218,581
	<hr/>	<hr/>
NET POSITION - ENDING	<u>\$ 28,550</u>	<u>\$ 239,590</u>

The Notes to the Financial statements are an integral part of this statement.



South San Antonio Independent School District

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The South San Antonio Independent School District (District) is a public educational agency operating under the applicable laws and regulations of the State of Texas. The District serves over 7,400 students in 8 elementary schools, 3 middle schools, and 1 high school.

The Board of School Trustees (Board), a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the South San Antonio Independent School District, San Antonio, Texas. Members of the Board of Trustees are elected by the public, and have the authority to make decisions, appoint administrators and managers, significantly influence operations, and have the primary accountability for fiscal matters. Accordingly, the District is not included in any other governmental "reporting entity" as defined by Governmental Accounting Standards Board (GASB), Statement No. 61, "The Financial Reporting Entity: omnibus – an amendment of GASB Statements No. 14 and No. 34".

The District prepares its basic financial statements in conformity with generally accepted accounting principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB), and it complies with the requirements of the appropriate version of Texas Education Agency's Financial Accountability System Resource Guide (FASRG) and the requirements of contracts and grants of agencies from which it receives funds.

B. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government (the District). All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which are normally supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

South San Antonio Independent School District

Notes to the Basic Financial Statements

The District reports the following major governmental funds:

The *general fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those accounted for in another fund.

The *debt service 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.

The *other state special revenue fund* is used to account for the proceeds of state revenue sources that are not assigned to other fund numbers and are restricted for expenditures for specific purposes.

Additionally, the District reports the following fund types:

The *special revenue funds* are used to account for the proceeds of specific revenue sources (other than those identified as a major fund) that are restricted for committed to expenditures for specific purposes.

The *capital projects funds* account for the acquisition and construction of the District's major capital facilities, other than those financed by proprietary funds.

Internal service funds are used to account for revenues and expenses related to printing, health care, and workers' compensation services provided to parties inside the District. These funds facilitate distribution of support costs to the users or support services on a cost-reimbursement basis. Because the principal users of the internal services are the District's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

Custodial and trust funds are reported in the fiduciary fund financial statements. However, because their assets are held in a custodial capacity and are therefore not available to support District programs, these funds are not included in the government-wide statements.

During the course of operations the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

E. Measurement Focus and Basis of Accounting

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.

South San Antonio Independent School District

Notes to the Basic Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements 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 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 required 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 leases and subscriptions are reported as other financing sources.

Interest associated with the current fiscal period is considered to be susceptible to accrual and has been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). 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 (within 120 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the District.

The proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand and bank demand or time deposits with original maturities of three months or less from the date of acquisition.

2. Deposits and Investments

Investments for the District, except for certain investment pools and non-negotiable certificates of deposit, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost or fair value.

3. Inventories and Prepaid Items

Inventories are valued at cost using the weighted average cost and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

South San Antonio Independent School District

Notes to the Basic Financial Statements

4. Capital Assets

Capital assets, which include land and improvements, construction in progress, buildings and improvements, furniture and equipment, and right-to-use assets are reported in the applicable governmental activities column in the government-wide financial statements. The District's infrastructure includes parking lots and sidewalks associated with various buildings. The cost of the infrastructure was initially capitalized with the building cost and is being depreciated over the same useful life as the building. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

In the case of the initial capitalization of general infrastructure assets, the District was able to estimate the historical cost for the initial reporting of these assets through back trending. As the District constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Land and improvements and construction in progress are not depreciated. The buildings and improvements and furniture and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Capital Asset Classes</u>	<u>Lives</u>
Buildings and improvements	15-30
Furniture and equipment	3-7

5. Leases

The District is a lessee for noncancellable leases of vehicles and equipment. The District recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset (lease asset), reported with other capital assets, in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the District is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

South San Antonio Independent School District

Notes to the Basic Financial Statements

6. Subscription-Based Information Technology Arrangements (SBITAs)

The District has noncancellable contracts with SBITA vendors for the right to use information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). The District recognizes a subscription liability, reported with long-term debt, and a right-to-use subscription asset (an intangible asset), reported with other capital assets, in the government-wide financial statements. The District recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a SBITA, the District initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of SBITA payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT assets.

Key estimates and judgments related to SBITAs include how the District determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The District uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the noncancellable period of the SBITA.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, termination penalties if the District is reasonably certain to exercise such options, subscription contract incentives receivable from the SBITA vendor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The District monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

7. Deferred Outflows/Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until then. Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension and OPEB activities are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and OPEB plan, except for projected and actual earnings differences on investments which are amortized on a closed basis over a 5-year period.
- District contributions to the pension and OPEB plans after the measurement date of each plan are recognized in the subsequent fiscal year.
- Deferred charge/gain on refunding is amortized over the shorter of the life of the refunded or refunding debt.
- Property taxes and other unavailable revenues are recognized in the period the amount becomes available.

South San Antonio Independent School District

Notes to the Basic Financial Statements

8. *Compensated Absences*

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee benefit account) during or upon separation from employment. Based on the criteria listed, the following types of leave qualify for liability recognition for compensated absences – State personal leave and sick leave. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

State Personal Leave

The District is required under Texas Education Code 22.003 to provide eligible employees with a minimum of five days of personal leave per year (state leave) with no limit on accumulation and no restrictions on transfer between Districts. State leave benefits are eligible for payment upon retirement from employment, with limitations.

Local Leave

The District's policy provides eligible employees with five to seven days of local personal leave per year (local leave), depending on contract terms, with no limit on accumulation. Local leave benefits are eligible for payment upon retirement from employment, with limitations.

Sick Leave Bank

The District's policy permits employees to contribute earned local leave or state personal leave to the sick leave bank to become a member of the bank. An employee who is a member of the bank may request leave from the bank if the employee experiences a catastrophic illness or injury or has exhausted all paid leave and any applicable compensatory time. Based on the nature of the sick leave bank, there is no accumulated sick leave per individual employee.

Compensatory Time Off

The District's policy allows compensatory time off (comp time) to be earned when nonexempt employees work hours beyond their normal schedule as a form of extra compensation. Employees can accumulate up to 60 hours of comp time, but it must be used in the duty year it is earned. Based on this, the District's basis is to record 100% of the balance at year-end as a liability.

A liability for the estimated value of leave benefits that will be paid upon separation of service or used by employees as time off is included in the liability for compensated absences when considered material to the financial statements.

9. *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 and proprietary 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 – net position to have been depleted before unrestricted – net position is applied.

South San Antonio Independent School District

Notes to the Basic Financial Statements

10. 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.

11. 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 committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The board of trustees (the Board) is the highest level of decision-making authority for the District that can, by board action or adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the board action or resolution remains in place until a similar action is taken (the board action or adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board has, by policy, authorized the superintendent or designee to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

12. Pension

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 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.

13. Other Postemployment Benefits

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

South San Antonio Independent School District

Notes to the Basic Financial Statements

G. Revenues and Expenditures/Expenses

1. 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 that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property values are determined by the Bexar County Appraisal District as of January 1 of each year. Prior to September 1 of each year, the District adopts its annual budget and as soon thereafter as practicable, shall adopt a tax rate thus creating the tax levy. Property taxes for the current calendar year are levied on approximately October 1 of each year and are payable by January 31 of the following year. Property tax receivables are recorded as of the date levied. Unpaid taxes become delinquent on February 1 and a tax lien on real property is created as of January 1 of each year. Additionally, the District offers taxpayers the option of paying taxes in two installments. If this option is elected, the first half must be paid by November 30 and the final payment is due by June 30. Under this option, taxes are not delinquent until July 1.

3. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are sales of services provided. Operating expenses for the proprietary funds include payroll cost, professional and contracted services, and other operating costs. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

H. Use of Estimates

The presentation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

I. Data Control Codes

The Data Control Codes refer to the account code structure prescribed by Texas Education Agency (TEA) in the *Financial Accountability System Resource Guide*. TEA requires school districts to display these codes in the financial statements filed with TEA in order to ensure accuracy in building a statewide database for policy development and funding plans.

J. Implementation of New Accounting Standards

GASB Statement No. 101, *Compensated Absences* (GASB 101), improves the information needs of financial statements users by updating the recognition and measurement guidance for compensated absences under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2023, with earlier application encouraged. GASB 101 was implemented in the District's fiscal year 2025 financial statements with a restatement of \$6,640,906 to net position as of 9/1/2024 to reflect the changes adopted to conform to the new standard.

South San Antonio Independent School District

Notes to the Basic Financial Statements

GASB Statement No. 102, *Certain Risk Disclosures* (GASB 102), improves financial reporting by providing users of financial statements with essential information regarding certain concentrations of constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. The requirements of this statement are effective for reporting periods beginning after June 15, 2024, with earlier application encouraged. GASB 102 was implemented in the District's fiscal year 2025 financial statements with no impact to amounts or disclosures previously reported.

K. Recent Accounting Pronouncements

GASB Statement No. 103, *Financial Reporting Model Improvements* (GASB 103), improves 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 reporting periods beginning after June 15, 2025, with earlier application encouraged. GASB 103 will be implemented in the District's fiscal year 2026 financial statements and the impact has not yet been determined.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* (GASB 104), establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures. It also establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this statement are effective for reporting periods beginning after June 15, 2025, with earlier application encouraged. GASB 104 will be implemented in the District's fiscal year 2026 financial statements and the impact has not yet been determined.

Note 2. Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, debt service fund and *National School Breakfast/Lunch Program* special revenue fund. All annual appropriations lapse at fiscal year end. The following procedures are followed in establishing the budgetary data reflected in the financial statements.

1. Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
3. Prior to September 1, the budget is formally approved and adopted by the Board.

The appropriated budget is prepared by fund, function, and campus/department. The District's campus/department heads may make transfers of appropriations within a department. Transfers of appropriations between campus/departments require the approval of the District's management. Transfers of appropriations between functions require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level within a fund.

B. Encumbrances

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as restricted, committed, or assigned fund balances as appropriate. The encumbrances do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. As of August 31, 2025, the District does not have any outstanding encumbrances.

South San Antonio Independent School District

Notes to the Basic Financial Statements

Note 3. Detailed Notes on All Funds

A. Deposits and Investments

Cash Deposits

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas School Depository Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the District's and the depository banks' agent bank. The pledged securities shall be 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.

Investments

The District's investment policy is in accordance with the Public Funds Investment Act, the Public Funds Collateral Act, and federal and state laws. State law and District policy limits credit risk by allowing investing in 1) Obligations of the United States or its agencies which are backed by the full faith and credit of the United States, obligations of the State of Texas or its agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized statistical rating organization (NRSRO) not less than A or its equivalent; 2) Certificates of deposit issued by a broker or depository located in Texas which is insured by the FDIC or purchased through a broker who has an office located in Texas; 3) Fully collateralized repurchase agreements secured by obligations of the United States or its agencies not to exceed 90 days to maturity from the date of purchase; 4) Securities lending program as permitted by Government Code 2256.0115; 5) Bankers acceptances with a stated maturity of 270 days or fewer which are eligible for collateral for borrowing from a Federal Reserve Bank; 6) Commercial paper if it has a stated maturity of 270 days or fewer from the date of its issuance and is rated not less than A-1 or P-1 or an equivalent rating by at least: two nationally recognized credit rating agencies or one nationally recognized agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state; 7) No-load money market mutual funds which shall be registered with the Securities and Exchange Commission and have an dollar-weighted average stated maturity of 90 days or fewer; 8) No-load mutual funds which shall be registered with the Securities and Exchange Commission, have an average weighted maturity of less than two years, include investments that comply with the Public Funds Investment Act and are continuously rated not less than AAA by at least one NRSRO; 9) A guaranteed investment contract (for bond proceeds only) which meets the criteria and eligibility requirements established by the Public Funds Investment Act; 10) Public funds investment pools which meet the requirements of the Public Funds Investment Act.

The District's investments are in investment pools, are measured at amortized cost or Net Asset Value (NAV) and are not required to be categorized in the fair value hierarchy as presented in the table below. The District's investment balances, weighted average maturity, and credit risk of such investments are as follows:

All District Funds' Investment Type	Primary Government	Percent of Total Investments	Weighted Average Maturity (Days)	Weighted Average Credit Risk
Investments measured at amortized cost:				
Investment pools:				
Lone Star - Government Overnight Fund	\$ 14,182,998	53.8%	92	AAAm*
Investments measured at Net Asset Value (NAV):				
Investment pools:				
Lone Star - Corporate Overnight Plus Fund	11,010,357	41.8%	92	AAAf/S1+*
Texas CLASS	1,162,683	4.4%	82	AAAm*
Total value	\$ 26,356,038	100%		
Portfolio weighted average maturity			92	

* Standard & Poor's rating

** Fitch rating

South San Antonio Independent School District

Notes to the Basic Financial Statements

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. The 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 of the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) banker's acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

Temporary investments consist of funds invested in local government investment pools. The investment pools used by the District are organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. The investment pools are public funds investment pools created to provide a safe environment for the placement of local government funds in authorized short-term investments.

The District's investments in investment pools, which are exempt from regulation by the Securities and Exchange Commission, have as one of their objectives the maintenance of a stable net asset value of \$1.00. The book value of the position in the pools is the same as the number of shares in each pool; the market value of a share should approximate the book value of a share.

GASB Statement No. 31 provides an exception to the fair value reporting for investments in external pools that operate as "2a7-like" pools. The exception applies to portfolio securities held by external investment pools and allows the use of amortized cost rather than market value to report net assets and to compute share prices.

Lone Star is duly chartered by the State of Texas Interlocal Cooperation Act, is administered by First Public, LLC, a subsidiary of the Texas Association of School Boards, and managed by Mellon Investments Corporation and American Beacon Advisors. State Street Bank and Trust Company is the custodial bank.

The investment pool has a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

The objective of the Lone Star Government Overnight Fund is to provide safety of principal, daily liquidity, and the highest possible rate of return. The fund seeks to maintain a net asset value of one dollar, and its dollar-weighted average maturity is 60 days or fewer. The fund may invest in obligations of the U.S. or its agencies and instrumentalities; other obligations guaranteed or insured by the U.S. or its agencies and instrumentalities; fully collateralized repurchase agreements having a defined termination date and secured by obligations of the U.S. or its agencies and instrumentalities; reverse repurchase agreements authorized under the Public Funds Investment Act; and SEC-regulated no-load money market mutual funds.

The objective of the Lone Star Corporate Overnight Plus Fund is to provide safety of principal, daily liquidity, and the highest possible rate of return. This fund seeks to maintain a net asset value of one dollar, and its dollar-weighted average maturity is 120 days or fewer. The fund may invest in all securities authorized under the Public Funds Investment Act; however, the fund has additional restrictions for SEC regulated money market mutual funds and fully collateralized repurchase agreements.

South San Antonio Independent School District

Notes to the Basic Financial Statements

Texas CLASS was created in accordance with the requirements contained in section 2256.016 of the Public Funds Investment Act (PFIA). The Texas CLASS Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate in the Trust (the Participants), Public Trust Advisors, LLC (Public Trust) as Program Administrator, and UMB Bank, N.A. as Custodian.

Texas CLASS is an external investment pool measured at fair value, i.e. net asset value. The investment pool's strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. There are no unfunded commitments related to the investment pool. Texas CLASS has a redemption notice period of one day and may redeem daily. The investment pool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pool's liquidity. The Texas CLASS portfolio consists of U.S. Government securities; collateralized repurchase and reverse repurchase agreements; AAA rated money market mutual funds; and commercial paper.

Credit Risk

At year-end, the District's investments were rated as noted in the table on the previous page. All credit ratings met acceptable levels required by legal guidelines prescribed in both the PFIA and the District's investment policy.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect the value of the investments. The District monitors interest rate risk utilizing weighted average maturity analysis and specific identification. In accordance with its investment policy, the District reduces its exposure to declines in fair values by limiting the weighted average maturity of any internally created pool to no more than 180 days, and any other individual investment not to exceed two years from the time of purchase, unless specifically authorized by the Board of Trustees.

Concentration of Credit Risk

The District's investment policy does not limit an investment in any one issuer. The investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over-concentration of assets in a specific class of investments, specific maturity, or specific issuer.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of August 31, 2025, District's deposits were not exposed to custodial credit risk because such balances were insured and collateralized with securities held by the District's agent in the District's name.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. District policy requires investments to be in the District's name or held by the District's agent in the District's name. The District is not exposed to custodial risk as the investments are in the District's name or held by the District's agent in the District's name.

South San Antonio Independent School District

Notes to the Basic Financial Statements

B. Receivables

Tax revenues of the general and debt service funds are reported net of estimated uncollectible amounts. Total change in uncollectible amounts related to revenues of the current period increased (decreased) revenues as follows:

Change in uncollectibles related to general fund property taxes	\$	21,460
Change in uncollectibles related to debt service property taxes		<u>19,792</u>
Total change in uncollectibles of the current fiscal year	\$	<u><u>41,252</u></u>

Approximately 69% of the delinquent outstanding balance of property taxes receivable is not anticipated to be collected within the next year.

C. Interfund Receivables, Payables, and Transfers

1. Receivables/Payables

The composition of interfund balances as of August 31, 2025, is as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental funds:		
General fund	\$ 3,632,992	\$ 680,866
Debt service fund	35,177	-
Internal service funds	226	-
Other state special revenue funds	-	1,943,906
Nonmajor governmental funds	<u>-</u>	<u>1,043,623</u>
Total governmental funds	<u><u>\$ 3,668,395</u></u>	<u><u>\$ 3,668,395</u></u>

The Due From balances in the General Fund from the Other State Special Revenue Funds and Non-Major Governmental Funds are the result of utilizing a pooled cash account. As funds are expended for the benefit of the Other State Special Revenue Funds and Non-Major Governmental Funds, the District subsequently submits a reimbursement from the grantor and funds are reimbursed. The Due From balances in the General Fund from the Internal Service Funds and the Due From balances in the Debt Service from the General Fund are the result of temporary lending between funds.

2. Transfers

Interfund transfers are defined as "flows of assets without equivalent flow of assets in return and without a requirement for repayment." Transfers are the use of funds collected in one fund and are transferred to finance various programs accounted for in other funds. The District recorded the transfers below for the fiscal year ended August 31, 2025 from the General Fund to the Internal Service Funds to fund the operations of those funds.

<u>Funds</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ -	\$ 1,000,000
Internal service funds	<u>1,550,000</u>	<u>550,000</u>
Totals	<u><u>\$ 1,550,000</u></u>	<u><u>\$ 1,550,000</u></u>

South San Antonio Independent School District

Notes to the Basic Financial Statements

D. Capital Assets

Capital asset activity for the fiscal year ended August 31, 2025 was as follows:

	Beginning Balance	Additions	Transfers, Adjustments and Dispositions	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated and amortized:				
Land and improvements	\$ 2,793,983	\$ -	\$ -	\$ 2,793,983
Construction in progress	-	-	-	-
Total capital assets, not being depreciated and amortized	2,793,983	-	-	2,793,983
Capital assets, being depreciated and amortized:				
Buildings and improvements	293,136,829	209,318	-	293,346,147
Furniture and equipment	22,667,585	793,682	(242,415)	23,218,852
Equipment and vehicle leases, right-to-use assets	615,746	816,369	242,415	1,674,530
Software subscriptions, right-to-use assets	1,076,265	1,045,432	-	2,121,697
Total capital assets, being depreciated and amortized	317,496,425	2,864,801	-	320,361,226
Less accumulated depreciation and amortization for:				
Buildings and improvements	(169,385,942)	(8,198,400)	-	(177,584,342)
Furniture and equipment	(19,983,221)	(780,453)	66,281	(20,697,393)
Equipment and vehicle leases, right-to-use assets	(602,688)	(283,038)	(66,281)	(952,007)
Software subscriptions, right-to-use assets	(690,909)	(375,504)	-	(1,066,413)
Total accumulated depreciation and amortization	(190,662,760)	(9,637,395)	-	(200,300,155)
Total capital assets, being depreciated and amortized, net	126,833,665	(6,772,594)	-	120,061,071
Governmental activities capital assets, net	\$ 129,627,648	\$ (6,772,594)	\$ -	\$ 122,855,054

Depreciation and amortization expense of the governmental activities was charged to functions/programs of the District as follows:

Governmental activities:	
11 Instruction	\$ 6,161,310
12 Instructional resources and media services	160,502
13 Curriculum and instructional staff development	75,687
21 Instructional leadership	165,098
23 School leadership	672,905
31 Guidance, counseling, and evaluation services	309,122
33 Health services	110,789
34 Student transportation	391,146
35 Food services	220,882
36 Cocurricular/extracurricular activities	147,758
41 General administration	209,166
51 Plant maintenance and operations	710,924
52 Security and monitoring services	88,787
53 Data processing services	209,749
61 Community services	3,570
Total depreciation and amortization expense-governmental activities	\$ 9,637,395

South San Antonio Independent School District

Notes to the Basic Financial Statements

Construction Commitments

The District has active construction projects as of August 31, 2025. The projects include the construction and equipment of school facilities. At year-end, the District did not have additional commitments with contractors as the ongoing projects were either in the planning phase or near completion.

E. Long-term Liabilities

The District's long-term liabilities consist of bond indebtedness, maintenance tax notes, leases payable, subscriptions payable, financed purchase liability, compensated absences, and net pension and OPEB liability. The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund. Other long-term liabilities are generally liquidated with resources of the general fund.

Changes in Long-term Liabilities

Long-term liability activity for the fiscal year ended August 31, 2025, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 112,376,709	\$ 20,825,000	\$ (31,328,000)	\$ 101,873,709	\$ 8,647,000
Accreted interest on capital appreciation bonds	13,378,744	1,346,929	-	14,725,673	-
Issuance premiums	5,333,983	2,443,247	(1,834,875)	5,942,355	954,761
Total bonds payable, net	131,089,436	24,615,176	(33,162,875)	122,541,737	9,601,761
Maintenance tax notes	5,760,000	-	(726,000)	5,034,000	735,000
Issuance premiums	128,587	-	(15,462)	113,125	7,731
Leases payable	14,347	992,503	(283,986)	722,864	314,426
Subscriptions payable	530,885	1,045,432	(414,987)	1,161,330	601,263
Financed purchase liability	176,934	-	(176,934)	-	-
Compensated absences*	7,956,375	-	(192,124)	7,764,251	2,269,275
Net pension liability	41,504,967	2,568,130	(11,768,662)	32,304,435	-
Net OPEB liability	16,818,456	5,911,154	(1,930,831)	20,798,779	-
Governmental activities					
total long-term liabilities	<u>\$ 203,979,987</u>	<u>\$ 35,132,395</u>	<u>\$ (48,671,861)</u>	<u>\$ 190,440,521</u>	<u>\$ 13,529,456</u>

*Compensated absences are reported as a net change for the year as allowed under the provisions of GASB 101, paragraph 30. Beginning balances are restated.

General Obligation Bonds

The District issues general obligation bonds to provide funds for the construction and equipment of school buildings (BLDG) and to refund general obligation bonds (REF). General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued as 11-25-year current interest or capital appreciation bonds (CAB) with various amounts of principal maturing each year. Rates may be fixed or variable.

In October 2024, the District issued \$20,825,000 of Unlimited Tax Refunding Bonds, Series 2024. The issuance refunded \$22,840,000 of the District's Series 2014 bonds and was initiated to provide long-term financing at fixed rates and to pay the costs of issuance related to the bonds. The net carrying value of the old debt was less than the reacquisition price by \$567,245. This amount is amortized over the life of the new debt. The refunding resulted in a debt service savings of \$1,256,992 and an economic gain of \$1,030,333. The Bonds are scheduled to mature on August 15, 2037.

South San Antonio Independent School District

Notes to the Basic Financial Statements

The following is a summary of changes in the general obligation bonds for the fiscal year:

Series	Interest Rate	Original Issue	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance
Unlimited Tax School Building Bonds							
Series 2005	3.25 - 5%	\$ 40,500,000	2030	\$ 7,510,000	\$ -	\$ -	\$ 7,510,000
Unlimited Tax Qualified School Construction Bonds							
Series 2010	5.19%	9,785,000	2027	7,442,000	-	(2,413,000)	5,029,000
Unlimited Tax School Refunding Bonds							
Series 2013	2 - 5%	18,815,000	2035	5,540,000	-	(1,500,000)	4,040,000
Series 2014	4 - 5%	25,380,000	2037	22,840,000	-	(22,840,000)	-
Series 2019A	4%	11,460,000	2029	8,505,000	-	(1,570,000)	6,935,000
Series 2019B	4%	18,360,000	2034	16,745,000	-	(1,555,000)	15,190,000
Series 2019C	3.5 - 4%	9,185,000	2029	315,000	-	(60,000)	255,000
Series 2020	3 - 4%	5,340,000	2031	5,340,000	-	-	5,340,000
Series 2022	3 - 4%	24,220,000	2037	24,165,000	-	(55,000)	24,110,000
Series 2024	5%	20,825,000	2037	-	20,825,000	(1,335,000)	19,490,000
Capital Appreciation Bonds							
Series 2010	3.25 - 5.02%	22,116,909	2035	13,974,709	-	-	13,974,709
Grand total				<u>\$ 112,376,709</u>	<u>\$ 20,825,000</u>	<u>\$ (31,328,000)</u>	<u>\$ 101,873,709</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending August 31,	Principal Value At Maturity	Interest	Total Requirements
2026	\$ 8,647,000	\$ 3,888,292	\$ 12,535,292
2027	9,062,000	3,629,442	12,691,442
2028	7,843,712	4,458,488	12,302,200
2029	8,097,070	4,276,306	12,373,376
2030	7,260,946	5,516,354	12,777,300
2031-2035	38,802,981	26,787,519	65,590,500
2036-2037	22,160,000	1,072,800	23,232,800
Totals	<u>\$ 101,873,709</u>	<u>\$ 49,629,201</u>	<u>\$ 151,502,910</u>

As of August 31, 2025, the District had \$2,015,000 of authorized but unissued bonds.

In prior years, the District defeased certain outstanding bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts and the liability for the defeased bonds are not included in the District's financial statements. As of August 31, 2025, there were no outstanding defeased bonds.

South San Antonio Independent School District

Notes to the Basic Financial Statements

Maintenance Tax Notes

The District has entered into various Maintenance Tax Notes to pay for energy conservation measures such as lighting upgrades, EMS optimization, ventilation control and power conditioning. The following is a summary of changes in the maintenance tax notes for the fiscal year.

Series	Interest Rate	Amounts Original Issue	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance
Maintenance Tax Notes:							
Series 2020	0.81 - 1.45%	\$ 2,000,000	2030	\$ 1,660,000	\$ -	\$ (270,000)	\$ 1,390,000
Series 2021	0.86 - 1.83%	4,000,000	2031	2,850,000	-	(391,000)	2,459,000
Series 2022	3 - 5%	4,985,000	2041	1,250,000	-	(65,000)	1,185,000
Grand total				<u>\$ 5,760,000</u>	<u>\$ -</u>	<u>\$ (726,000)</u>	<u>\$ 5,034,000</u>

Annual debt service requirements to maturity for maintenance tax notes are as follows:

Year Ending August 31,	Principal Value At Maturity	Interest	Total Requirements
2026	\$ 735,000	\$ 103,018	\$ 838,018
2027	745,000	92,921	837,921
2028	756,000	82,006	838,006
2029	767,000	70,138	837,138
2030	784,000	57,172	841,172
2031-2033	1,247,000	75,039	1,322,039
Totals	<u>\$ 5,034,000</u>	<u>\$ 480,294</u>	<u>\$ 5,514,294</u>

In prior years, the District defeased certain outstanding maintenance tax notes using current resources. The funds were placed in an irrevocable trust to provide for all future debt service payments. Accordingly, the trust accounts and the liability for the defeased maintenance tax notes are not included in the District's financial statements. As of August 31, 2025, there were no outstanding defeased maintenance tax notes.

Leases Payable

The District has entered into lease agreements as lessee. The leases allow the right to use vehicles and copiers over the term of the lease. The District is required to make monthly payments at its incremental borrowing rate or the interest rate stated or implied within the leases. The lease rate, term and ending lease liability are as follows:

	Interest Rate(s)	Liability at Commencement	Lease Term in Years	Ending Balance
Governmental activities				
Copiers	4.11 - 7%	\$ 1,052,385	2.92 - 3.0	\$ 426,428
Print Shop Equipment	3%	242,415	5.0	128,652
Vehicles	4.11%	145,955	2.8 - 5.0	167,784
Total governmental activities				<u>\$ 722,864</u>

South San Antonio Independent School District

Notes to the Basic Financial Statements

The future principal and interest lease payments as of fiscal year end are as follows:

Year Ending August 31,	Principal	Interest	Total Requirements
2026	\$ 314,426	\$ 22,672	\$ 337,098
2027	318,572	10,074	328,646
2028	74,080	1,330	75,410
2029	9,342	474	9,816
2030	6,444	100	6,544
Totals	<u>\$ 722,864</u>	<u>\$ 34,650</u>	<u>\$ 757,514</u>

The value of the right-to-use lease assets as of the end of the current fiscal year was \$1,674,530 and had accumulated amortization of \$952,007.

Subscription Based Information Technology Arrangements (SBITAs)

The District has entered into multiple SBITAs that allow the right-to-use the SBITA vendor's information technology software over the subscription term. The District is required to make annual payments at its incremental borrowing rate, or the interest rate stated or implied within the SBITAs. The SBITA rate, term and ending subscription liability are as follows:

	Interest Rate	Liability at Commencement	Subscription Term in Years	Ending Balance
Governmental activities				
Software subscriptions	4.11 - 7.00%	\$ 2,121,698	3 - 5	<u>\$ 1,161,330</u>
Total governmental activities				<u>\$ 1,161,330</u>

The future subscription liability principal and interest payments as of fiscal year end are as follows:

Year Ending August 31,	Principal	Interest	Total Requirements
2026	\$ 601,263	\$ 28,323	\$ 629,586
2027	355,429	12,537	367,966
2028	141,885	5,711	147,596
2029	62,753	2,579	65,332
Totals	<u>\$ 1,161,330</u>	<u>\$ 49,150</u>	<u>\$ 1,210,480</u>

The value of the right-to-use subscription assets as of the end of the current fiscal year was \$2,121,697 and had accumulated amortization of \$1,066,413.

F. Fund Balance

Other committed fund balance includes the following commitments of funds:

General fund:	
Tax subsidy	<u>\$ 882,595</u>
Total committed for other purposes	<u>\$ 882,595</u>

South San Antonio Independent School District

Notes to the Basic Financial Statements

G. Revenues from Local and Intermediate Sources

During the current year, revenues from local and intermediate sources of the governmental funds consisted of the following:

	General	Debt Service	Nonmajor Funds	Totals
Property taxes	\$ 18,205,851	\$ 13,006,840	\$ -	\$ 31,212,691
Charges for services	189,020	-	206,471	395,491
Investment earnings	1,204,595	606,617	7,453	1,818,665
Other	186,663	-	758,432	945,095
Totals	\$ 19,786,129	\$ 13,613,457	\$ 972,356	\$ 34,371,942

Note 4. Other Information

A. Risk Management

Property/Liability

The District is exposed to various risks related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The District's risk management program encompasses various means of protecting the District against loss by obtaining property, casualty and liability coverage through the participation in a risk pool. Settled claims have not exceeded insurance coverage in any of the three previous fiscal years. There has not been any significant reduction in insurance coverage from that of the previous year.

Health Insurance

During the period ended August 31, 2025, employees of the District began being covered by a third-party health insurance plan (The Health Plan) as the District moved away from having self-funded health insurance at the beginning of the fiscal year. The self-funded health insurance plan was accounted for through an internal service fund. The District had made contributions to cover the employees and the employees, at their option, authorized payroll withholdings to pay contributions for dependents. All contributions were paid to a third-party administrator acting on behalf of the District. The previous self-funded health insurance plan was authorized by state statute and was documented by contractual agreement. The contract between the District and the third-party administrator was renewable annually, but was not renewed in the current year.

In accordance with state statute, the District was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage up to \$200,000 per individual carried through a commercial insurer licensed to do business in Texas in accordance with the Texas Insurance Code. Estimates of claims payable and of claims incurred but not reported at August 31, 2025, were reflected as accrued expenses of the respective internal service fund. The liabilities include an amount for claims that have been incurred but were not reported until after August 31, 2025. Because the District switched to a third-party health insurance plan from a self-insured health plan, and because the third-party administrator of the self-funded health plan refunded the escrow back to the District, there were no liabilities noted for the year ended August 31, 2025.

South San Antonio Independent School District

Notes to the Basic Financial Statements

Changes in the balances of claims liabilities during the past two years are as follows:

	Year Ended 8/31/2025	Year Ended 8/31/2024
Unpaid claims, beginning of fiscal year	\$ 1,022,134	\$ 681,072
Provision for claims		
Incurred claims, including provision (adjustment) for IBNR	(369,378)	8,591,216
Claim payments	<u>(652,756)</u>	<u>(8,250,154)</u>
Unpaid claims, end of fiscal year	<u>\$ -</u>	<u>\$ 1,022,134</u>

Workers' Compensation

During the period ended August 31, 2025, employees of the District were covered by a self-funded workers' compensation insurance plan (the Plan). The District currently utilizes an internal service fund's fund balance to pay for the workers' compensation claims. A third-party administrator acts on behalf of the District to administer claims filed against the self-funded pool. The contract was authorized under the rules of the Texas Insurance Code and was documented by contractual agreement. This contract between the District and the third-party administrator is renewable annually and terms of coverage and premium costs are included in the contractual provision.

Liabilities of the fund are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities also include an estimated amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other non-incremental claims adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example for subrogation, are another component of the claims liability estimate. An excess coverage insurance policy covers individual claims in excess of \$500,000 and an annual employer's maximum limit of \$1,000,000.

Changes in the balances of claims liabilities during the past two years are as follows:

	Year Ended 8/31/2025	Year Ended 8/31/2024
Unpaid claims, beginning of fiscal year	\$ 307,268	\$ 440,247
Provision for claims		
Incurred claims, including provision (adjustment) for IBNR	356,988	265,471
Claim payments	<u>(378,693)</u>	<u>(398,450)</u>
Unpaid claims, end of fiscal year	<u>\$ 285,563</u>	<u>\$ 307,268</u>

B. Litigation and Contingencies

The District is a defendant in various legal claims arising principally in its normal course of operations. In the opinion of the District's management, such claims will not have a material effect of the District's financial position, results of operations or liquidity.

South San Antonio Independent School District

Notes to the Basic Financial Statements

The District participates in a number of federal and state financial assistance programs. Although the District's grant programs have been audited in accordance with the provisions of the Single Audit Act through August 31, 2025, these programs are subject to financial and compliance audits by the grantor agencies. The District is also subject to audit by the TEA of the attendance data upon which payments from the agency are based. These audits could result in questioned costs or refunds to be paid back to the granting agencies.

C. Defined Benefit Pension Plan

Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension plan that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS) and 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 workload 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 TRS's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://www.trs.texas.gov/learning-resources/publications>; by writing to P.O. Box 149676, Austin, TX 78714-0185; or by calling 1-800-223-8778.

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% (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 where 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 postemployment benefit changes, including automatic cost of living adjustments (COLAs). Ad hoc postemployment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as previously noted in the Plan Description above.

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

Contributions

Contribution requirements are established or amended pursuant to Article XVI, 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 2019 thru 2025.

South San Antonio Independent School District

Notes to the Basic Financial Statements

Rates for the District’s current and prior fiscal years are as follows:

	Contribution Rates	
	2025	2024
Member	8.25%	8.25%
Non-employer contribution entity (State)	8.25%	8.25%
Employers (District)	8.25%	8.25%

The contribution amounts for the District’s fiscal year 2025 are as follows:

District contributions	\$ 3,261,613
Member contributions	5,409,903
NECE on-behalf contributions (State)	3,345,066

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

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 the fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities or the State of Texas as the employer for senior colleges, universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member’s salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member’s first 90 days of employment.
- When any or all of an employee’s salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

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

- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment-after-retirement surcharge.
- Public education employer contribution - all public schools, charter schools and regional education service centers must contribute 1.9% of the member’s salary beginning in fiscal year 2024, gradually increasing to 2.0% in fiscal year 2025.

South San Antonio Independent School District

Notes to the Basic Financial Statements

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

On August 31, 2025, the District reported a liability of \$32,304,435 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 are as follows:

District's proportionate share of the net pension liability	\$ 32,304,435
State's proportionate share of the net pension liability associated with the District	<u>37,303,091</u>
Total	<u>\$ 69,607,526</u>

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

At the measurement date of August 31, 2024, the District's proportion of the collective net pension liability was 0.0528851127%, which was a decrease of 0.0075381736% from its proportion measured as of August 31, 2023.

For the fiscal year ended August 31, 2025, the District recognized pension expense of \$3,441,417 for support provided by the State.

On August 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,780,576	\$ 252,217
Changes of assumptions	1,667,947	223,615
Difference between projected and actual earnings on pension plan investments	196,367	-
Changes in proportion and difference between District's contributions and the proportionate share of contributions	1,593,213	3,784,543
District contributions paid subsequent to the measurement date	<u>3,261,613</u>	<u>-</u>
Totals	<u>\$ 8,499,716</u>	<u>\$ 4,260,375</u>

South San Antonio Independent School District

Notes to the Basic Financial Statements

\$3,261,613 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

	Year Ending August 31,	
	2026	\$ (420,617)
	2027	3,164,245
	2028	47,699
	2029	(1,472,991)
	2030	<u>(340,608)</u>
	Total	<u>\$ 977,728</u>

Actuarial Methods and Assumptions

The actuarial valuation of the total pension liability was performed as of August 31, 2023. Update procedures were used to roll forward the total pension liability to August 31, 2024 and was determined using the following actuarial methods and assumptions:

Actuarial cost method	Individual entry age normal
Asset valuation method	Fair value
Single discount rate	7.00%
Long-term expected rate of return	7.00%
Municipal bond rate as of August 2024	3.87% - The source for the rate is the Bond Buyers 20 Index which represents the estimated yield of a portfolio of 20 general obligation bonds maturing in 20 years based on a survey of municipal bond traders.
Last year ending August 31 in projection period (100 years)	2123
Inflation	2.30%
Salary increases	2.95% to 8.95% including inflation
Ad hoc post-employment benefit changes	None
Mortality	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), also with full generational mortality using Scale UMP 2021. The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using Scale UMP 2021 (the ultimate rates of MP-2021) but with immediate convergence

The actuarial methods and assumptions are primarily based on a study of actual experience for the four-year period ending August 31, 2021 and adopted in July 2022.

South San Antonio Independent School District

Notes to the Basic Financial Statements

Discount Rate and Long-term Expected Rate of Return

A single discount rate of 7.00% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash flows used to determine the single discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity will be made at the rates set by the legislature in 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.

Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected 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 expected rate of return on pension plan investments was determined using a building-block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TRS's 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:			
U.S.	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%
Absolute return*	-	4.0%	-
Stable value hedge funds	5.0%	3.0%	0.2%
Real return:			
Real estate	15.0%	6.6%	1.2%
Energy, natural resources and infrastructure	6.0%		0.4%
Commodities	-	2.5%	-
Risk parity:			
Risk parity	8.0%	4.0%	0.4%
Asset allocation leverage:			
Cash	2.0%	1.0%	-
Asset allocation leverage	-6.0%	1.3%	-0.1%
Inflation expectation			2.4%
Volatility drag****			-0.7%
Total	100.0%		7.9%

* Absolute return includes credit sensitive investments.

** Target allocations are based on the FY 2024 policy model.

*** Capital market assumptions (CMA) come from 2024 SAA Study CMA Survey (as of 12/31/2023).

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

South San Antonio Independent School District

Notes to the Basic Financial Statements

Discount Rate Sensitivity Analysis

The following table presents the District's proportionate share of the TRS net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 51,598,369	\$ 32,304,435	\$ 16,318,040

Change of Assumptions Since the Prior Measurement Date

The actuarial assumptions and methods are the same as used in the determination of the prior year's net pension liability.

Change of Benefit Terms Since the Prior Measurement Date

The 2023 Texas Legislature passed Senate Bill 10 (SB 10), which provided a stipend payment to certain retirees and variable ad hoc cost-of-living adjustments (COLA) to certain retirees in early fiscal year 2024. Due to its timing, the legislation and payments were not reflected in the August 31, 2023 actuarial valuation. Under the roll forward method, an adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, August 31, 2024. SB 10 and House Joint Resolution 2 (HJR 2) of the 88th Regular Legislative Session appropriated payments of \$1.645 billion for one-time stipends and \$3.355 billion for COLAs. This appropriation is treated as a supplemental contribution and included in other additions. Since the Legislature appropriated funds for this one-time stipend and COLA, there was no impact on the Net Pension Liability of TRS.

D. Defined Other Postemployment Benefit Plan

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 benefit Other Postemployment Benefit (OPEB) plan that has a special funding situation. TRS-Care was established in 1986 by the Texas Legislature and is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees in accordance with the Texas Insurance Code, Chapter 1575. 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

Detailed 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/learning-resources/publications>; by writing to TRS at P.O. Box 149676, Austin, TX 78714-0185; or by calling 1-800-223-8778.

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 plan. Optional dependent coverage is available for an additional fee.

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees of TRS 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.

South San Antonio Independent School District

Notes to the Basic Financial Statements

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

TRS-Care Monthly Plan Premium Rates

	<u>Medicare</u>	<u>Non-medicare</u>
Retiree or surviving spouse	\$ 135	\$ 200
Retiree and spouse	529	689
Retiree or surviving spouse and children	468	408
Retiree and family	1,020	999

Contributions

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

Texas Insurance Code, section 1575.202 establishes the State’s contribution rate which is 1.25% of the employee’s salary. Section 1575.203 establishes the active employee’s rate which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act.

Rates for the District’s current and prior fiscal years are as follows:

	<u>Contribution Rates</u>	
	<u>2025</u>	<u>2024</u>
Active employee	0.65%	0.65%
Non-employer contribution entity (State)	1.25%	1.25%
Employers (District)	0.75%	0.75%
Federal/private funding*	1.25%	1.25%

(District) and paid at the State rate.

The contribution amounts for the District’s fiscal year 2025 are as follows:

District contributions	\$ 638,056
Member contributions	431,615
NECE on-behalf contributions (State)	699,358

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 TRS-Care a monthly surcharge of \$535 per retiree.

The State of Texas also contributed \$462,660, \$349,907, and \$334,290 in 2025, 2024, and 2023, respectively, for on-behalf payments for Medicare Part D.

South San Antonio Independent School District

Notes to the Basic Financial Statements

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

On August 31, 2025, the District reported a liability of \$20,798,779 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided by 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 are as follows:

District's proportionate share of the net OPEB liability	\$ 20,798,779
State's proportionate share of the net OPEB liability associated with the District	<u>26,060,588</u>
Total	<u>\$ 46,859,367</u>

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

At the measurement date of August 31, 2024, the employer's proportion of the collective net OPEB liability was 0.0685262912% which was a decrease of 0.0074436438% from its proportion measured as of August 31, 2023.

For the fiscal year ended August 31, 2025, the District recognized OPEB expense and revenue of \$779,930 for support provided by the State.

On August 31, 2025, the District reported its proportionate share of the TRS' deferred outflows of resources and deferred inflows of resources related to other postemployment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 3,986,428	\$ 10,379,718
Changes of assumptions	2,661,998	6,786,401
Difference between projected and actual earnings on OPEB plan investments	-	58,243
Changes in proportion and difference between District's contributions and the proportionate share of contributions	1,826,929	5,797,148
District contributions paid subsequent to the measurement date	<u>638,056</u>	<u>-</u>
Totals	<u>\$ 9,113,411</u>	<u>\$ 23,021,510</u>

South San Antonio Independent School District

Notes to the Basic Financial Statements

\$638,056 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended August 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB revenue as follows:

Year Ending August 31,	
2026	\$ (3,745,779)
2027	(2,803,782)
2028	(2,914,946)
2029	(2,341,775)
2030	(1,442,097)
Thereafter	<u>(1,297,776)</u>
Total	<u>\$ (14,546,155)</u>

Actuarial Methods and Assumptions

The actuarial valuation of the total OPEB liability 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 of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The following assumptions used for the valuation of the TRS-Care OPEB liability are identical to the assumptions employed in the August 31, 2023 TRS pension actuarial valuation that was rolled forward to August 31, 2024:

<u>Demographic Assumptions</u>	<u>Economic Assumptions</u>
Rates of mortality	General inflation
Rates of retirement	Wage inflation
Rates of termination	
Rates of disability	

See Note 4.C. for detail on these assumptions. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2021.

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.

The initial medical trend rate was 6.75 percent for non-Medicare retirees. For Medicare retirees, trend rates are higher in the first two years due to anticipated growth but thereafter match those of non-Medicare retirees. The initial prescription drug trend rate was 7.25 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 11 years.

South San Antonio Independent School District

Notes to the Basic Financial Statements

The following methods and additional assumptions were used in the TRS-Care OPEB valuation:

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".
Election rates	Normal retirement: 62% participation rate prior to age 65 and 25% after age 65. Pre-65 retirees: 30% of pre-65 retirees are assumed to discontinue coverage at age 65.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
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% was used to measure the total OPEB liability at August 31, 2024. This was a decrease of 0.26% in the discount rate since the August 31, 2023 measurement date. The plan is essentially a "pay-as-you-go" plan and based on the assumption that contributions are made at the statutorily required rates, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments to current plan members and therefore, the single discount rate is equal to the prevailing municipal bond rate. The source for the rate is the same used for the pension plan.

Sensitivity Analysis of Rates

Discount Rate

The following table presents the District's proportionate share of the TRS-Care net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that was 1% less than and 1% greater than the discount rate that was used (3.87%) in measuring the net OPEB liability.

	1% Decrease <u>(2.87%)</u>	Current Discount Rate <u>(3.87%)</u>	1% Increase <u>(4.87%)</u>
District's proportionate share of the net OPEB liability	\$ 24,709,922	\$ 20,798,779	\$ 17,638,517

South San Antonio Independent School District

Notes to the Basic Financial Statements

Healthcare Cost Trend Rates

The following table presents the District's proportionate share of net OPEB liability 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 1% lower or 1% higher than the assumed health-care cost trend rate:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB liability	\$ 16,937,518	\$ 20,798,779	\$ 25,830,388

Change of Assumptions Since the Prior Measurement Date

The following were changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability since the prior measurement period:

- The discount rate changed from 4.13% as of August 31, 2023 to 3.87% as of August 31, 2024. Additionally, the tables used to model the impact of aging on the underlying claims were revised.

Change of Benefit Terms Since the Prior Measurement Date

There were no changes in benefit terms since the prior measurement date.

E. Nonmonetary Transactions

During the year ended August 31, 2025, the District received goods purchased by the State of Texas for the benefit of the District through the Technology and Instructional Materials Allotment program. The instructional materials have been recorded in the amount of \$628,961 in a special revenue fund as both state revenues and expenditures, which represents the amount of consideration given by the State of Texas.

During the year ended August 31, 2025, the District received goods purchased by the Texas Department of Agriculture (TDA) through the Food Distribution Program (commodities) as part of the National School Lunch Program (NSLP). These commodities have been recorded in the amount of \$227,128 in a special revenue fund as federal revenues, which represents the amount of consideration given by TDA. In addition, the District received \$158,678 in commodities through the Department of Defense (DoD) Fresh Program, which is also part of the NSLP.

Note 5. Adjustments to and Restatements of Beginning Balances

During fiscal year 2025, a change in accounting principles for the adoption of GASB 101, Compensated Absences, resulted in a restatement of beginning net position, as follows:

	<u>Governmental Activities</u>
Beginning balance, as previously reported	\$ (33,179,474)
Change in accounting principle - GASB 101	<u>(6,640,906)</u>
Beginning balance, as restated	<u>\$ (39,820,380)</u>



Required Supplementary Information

South San Antonio Independent School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance – Budget and Actual
General Fund
For the Fiscal Year Ended August 31, 2025

Exhibit G-1

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 20,749,251	\$ 20,909,531	\$ 19,786,129	\$ (1,123,402)
5800	State program revenues	57,415,058	59,864,020	61,842,687	1,978,667
5900	Federal program revenues	1,345,000	1,475,000	1,626,228	151,228
5020	Total revenues	79,509,309	82,248,551	83,255,044	1,006,493
EXPENDITURES					
Current:					
0011	Instruction	43,644,007	45,846,965	45,715,978	130,987
0012	Instructional resources and media services	1,070,818	1,100,818	1,055,016	45,802
0013	Curriculum and instructional staff development	755,370	983,801	929,500	54,301
0021	Instructional leadership	1,638,862	1,673,087	1,596,391	76,696
0023	School leadership	4,782,450	4,819,993	4,752,370	67,623
0031	Guidance, counseling, and evaluation services	3,615,509	3,666,579	3,567,835	98,744
0032	Social work services	371,894	391,894	379,624	12,270
0033	Health services	1,167,134	1,187,134	1,162,116	25,018
0034	Student transportation	2,249,331	2,962,631	2,859,322	103,309
0035	Food services	-	9,000	3,173	5,827
0036	Cocurricular/extracurricular activities	2,699,470	2,616,939	2,401,168	215,771
0041	General administration	3,368,440	3,974,637	3,829,825	144,812
0051	Plant maintenance and operations	10,093,400	10,600,126	10,441,268	158,858
0052	Security and monitoring services	1,814,748	1,751,393	1,652,373	99,020
0053	Data processing services	1,804,409	1,878,243	1,543,221	335,022
0061	Community services	218,966	186,466	145,994	40,472
Debt service:					
0071	Principal on long-term debt	726,000	1,426,000	1,305,912	120,088
0072	Interest on long-term debt	112,123	112,123	177,799	(65,676)
0073	Other debt service fees	6,000	11,400	6,200	5,200
Capital outlay:					
0081	Facilities acquisition and construction	350,000	1,419,500	1,160,840	258,660
Intergovernmental:					
0093	Payments related shares services arrangements	150,000	190,000	173,676	16,324
0095	Payments to juvenile justice alternative education programs	3,895	20,895	4,076	16,819
0099	Other intergovernmental charges	166,292	182,292	182,016	276
6030	Total expenditures	80,809,118	87,011,916	85,045,693	1,966,223
1100	Excess (deficiency) of revenues over (under) expenditures	(1,299,809)	(4,763,365)	(1,790,649)	2,972,716
OTHER FINANCING SOURCES (USES)					
7913	Proceeds from right to use leased assets and subscriptions	-	1,250,000	1,118,231	(131,769)
8911	Transfers out	-	(1,000,000)	(1,000,000)	-
7080	Total other financing sources (uses)	-	250,000	118,231	(131,769)
1200	Net change in fund balance	(1,299,809)	(4,513,365)	(1,672,418)	2,840,947
0100	Fund balance - beginning	27,038,572	27,038,572	27,038,572	-
3000	FUND BALANCE - ENDING	\$ 25,738,763	\$ 22,525,207	\$ 25,366,154	\$ 2,840,947

The Notes to the Required Supplementary Information are an integral part of this schedule.

South San Antonio Independent School District

Exhibit G-2

Schedule of the District's Proportionate Share of the Net Pension Liability of a Cost-Sharing Multiple-Employer Pension Plan Teacher Retirement System of Texas For the Last Ten Fiscal Years*

<u>Year</u>	<u>District's Proportion of Net Pension Liability</u>	<u>District's Proportionate Share of the Net Pension Liability</u>	<u>State's Proportionate Share of the Net Pension Liability Associated with the District</u>	<u>Total</u>	<u>District's Covered Payroll</u>	<u>District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2025	0.0528851%	\$ 32,304,435	\$ 37,303,091	\$ 69,607,526	\$ 64,503,966	50.08%	77.51%
2024	0.0604233%	41,504,967	36,619,857	78,124,824	61,398,617	67.60%	73.15%
2023	0.0594495%	35,293,655	34,432,568	69,726,223	60,287,791	58.54%	75.62%
2022	0.0531322%	13,530,887	19,605,959	33,136,846	62,810,123	21.54%	88.79%
2021	0.0535488%	28,679,643	42,390,784	71,070,427	62,518,405	45.87%	75.54%
2020	0.0582592%	30,284,965	37,488,457	67,773,422	57,881,610	52.32%	75.24%
2019	0.0608164%	33,474,812	43,435,411	76,910,223	59,240,180	56.51%	73.74%
2018	0.0624478%	19,967,448	29,289,547	49,256,995	62,046,102	32.18%	82.17%
2017	0.0594752%	22,474,786	36,147,509	58,622,295	60,094,300	37.40%	78.00%
2016	0.0581993%	20,572,678	34,992,059	55,564,737	56,912,759	36.15%	78.43%
2015	0.0449481%	12,006,259	30,308,470	42,314,729	56,694,241	21.18%	83.25%

* The amounts presented for the fiscal years were determined as of the Plan's fiscal year end, August 31 of the prior year.

South San Antonio Independent School District

Exhibit G-3

Schedule of the District's Contributions to the
Teacher Retirement System of Texas Pension Plan
For the Last Ten Fiscal Years*

Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 3,261,613	\$ (3,261,613)	\$ -	\$ 65,574,584	4.97%
2024	2,979,130	(2,979,130)	-	64,503,966	4.62%
2023	3,045,414	(3,045,414)	-	61,398,617	4.96%
2022	2,788,156	(2,788,156)	-	60,287,791	4.62%
2021	2,236,783	(2,236,783)	-	62,810,123	3.56%
2020	2,209,438	(2,209,438)	-	62,518,405	3.53%
2019	2,040,584	(2,040,584)	-	57,881,610	3.53%
2018	2,077,722	(2,077,722)	-	59,240,180	3.51%
2017	1,977,312	(1,977,312)	-	62,046,102	3.19%
2016	1,889,677	(1,889,677)	-	60,094,300	3.14%
2015	1,817,619	(1,817,619)	-	56,912,759	3.19%

* The amounts presented for the fiscal years were determined as of the District's fiscal year end.

South San Antonio Independent School District
 Schedule of the District's Proportionate Share of the Net OPEB
 Liability of a Cost-Sharing Multiple-Employer OPEB Plan
 Teacher Retirement System of Texas
 For the Last Seven Fiscal Years*

Exhibit G-4

Year	District's Proportion of Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	State's Proportionate Share of the Net OPEB Liability Associated with the District	Total	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2025	0.0685263%	\$ 20,798,779	\$ 26,060,588	\$ 46,859,367	\$ 64,503,966	32.24%	13.70%
2024	0.0759699%	16,818,456	20,294,052	37,112,508	61,398,617	27.39%	14.94%
2023	0.0770533%	18,449,640	22,505,662	40,955,302	60,287,791	30.60%	11.52%
2022	0.0724951%	27,964,581	37,466,306	65,430,887	62,810,123	44.52%	6.18%
2021	0.0749231%	28,481,658	38,272,521	66,754,179	62,518,405	45.56%	4.99%
2020	0.0759812%	35,932,429	47,746,158	83,678,587	57,881,610	62.08%	2.66%
2019	0.0781501%	39,021,061	47,571,974	86,593,035	59,240,180	65.87%	1.57%
2018	0.0809117%	35,185,477	47,559,318	82,744,795	62,046,102	56.71%	0.91%

* The amounts presented for the fiscal years were determined as of the Plan's fiscal year end, August 31 of the prior year. Ten years of data is not available.

South San Antonio Independent School District

Exhibit G-5

Schedule of the District's Contributions to the
Teacher Retirement System of Texas OPEB Plan
For the Last Seven Fiscal Years*

Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 638,056	\$ (638,056)	\$ -	\$ 65,574,584	0.97%
2024	625,391	(625,391)	-	64,503,966	0.97%
2023	658,889	(658,889)	-	61,398,617	1.07%
2022	632,341	(632,341)	-	60,287,791	1.05%
2021	562,466	(562,466)	-	62,810,123	0.90%
2020	569,468	(569,468)	-	62,518,405	0.91%
2019	539,256	(539,256)	-	57,881,610	0.93%
2018	477,293	(477,293)	-	59,240,180	0.81%

* The amounts presented for the fiscal years were determined as of the District's fiscal year end.
Ten years of data is not available.

South San Antonio Independent School District

Notes to the Required Supplementary Information

Note 1. Budget

A. Budgetary Information

Each school district in Texas is required by law to prepare annually a budget of anticipated revenues and expenditures for the general fund, debt service fund, and the National School Breakfast and Lunch Program special revenue fund. The Texas Education Code requires the budget to be prepared not later than August 20 and adopted by August 31 of each year. The budgets are prepared on a basis of accounting that is used for reporting in accordance with generally accepted accounting principles.

The following procedures are followed in establishing the budgetary data reflected in the fund financial schedules:

1. Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
3. Prior to September 1, the budget is formally approved and adopted by the Board.

The appropriated budget is prepared by fund and function. The District's campus/department heads may make transfers of appropriations within a campus or department. Transfers of appropriations between campuses or departments require the approval of the District's management. Increasing any one of the functional spending categories, or revenues object accounts and other resources require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level within a fund. All annual appropriations lapse at fiscal year end.

Note 2. Net Pension Liability and Net OPEB Liability

The following factors significantly affect trends in the amounts reported for the District's proportionate share of the net pension liability and net OPEB liability:

Changes in Actuarial Assumptions and Inputs

Measurement Date August 31,	Net Pension Liability		Net OPEB Liability
	Discount Rate	Long-term Expected Rate of Return	Discount Rate
2024	7.000%	7.000%	3.870%
2023	7.000%	7.000%	4.130%
2022	7.000%	7.000%	3.910%
2021	7.250%	7.250%	1.950%
2020	7.250%	7.250%	2.330%
2019	7.250%	7.250%	2.630%
2018	6.907%	7.250%	3.690%
2017	8.000%	8.000%	3.420%
2016	8.000%	8.000%	-
2015	8.000%	8.000%	-
2014	8.000%	8.000%	-

South San Antonio Independent School District

Notes to the Required Supplementary Information

Changes in Demographic and Economic Assumptions

For measurement date August 31, 2018 – Net Pension Liability and Net OPEB Liability:

- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement and economic assumptions, including rates of salary increase for individual participants were updated based on the experience study performed for TRS for the period ending August 31, 2017.

Changes in Benefit Terms

For measurement date August 31, 2024 – Net Pension Liability:

- The 2023 Texas Legislature passed Senate Bill 10 (SB 10), which provided a stipend payment to certain retirees and variable ad hoc cost-of-living adjustments (COLA) to certain retirees in early fiscal year 2024. Due to its timing, the legislation and payments were not reflected in the August 31, 2023 actuarial valuation. Under the roll forward method, an adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, August 31, 2024. SB 10 and House Joint Resolution 2 (HJR 2) of the 88th Regular Legislative Session appropriated payments of \$1.645 billion for one-time stipends and \$3.355 billion for COLAs. This appropriation is treated as a supplemental contribution and included in other additions. Since the Legislature appropriated funds for this one-time stipend and COLA, there was no impact on the Net Pension Liability of TRS.

For measurement date August 31, 2018 – Net OPEB Liability:

- Changes of benefit terms were made effective September 1, 2017 by the 85th Texas Legislature.

Other Changes

For measurement date August 31, 2024 – Net OPEB Liability:

- The tables used to model impact of aging on the underlying claims were revised.

For measurement date August 31, 2022 – Net OPEB Liability:

- The participation rate for pre-65 retirees was lowered from 65% to 62%. The participation rate for post-65 retirees was lowered from 40% to 25%.

For measurement date August 31, 2020 – Net OPEB Liability:

- The participation rate for post-65 retirees was lowered from 50% to 40%.
- The ultimate health care trend rate assumption decreased to reflect the repeal of the excise (Cadillac) tax on high-cost employer health plans.

For measurement date August 31, 2019 – Net Pension Liability:

- With the enactment of SB3 by the 2019 Texas Legislature, an assumption was made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.

South San Antonio Independent School District

Notes to the Required Supplementary Information

For measurement date August 31, 2019 – Net OPEB Liability:

- The participation rate for pre-65 retirees was lowered from 70% to 65%. The participation rate for post-65 retirees was lowered from 75% to 50%. 25% of pre-65 retirees are assumed to discontinue their coverage at age 65.
- The trend rates were reset to better reflect the plan's anticipated experience.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20% to 15%. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20% to 10%.

For measurement date August 31, 2018 – Net OPEB Liability:

- Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018.
- The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020.



Supplementary Information

South San Antonio Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds
August 31, 2025

Data Control Codes	205	206	211
	Head Start	ESSA Title IX, Part A - Education for Homeless Children and Youth	ESEA Title I, Part A - Improving Basic Programs
ASSETS			
1110 Cash and cash equivalents	\$ -	\$ -	\$ -
1120 Current investments	-	-	-
1240 Due from other governments	372,984	874	657,481
1300 Inventories	-	-	-
1410 Prepaid items	-	-	-
1000 TOTAL ASSETS	<u>\$ 372,984</u>	<u>\$ 874</u>	<u>\$ 657,481</u>
LIABILITIES			
2110 Accounts payable	\$ 13,520	\$ -	\$ 57,935
2160 Accrued wages payable	77,575	-	33,804
2170 Due to other funds	281,806	874	563,835
2180 Due to other governments	83	-	1,907
2190 Due to student groups	-	-	-
2300 Unearned revenue	-	-	-
2000 Total liabilities	372,984	874	657,481
FUND BALANCES			
Nonspendable:			
3410 Nonspendable - inventories	-	-	-
3430 Nonspendable - prepaid items	-	-	-
3450 Restricted - grants	-	-	-
3470 Restricted - capital acquisitions and contractual obligations	-	-	-
3490 Restricted - other	-	-	-
3600 Unassigned	-	-	-
3000 Total fund balances	-	-	-
4000 TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 372,984</u>	<u>\$ 874</u>	<u>\$ 657,481</u>

224	240	244	255	263
IDEA - Part B, Formula	National School Breakfast and Lunch Program	Career and Technical - Basic Grant	ESEA, Title II, Part A - Teacher & Principal Training & Recruiting	Title III, Part A - English Language Acquisition & Enhancement
\$ 11,421	\$ 1,886,995	\$ -	\$ 15,765	\$ -
-	-	-	-	-
150,806	601,377	13,198	1,255	5,806
-	42,748	-	-	-
-	-	-	-	-
<u>\$ 162,227</u>	<u>\$ 2,531,120</u>	<u>\$ 13,198</u>	<u>\$ 17,020</u>	<u>\$ 5,806</u>
\$ -	\$ 105,940	\$ 1,992	\$ 14,050	\$ -
149,450	-	-	-	-
12,777	5,468	11,206	2,970	5,806
-	-	-	-	-
-	-	-	-	-
-	20,001	-	-	-
162,227	131,409	13,198	17,020	5,806
-	42,748	-	-	-
-	-	-	-	-
-	2,356,963	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	2,399,711	-	-	-
<u>\$ 162,227</u>	<u>\$ 2,531,120</u>	<u>\$ 13,198</u>	<u>\$ 17,020</u>	<u>\$ 5,806</u>

South San Antonio Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds - Continued
August 31, 2025

		274	289	340
Data Control Codes		GEAR UP	Other Federal Special Revenue Funds	Shared Service Arrangements - IDEA, Part C
ASSETS				
1110	Cash and cash equivalents	\$ -	\$ -	\$ 9
1120	Current investments	-	-	-
1240	Due from other governments	859	58,359	-
1300	Inventories	-	-	-
1410	Prepaid items	-	-	-
1000	TOTAL ASSETS	<u>\$ 859</u>	<u>\$ 58,359</u>	<u>\$ 9</u>
LIABILITIES				
2110	Accounts payable	\$ -	\$ -	\$ -
2160	Accrued wages payable	-	2,713	-
2170	Due to other funds	859	55,646	-
2180	Due to other governments	-	-	-
2190	Due to student groups	-	-	-
2300	Unearned revenue	-	-	-
2000	Total liabilities	859	58,359	-
FUND BALANCES				
Nonspendable:				
3410	Nonspendable - inventories	-	-	-
3430	Nonspendable - prepaid items	-	-	-
3450	Restricted - grants	-	-	9
3470	Restricted - capital acquisitions and contractual obligations	-	-	-
3490	Restricted - other	-	-	-
3600	Unassigned	-	-	-
3000	Total fund balances	-	-	9
4000	TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 859</u>	<u>\$ 58,359</u>	<u>\$ 9</u>

393

397

410

435

Texas Successful Schools Program	Advanced Placement Incentives	State Instructional Materials Fund	Shared Service Arrangements - Regional Day School for the Deaf
\$ 700	\$ 5,353	\$ -	\$ 53,502
-	-	-	-
-	-	74,758	-
-	-	-	-
-	-	176,958	-
<u>\$ 700</u>	<u>\$ 5,353</u>	<u>\$ 251,716</u>	<u>\$ 53,502</u>
\$ -	\$ -	\$ 214,549	\$ -
-	-	-	-
-	-	29,124	-
-	-	-	-
-	-	-	-
-	5,317	2,610	-
-	5,317	246,283	-
-	-	-	-
-	-	176,958	-
-	-	-	53,502
-	-	-	-
700	36	-	-
-	-	(171,525)	-
<u>700</u>	<u>36</u>	<u>5,433</u>	<u>53,502</u>
<u>\$ 700</u>	<u>\$ 5,353</u>	<u>\$ 251,716</u>	<u>\$ 53,502</u>

South San Antonio Independent School District

Combining Balance Sheet

Nonmajor Governmental Funds - Continued

August 31, 2025

	461	487	499
Data Control Codes	Campus Activity Funds	SA Sports Foundation	Locally Funded Special Revenue Funds
ASSETS			
1110 Cash and cash equivalents	\$ 237,261	\$ 46,297	\$ 161,846
1120 Current investments	-	-	-
1240 Due from other governments	-	-	73,559
1300 Inventories	-	-	-
1410 Prepaid items	-	-	-
1000 TOTAL ASSETS	<u>\$ 237,261</u>	<u>\$ 46,297</u>	<u>\$ 235,405</u>
LIABILITIES			
2110 Accounts payable	\$ 4,859	\$ 8,979	\$ -
2160 Accrued wages payable	-	-	-
2170 Due to other funds	-	-	73,252
2180 Due to other governments	-	-	-
2190 Due to student groups	2,317	-	-
2300 Unearned revenue	-	206	112,612
2000 Total liabilities	7,176	9,185	185,864
FUND BALANCES			
Nonspendable:			
3410 Nonspendable - inventories	-	-	-
3430 Nonspendable - prepaid items	-	-	-
3450 Restricted - grants	-	-	-
3470 Restricted - capital acquisitions and contractual obligations	-	-	-
3490 Restricted - other	230,085	37,112	49,541
3600 Unassigned	-	-	-
3000 Total fund balances	<u>230,085</u>	<u>37,112</u>	<u>49,541</u>
4000 TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 237,261</u>	<u>\$ 46,297</u>	<u>\$ 235,405</u>

	616	617	618	699		
Total Nonmajor Special Revenue Funds	Public Property Finance Fund	Facilities Emergency Grant	School Facilities Assistance Program	Nonmajor Capital Projects Fund	Total Nonmajor Capital Projects	Total Nonmajor Funds (See Exhibit C-1)
\$ 2,419,149	\$ 3	\$ 1	\$ -	\$ 203,527	\$ 203,531	\$ 2,622,680
-	994	1,668	1,231	2,149	6,042	6,042
2,011,316	-	-	-	-	-	2,011,316
42,748	-	-	-	-	-	42,748
176,958	-	-	-	-	-	176,958
<u>\$ 4,650,171</u>	<u>\$ 997</u>	<u>\$ 1,669</u>	<u>\$ 1,231</u>	<u>\$ 205,676</u>	<u>\$ 209,573</u>	<u>\$ 4,859,744</u>
\$ 421,824	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 421,824
263,542	-	-	-	-	-	263,542
1,043,623	-	-	-	-	-	1,043,623
1,990	-	-	-	-	-	1,990
2,317	-	-	-	-	-	2,317
140,746	-	-	-	-	-	140,746
1,874,042	-	-	-	-	-	1,874,042
42,748	-	-	-	-	-	42,748
176,958	-	-	-	-	-	176,958
2,410,474	-	-	-	-	-	2,410,474
-	997	1,669	1,231	205,676	209,573	209,573
317,474	-	-	-	-	-	317,474
(171,525)	-	-	-	-	-	(171,525)
<u>2,776,129</u>	<u>997</u>	<u>1,669</u>	<u>1,231</u>	<u>205,676</u>	<u>209,573</u>	<u>2,985,702</u>
<u>\$ 4,650,171</u>	<u>\$ 997</u>	<u>\$ 1,669</u>	<u>\$ 1,231</u>	<u>\$ 205,676</u>	<u>\$ 209,573</u>	<u>\$ 4,859,744</u>

South San Antonio Independent School District

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended August 31, 2025

Data Control Codes		205	206	211
		Head Start	ESSA Title IX, Part A - Education for Homeless Children and Youth	ESEA Title I, Part A - Improving Basic Programs
REVENUES				
5700	Local and intermediate sources	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	2,956,761	5,831	4,380,131
5020	Total revenues	2,956,761	5,831	4,380,131
EXPENDITURES				
0011	Instruction	1,382,205	5,831	1,162,416
0012	Instructional resources and media services	-	-	-
0013	Curriculum and instructional staff development	299,490	-	2,740,861
0021	Instructional leadership	383,200	-	74,967
0023	School leadership	-	-	82,014
0031	Guidance, counseling, and evaluation services	74,456	-	-
0032	Social work services	-	-	63,419
0033	Health services	1,372	-	-
0034	Student transportation	61,649	-	-
0035	Food services	-	-	-
0036	Cocurricular/extracurricular activities	-	-	-
0041	General administration	31,697	-	-
0051	Plant maintenance and operations	163,768	-	-
0052	Security and monitoring services	78	-	-
0053	Data processing services	6,037	-	-
0061	Community services	551,389	-	200,454
Debt service:				
0071	Principal on long-term debt	1,238	-	56,000
0072	Interest on long-term debt	182	-	-
Capital outlay:				
0081	Facilities acquisition and construction	-	-	292,145
6030	Total expenditures	2,956,761	5,831	4,672,276
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	(292,145)
OTHER FINANCING SOURCES (USES)				
7913	Proceeds from right to use leased assets and subscriptions	-	-	292,145
7080	Total other financing sources	-	-	292,145
1200	Net change in fund balances	-	-	-
0100	Fund balances - beginning	-	-	-
3000	FUND BALANCES - ENDING	\$ -	\$ -	\$ -

224	225	240	244	255	263
IDEA - Part B, Formula	IDEA - Part B, Preschool	National School Breakfast and Lunch Program	Career and Technical - Basic Grant	ESEA, Title II, Part A - Teacher & Principal Training & Recruiting	Title III, Part A - English Language Acquisition & Enhancement
\$ -	\$ -	\$ 206,471	\$ -	\$ -	\$ -
-	-	26,277	-	-	-
<u>2,237,214</u>	<u>32,897</u>	<u>7,978,948</u>	<u>194,939</u>	<u>580,539</u>	<u>155,376</u>
2,237,214	32,897	8,211,696	194,939	580,539	155,376
1,844,973	32,897	-	173,300	-	54,942
-	-	-	-	-	-
-	-	-	21,639	367,120	97,648
234,643	-	-	-	204,671	2,786
-	-	-	-	8,748	-
13,733	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
143,865	-	-	-	-	-
-	-	7,968,833	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	779,832	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>2,237,214</u>	<u>32,897</u>	<u>8,748,665</u>	<u>194,939</u>	<u>580,539</u>	<u>155,376</u>
-	-	(536,969)	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	(536,969)	-	-	-
<u>-</u>	<u>-</u>	<u>2,936,680</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,399,711</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

South San Antonio Independent School District

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances

Nonmajor Governmental Funds - Continued

For the Fiscal Year Ended August 31, 2025

Data Control Codes		274	282	289
		GEAR UP	Elementary and Secondary School Emergency Relief Fund III - ARPA	Other Federal Special Revenue Funds
REVENUES				
5700	Local and intermediate sources	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	265,805	3,424	453,826
5020	Total revenues	265,805	3,424	453,826
EXPENDITURES				
0011	Instruction	88,851	2,329	143,798
0012	Instructional resources and media services	-	-	-
0013	Curriculum and instructional staff development	4,787	-	205,383
0021	Instructional leadership	36,289	-	12,699
0023	School leadership	-	1,095	375
0031	Guidance, counseling, and evaluation services	135,249	-	23,628
0032	Social work services	-	-	12,373
0033	Health services	-	-	-
0034	Student transportation	-	-	-
0035	Food services	-	-	-
0036	Cocurricular/extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Plant maintenance and operations	-	-	-
0052	Security and monitoring services	101	-	55,570
0053	Data processing services	-	-	-
0061	Community services	528	-	-
Debt service:				
0071	Principal on long-term debt	-	-	-
0072	Interest on long-term debt	-	-	-
Capital outlay:				
0081	Facilities acquisition and construction	-	-	-
6030	Total expenditures	265,805	3,424	453,826
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-
OTHER FINANCING SOURCES (USES)				
7913	Proceeds from right to use leased assets and subscriptions	-	-	-
7080	Total other financing sources	-	-	-
1200	Net change in fund balances	-	-	-
0100	Fund balances - beginning	-	-	-
3000	FUND BALANCES - ENDING	\$ -	\$ -	\$ -

340	385	393	397	410	435
Shared Service Arrangements - IDEA, Part C	State Supplemental Visually Impaired	Texas Successful Schools Program	Advanced Placement Incentives	State Instructional Materials Fund	Shared Service Arrangements - Regional Day School for the Deaf
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	6,603	-	-	1,253,307	-
-	-	-	-	-	-
-	6,603	-	-	1,253,307	-
-	6,603	-	-	1,180,343	-
-	-	-	-	-	-
-	-	-	-	41,141	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	49,415	-
-	-	-	-	-	-
-	-	-	-	451,425	-
-	6,603	-	-	1,722,324	-
-	-	-	-	(469,017)	-
-	-	-	-	451,425	-
-	-	-	-	451,425	-
-	-	-	-	(17,592)	-
9	-	700	36	23,025	53,502
<u>\$ 9</u>	<u>\$ -</u>	<u>\$ 700</u>	<u>\$ 36</u>	<u>\$ 5,433</u>	<u>\$ 53,502</u>

South San Antonio Independent School District

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances

Nonmajor Governmental Funds - Continued

For the Fiscal Year Ended August 31, 2025

		461	487	499
<u>Data Control Codes</u>		<u>Campus Activity Funds</u>	<u>SA Sports Foundation</u>	<u>Locally Funded Special Revenue Funds</u>
REVENUES				
5700	Local and intermediate sources	\$ 337,368	\$ -	\$ 421,064
5800	State program revenues	-	-	6,067
5900	Federal program revenues	-	-	-
5020	Total revenues	337,368	-	427,131
EXPENDITURES				
0011	Instruction	122,099	-	171,200
0012	Instructional resources and media services	37,985	-	-
0013	Curriculum and instructional staff development	910	-	1,408
0021	Instructional leadership	-	-	-
0023	School leadership	30,507	-	-
0031	Guidance, counseling, and evaluation services	104	-	-
0032	Social work services	-	-	250,001
0033	Health services	-	-	-
0034	Student transportation	-	-	-
0035	Food services	-	-	-
0036	Cocurricular/extracurricular activities	127,475	42,617	-
0041	General administration	-	-	3,841
0051	Plant maintenance and operations	-	-	-
0052	Security and monitoring services	2,457	-	-
0053	Data processing services	-	-	-
0061	Community services	-	-	681
Debt service:				
0071	Principal on long-term debt	-	-	-
0072	Interest on long-term debt	-	-	-
Capital outlay:				
0081	Facilities acquisition and construction	-	-	-
6030	Total expenditures	321,537	42,617	427,131
1100	Excess (deficiency) of revenues over (under) expenditures	15,831	(42,617)	-
OTHER FINANCING SOURCES (USES)				
7913	Proceeds from right to use leased assets and subscriptions	-	-	-
7080	Total other financing sources	-	-	-
1200	Net change in fund balances	15,831	(42,617)	-
0100	Fund balances - beginning	214,254	79,729	49,541
3000	FUND BALANCES - ENDING	<u>\$ 230,085</u>	<u>\$ 37,112</u>	<u>\$ 49,541</u>

	616	617	618	699		
Total Nonmajor Special Revenue Funds	Public Property Finance Fund	Facilities Emergency Grant	School Facilities Assistance Program	Nonmajor Capital Projects Fund	Total Nonmajor Capital Projects	Total Nonmajor Funds (See Exhibit C-2)
\$ 964,903	\$ -	\$ -	\$ -	\$ 7,453	\$ 7,453	\$ 972,356
1,292,254	-	-	-	-	-	1,292,254
19,245,691	-	-	-	-	-	19,245,691
21,502,848	-	-	-	7,453	7,453	21,510,301
6,371,787	-	-	-	-	-	6,371,787
37,985	-	-	-	-	-	37,985
3,780,387	-	-	-	-	-	3,780,387
949,255	-	-	-	-	-	949,255
122,739	-	-	-	-	-	122,739
247,170	-	-	-	-	-	247,170
325,793	-	-	-	-	-	325,793
1,372	-	-	-	-	-	1,372
205,514	-	-	-	-	-	205,514
7,968,833	-	-	-	-	-	7,968,833
170,092	-	-	-	-	-	170,092
35,538	-	-	-	-	-	35,538
943,600	-	-	-	-	-	943,600
58,206	-	-	-	-	-	58,206
6,037	-	-	-	-	-	6,037
753,052	-	-	-	-	-	753,052
106,653	-	-	-	-	-	106,653
182	-	-	-	-	-	182
743,570	-	-	-	166,708	166,708	910,278
22,827,765	-	-	-	166,708	166,708	22,994,473
(1,324,917)	-	-	-	(159,255)	(159,255)	(1,484,172)
743,570	-	-	-	-	-	743,570
743,570	-	-	-	-	-	743,570
(581,347)	-	-	-	(159,255)	(159,255)	(740,602)
3,357,476	997	1,669	1,231	364,931	368,828	3,726,304
<u>\$ 2,776,129</u>	<u>\$ 997</u>	<u>\$ 1,669</u>	<u>\$ 1,231</u>	<u>\$ 205,676</u>	<u>\$ 209,573</u>	<u>\$ 2,985,702</u>

South San Antonio Independent School District

Exhibit H-3

Combining Statement of Net Position

Internal Service Funds

August 31, 2025

Data Control Codes		752	753	770	Total Internal Service Funds (See Exhibit D-1)
		Print Shop	Workers' Compensation Fund	Medical Insurance Fund	
ASSETS					
Current assets:					
1110	Cash and cash equivalents	\$ 21,636	\$ 315,752	\$ 625,527	\$ 962,915
1120	Current investments	-	9,604	-	9,604
1260	Due from other funds	-	-	226	226
1290	Other receivables	-	-	22,876	22,876
1410	Prepaid items	-	89,493	-	89,493
	Total current assets	<u>21,636</u>	<u>414,849</u>	<u>648,629</u>	<u>1,085,114</u>
1000	Total assets	21,636	414,849	648,629	1,085,114
LIABILITIES					
Current liabilities:					
2110	Accounts payable	-	7,745	-	7,745
2200	Accrued expenses	-	285,563	-	285,563
	Total current liabilities	-	293,308	-	293,308
2000	Total liabilities	-	293,308	-	293,308
NET POSITION					
3900	Unrestricted	<u>21,636</u>	<u>121,541</u>	<u>648,629</u>	<u>791,806</u>
3000	TOTAL NET POSITION	<u>\$ 21,636</u>	<u>\$ 121,541</u>	<u>\$ 648,629</u>	<u>\$ 791,806</u>

South San Antonio Independent School District

Exhibit H-4

Combining Statement of Revenues, Expenses,
and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended August 31, 2025

Data Control Codes		752	753	770	Total Internal Service Funds (See Exhibit D-2)
		Print Shop	Workers' Compensation Fund	Medical Insurance Fund	
OPERATING REVENUES					
5700	Local and Intermediate Sources	\$ -	\$ 207,394	\$ 14,397	\$ 221,791
5020	Total operating revenues	-	207,394	14,397	221,791
OPERATING EXPENSES					
6100	Payroll costs	3,108	36,122	36,123	75,353
6200	Professional and contracted services	-	61,004	(46)	60,958
6400	Other operating costs	(800)	391,651	214,148	604,999
6030	Total operating expenses	2,308	488,777	250,225	741,310
1100	Operating loss	(2,308)	(281,383)	(235,828)	(519,519)
NONOPERATING REVENUES					
7949	Other resources	-	-	1,022,134	1,022,134
7080	Total nonoperating revenues	-	-	1,022,134	1,022,134
	Income before contributions and transfers	(2,308)	(281,383)	786,306	502,615
7915	Transfers in	-	550,000	1,000,000	1,550,000
8911	Transfers out	-	-	(550,000)	(550,000)
1200	Change in net position	(2,308)	268,617	1,236,306	1,502,615
0100	Net position - beginning	23,944	(147,076)	(587,677)	(710,809)
3000	NET POSITION - ENDING	<u>\$ 21,636</u>	<u>\$ 121,541</u>	<u>\$ 648,629</u>	<u>\$ 791,806</u>

South San Antonio Independent School District

Exhibit H-5

Combining Statement of Cash Flows

Internal Service Funds

For the Fiscal Year Ended August 31, 2025

	752	753	770	
	<u>Print Shop</u>	<u>Workers' Compensation Fund</u>	<u>Medical Insurance Fund</u>	<u>(See Exhibit D-3)</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received/(returned) from services provided	\$ -	\$ 207,394	\$ (8,279)	\$ 199,115
Cash payments for claims and administrative services	-	(472,186)	(214,102)	(686,288)
Cash payments to employees for services	(3,108)	(36,122)	(36,123)	(75,353)
Net cash used by operating activities	(3,108)	(300,914)	(258,504)	(562,526)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	-	550,000	1,000,000	1,550,000
Transfers to other funds	-	-	(550,000)	(550,000)
Net cash (used) provided by noncapital financing activities	-	550,000	450,000	1,000,000
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	-	(420)	-	(420)
Net cash provided by investing activities	-	(420)	-	(420)
Net decrease in cash and cash equivalents	(3,108)	248,666	191,496	437,054
Cash and cash equivalents - beginning	24,744	67,086	434,031	525,861
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 21,636</u>	<u>\$ 315,752</u>	<u>\$ 625,527</u>	<u>\$ 962,915</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES				
Operating loss	\$ (2,308)	\$ (281,383)	\$ (235,828)	\$ (519,519)
Adjustments to reconcile operating loss to net cash used by operating activities:				
Depreciation	(800)	-	-	(800)
Change in:				
Due from other funds	-	-	200	200
Other receivables	-	-	(22,876)	(22,876)
Prepaid items	-	(5,571)	-	(5,571)
Accounts payable	-	7,745	-	7,745
Claims payable	-	(21,705)	-	(21,705)
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ (3,108)</u>	<u>\$ (300,914)</u>	<u>\$ (258,504)</u>	<u>\$ (562,526)</u>

South San Antonio Independent School District

Combining Statement of Fiduciary Net Position

Private Purpose Trust Funds

For the Fiscal Year Ended August 31, 2025

Exhibit H-6

<u>Data Control Codes</u>	810	811	Total	
	Private Purpose Trust Fund	West Campus Scholarship Fund	Private Purpose Trust Funds (See Exhibit E-1)	
ASSETS				
1110	Cash and cash equivalents	\$ 14,600	\$ 13,950	\$ 28,550
1000	Total assets	14,600	13,950	28,550
NET POSITION				
	Net position held for individuals and organizations	<u>14,600</u>	<u>13,950</u>	<u>28,550</u>
TOTAL NET POSITION				
		<u>\$ 14,600</u>	<u>\$ 13,950</u>	<u>\$ 28,550</u>

South San Antonio Independent School District
Combining Statement of Fiduciary Changes in Net Position
Private Purpose Trust Funds
For the Fiscal Year Ended August 31, 2025

Exhibit H-7

<u>Data Control Codes</u>	810	811	Total Private Purpose Trust Funds (See Exhibit E-2)
	Private Purpose Trust Fund	West Campus Scholarship Fund	
ADDITIONS			
5200 Contributions or gifts	\$ -	\$ -	\$ -
5300 Fundraising activity	-	-	-
5400 Student club fees	-	-	-
5500 Investment earnings	-	-	-
5600 Other	-	-	-
	<hr/>	<hr/>	<hr/>
Total additions	-	-	-
DEDUCTIONS			
6200 Student activities	-	-	-
6300 Administrative expense	-	-	-
6400 Beneficiary payments	-	35,500	35,500
6500 Other	-	-	-
	<hr/>	<hr/>	<hr/>
Total deductions	-	35,500	35,500
Net change in fiduciary net position	-	(35,500)	(35,500)
Net position - beginning of year	<hr/>	<hr/>	<hr/>
	14,600	49,450	64,050
NET POSITION - END OF YEAR	<u>\$ 14,600</u>	<u>\$ 13,950</u>	<u>\$ 28,550</u>

South San Antonio Independent School District

Exhibit H-8

Combining Statement of Fiduciary Net Position – Custodial Funds

Custodial Funds

For the Fiscal Year Ended August 31, 2025

<u>Data Control Codes</u>		865	876	Total Custodial Funds (See Exhibit E-1)
		Student Activity	Faculty Activity Fund	
ASSETS				
1110	Cash and cash equivalents	\$ 239,516	\$ 750	\$ 240,266
1290	Other receivables	<u>3,898</u>	<u>-</u>	<u>3,898</u>
1000	Total assets	243,414	750	244,164
LIABILITIES				
2110	Accounts payable	4,470	-	4,470
2190	Due to student groups	<u>104</u>	<u>-</u>	<u>104</u>
2000	Total liabilities	4,574	-	4,574
NET POSITION				
3800	Net position held for individuals and organizations	<u>238,840</u>	<u>750</u>	<u>239,590</u>
TOTAL NET POSITION		<u>\$ 238,840</u>	<u>\$ 750</u>	<u>\$ 239,590</u>

South San Antonio Independent School District
Combining Statement of Fiduciary Changes in Net Position
Custodial Funds
For the Fiscal Year Ended August 31, 2025

Exhibit H-9

<u>Data Control Codes</u>	865	876	Total Custodial Funds (See Exhibit E-2)
	Student Activity	Faculty Activity Fund	
ADDITIONS			
5200 Contributions or gifts	\$ 7,798	\$ 142	\$ 7,940
5300 Fundraising activity	272,045	-	272,045
5400 Student club fees	20,156	-	20,156
5600 Other	2,806	-	2,806
Total additions	302,805	142	302,947
DEDUCTIONS			
6200 Student activities	281,938	-	281,938
Total deductions	281,938	-	281,938
Net position - beginning of year	217,973	608	218,581
NET POSITION - END OF YEAR	<u>\$ 238,840</u>	<u>\$ 750</u>	<u>\$ 239,590</u>



South San Antonio Independent School District

Schedule of Delinquent Taxes Receivable

For the Fiscal Year Ended August 31, 2025

Year Ended August 31,	Tax Rates		Assessed/ Appraised Value for School Tax Purposes	Beginning Balance 09/01/24
	Maintenance	Debt Service		
2016 and Prior Years	\$ Various	\$ Various	\$ Various	\$ 426,265
2017	1.0400	0.4115	1,487,464,313	76,050
2018	1.0400	0.4115	1,600,484,459	123,875
2019	1.0400	0.4115	1,830,493,894	104,001
2020	0.9700	0.4800	1,968,397,218	139,209
2021	0.9112	0.4800	2,001,721,888	190,514
2022	0.8948	0.4900	2,116,716,781	332,964
2023	0.8546	0.4990	2,370,424,793	588,434
2024	0.6692	0.4990	2,565,317,497	1,315,742
2025	0.6969	0.4990	2,704,225,688	-
1000 TOTALS				<u>\$ 3,297,054</u>

8000 - Taxes refunded under section 26.1115, tax code, for owners who received an exemption as provided by section 11.42(f), tax code

Exhibit J-1

Current Year's Total Levy	Maintenance Collections	Debt Service Collections	Entire Year's Adjustments	Ending Balance 08/31/25	Total Taxes Refunded Under Section 26.1115(c)
\$ -	\$ 12,497	\$ 4,944	\$ (33,437)	\$ 375,387	
-	2,070	819	(171)	72,990	
-	2,925	1,158	(193)	119,599	
-	4,735	1,873	(226)	97,167	
-	8,780	4,345	3,912	129,996	
-	18,646	9,823	6,939	168,984	
-	37,033	20,280	(46,919)	228,732	
-	67,334	39,315	(128,673)	353,112	
-	21,755	16,222	(537,935)	739,830	
<u>32,339,835</u>	<u>17,683,583</u>	<u>12,661,942</u>	<u>(570,545)</u>	<u>1,423,765</u>	
<u>\$ 32,339,835</u>	<u>\$ 17,859,358</u>	<u>\$ 12,760,721</u>	<u>\$ (1,307,248)</u>	<u>\$ 3,709,562</u>	

\$ 52,227

South San Antonio Independent School District

Exhibit J-2

Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual
National School Breakfast and Lunch Program
For the Fiscal Year Ended August 31, 2025

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 160,000	\$ 160,000	\$ 206,471	\$ 46,471
5800	State program revenues	25,000	25,000	26,277	1,277
5900	Federal program revenues	<u>7,603,450</u>	<u>7,688,450</u>	<u>7,978,948</u>	<u>290,498</u>
5020	Total revenues	7,788,450	7,873,450	8,211,696	338,246
EXPENSES					
Current:					
0035	Food services	8,010,755	8,501,466	7,968,833	532,633
0051	Plant maintenance and operations	<u>976,049</u>	<u>976,049</u>	<u>779,832</u>	<u>196,217</u>
6030	Total expenses	8,986,804	9,477,515	8,748,665	728,850
1200	Net change in fund balance	(1,198,354)	(1,604,065)	(536,969)	1,067,096
0100	Fund balance - beginning	<u>2,936,680</u>	<u>2,936,680</u>	<u>2,936,680</u>	-
3000	FUND BALANCE - ENDING	<u>\$ 1,738,326</u>	<u>\$ 1,332,615</u>	<u>\$ 2,399,711</u>	<u>\$ 1,067,096</u>

South San Antonio Independent School District

Exhibit J-3

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Debt Service Fund For the Fiscal Year Ended August 31, 2025

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 13,577,219	\$ 13,659,742	\$ 13,613,457	\$ (46,285)
5800	State program revenues	2,313,106	2,230,583	2,399,794	169,211
5020	Total revenues	15,890,325	15,890,325	16,013,251	122,926
EXPENDITURES					
Current:					
Debt service:					
0071	Principal on long-term debt	8,523,000	8,523,000	8,488,000	35,000
0072	Interest on long-term debt	4,033,592	4,033,592	3,971,100	62,492
0073	Other debt service fees	50,000	357,367	313,403	43,964
6030	Total expenditures	12,606,592	12,913,959	12,772,503	141,456
1100	Excess (deficiency) of revenues over (under) expenditures	3,283,733	2,976,366	3,240,748	264,382
OTHER FINANCING SOURCES (USES)					
7911	Issuance of bonds	-	20,825,000	20,825,000	-
7916	Premium or discount on issuance of bonds	-	2,443,248	2,443,247	(1)
8949	Other uses	-	(22,974,208)	(22,974,208)	-
7080	Total other financing sources (uses)	-	294,040	294,039	(1)
1200	Net change in fund balance	3,283,733	3,270,406	3,534,787	264,381
0100	Fund balance - beginning	6,624,271	6,624,271	6,624,271	-
3000	FUND BALANCE - ENDING	\$ 9,908,004	\$ 9,894,677	\$ 10,159,058	\$ 264,381

South San Antonio Independent School District

Use of Funds Report – Select State Allotment

For the Fiscal Year Ended August 31, 2025

Exhibit J-4

<u>Data</u>		<u>Responses</u>
<u>Codes</u>		
<u>Section A: Compensatory Education Programs</u>		
AP1	Did your LEA expend any state compensatory education program state allotment funds during the District's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the District's fiscal year.	\$ 11,111,232
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30)	\$ 2,718,901
<u>Section B: Bilingual Education Programs</u>		
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 1,144,064
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25)	\$ 898,556

Overall Compliance, Internal Control Section and Federal Awards



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 of
South San Antonio Independent School District

We have audited, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of South San Antonio Independent School District (the District) as of and for the year ended August 31, 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 February 3, 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as item 2025-001.

District's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P

Austin, Texas
February 3, 2026

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Trustees of
South San Antonio Independent School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited South San Antonio Independent School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Responsibility 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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.

The Board of Trustees of
South San Antonio Independent School District

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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P

Austin, Texas
February 3, 2026

South San Antonio Independent School District

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended August 31, 2025

Section 1. Summary of Auditor’s Results

Financial Statements

- a. Type of auditor’s report issued Unmodified
- b. Internal control over financial reporting:
 - i. Material weakness(es) identified? No
 - ii. Significant deficiency(ies) identified that are not considered to be material weaknesses? None reported
- c. Noncompliance material to financial statements noted? No

Federal Awards

- d. Internal control over major programs:
 - i. Material weakness(es) identified? No
 - ii. Significant deficiency(ies) identified that are not considered to be material weaknesses? No
- e. Type of auditor’s report issued on compliance with major programs Unmodified
- f. Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? No
- g. Identification of major programs Child Nutrition Cluster – 10.553, 10.555, 10.582
- h. Dollar threshold used to distinguish between Type A and Type B federal programs \$750,000
- i. Auditee qualified as a low-risk auditee? Yes

South San Antonio Independent School District

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended August 31, 2025

Section 2. Financial Statement Findings

2025-001

Noncompliance: Compensatory Education Allotment Spending

Criteria

Texas Education Agency (TEA) allotment spending requirements mandate that school districts primarily use funds for specific programs. Compensatory Education (Comp Ed) Allotment provides funding to districts for at-risk students, aiming to close achievement gaps, with funds used for supplemental programs like tutoring, credit recovery, and early childhood intervention. For fiscal year ending August 31, 2025, the District was required to spend 55% of the Comp Ed allotment from TEA.

Condition

The District was short approximately \$3,000,000 of the approximate \$6,000,000 spending requirement for compensatory education for the fiscal year.

Cause

There has been material increases in this funding over the three fiscal years but no equivalent increases in revenues coupled with the statewide shortage in teachers and interventionists causing difficulty in utilizing all the funding.

Effect or Potential Effect

If the District is unable to meet the spending requirement, TEA could decrease future allotments and funding for compensatory education.

Recommendation

The District should continually monitor spending as required by TEA to ensure that all allotments are expended during the year.

Views of Responsible Officials and Planned Corrective Actions

See corrective action plan.

Section 3. Federal Award Findings and Questioned Costs

None reported

Section 4. Prior Year Findings and Questioned Costs

None reported



SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

5622 Ray Ellison Blvd. · San Antonio, Texas 78242 · (210) 977-7025

Section 2. Financial Statement Findings

2025-001

Noncompliance: Compensatory Education Allotment Spending:

The District fell short of the TEA 55% spending requirement of State Compensatory Education Allotment for audit fiscal year

Responsible Officials Response and Corrective Action Plan:

District Leadership changed with TEA management control in February 2025 initiating a thorough review of all instructional programs.

At risk interventions, graduation rates and additional needs instructional programs are paramount to the Leadership Team. New campus and district improvement plans have renewed enthusiasm for Compensatory Education. Our programs will be able to stand review for rigor and accountability. All instructional positions will be accurately assigned TEA funding support providing extended instructional environments. With the 55% mandate expiring 2025-2026 and removal of PIC 26, 28, 29, and 30. PIC 24 consolidating into PIC 11 for reporting purposes. Our school district will continue to prioritize the needs of identified “at-risk” students.

Contact for Responsible Official: *Stanley Osborne, Chief Financial Officer*

Anticipated Completion Date: *Closed 01.26.2026*

South San Antonio Independent School District

Exhibit K-1

Schedule of Expenditures of Federal Awards

For the Fiscal Year Ended August 31, 2025

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Child Nutrition Cluster:			
Passed Through Texas Education Agency: National School Breakfast Program	10.553	N/A	\$ 2,296,179
Passed Through Texas State Department of Agriculture:			
Nat. School Lunch Program	10.555	N/A	4,669,234
Seamless Summer Option Program	10.555	N/A	51,517
Supply Chain Assistance Grant	10.555	N/A	<u>101,048</u>
Total Assistance Listing Number 10.555			4,821,799
Fresh Fruit and Vegetable Program	10.582	N/A	<u>172,407</u>
Total Child Nutrition Cluster			7,290,385
USDA Food Storage & Delivery Fee Reimbursement	10.565	N/A	19,444
Commodity Supplemental Food Program (Commodity)	10.565	N/A	227,128
USDA DOD Fresh Allocations (Commodity)	10.565	N/A	<u>158,678</u>
Total Assistance Listing Number 10.565			405,250
Passed Through Texas State Department of Agriculture: Local Foods for Schools Grant	10.185	N/A	85,000
Child & Adult Care Food Program - Cash Assistance	10.558	N/A	<u>217,657</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			7,998,292
U.S. DEPARTMENT OF DEFENSE			
Direct:			
ROTC	12.000	N/A	<u>69,583</u>
TOTAL U.S. DEPARTMENT OF DEFENSE			69,583
U.S. DEPARTMENT OF EDUCATION			
American Relief Program Grant-Bexar County	21.027	SLFRP1970	12,372
Passed Through ESC Region 20:			
McKinney Vento-TEHCY	84.196	379662410	5,007
McKinney Vento-TEHCY	84.196	379526520	<u>824</u>
Total Assistance Listing Number 84.196			5,831
Passed Through University of Texas Austin:			
Gear Up	84.334S	V6AFQPN18437	23,212
Gear Up	84.334S	V6AFQPN18437	<u>242,593</u>
Total Assistance Listing Number 84.334S			265,805
Passed Through Texas Education Agency:			
Title I, Improving Basic Programs	84.010A	246101015908	16,432
Title I, Improving Basic Programs	84.010A	256101015908	4,348,674
Title I, ESF Grant	84.010A	25610139015908	<u>212,305</u>
Total Assistance Listing Number 84.010A			4,577,411

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

South San Antonio Independent School District
Schedule of Expenditures of Federal Awards - Continued
For the Fiscal Year Ended August 31, 2025

Exhibit K-1

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
Special Education Cluster (IDEA):			
IDEA B Formula	84.027A	246600010159086600	2,383
IDEA B Formula	84.027A	256600010159086600	2,335,591
Total Assistance Listing Number 84.027A			2,337,974
IDEA B Preschool	84.173A	256610010159086610	34,359
Empowering ECSE Educators to Improve Student Outcomes	84.173A	246610047110001	13,265
Total Assistance Listing Number 84.173A			47,624
Total Special Education Cluster (IDEA)			2,385,598
Carl D. Perkins Basic Grant Formula for CATE	84.048A	25420006015908	203,731
Title III Part A - ELA	84.365A	25671001015908	145,385
Title III Part A - Immigrant	84.365A	25671003015908	16,978
Total Assistance Listing Number 84.365A			162,363
Title II Part A Supporting Effective Instruction	84.367A	24694501015908	1,532
Title II Part A Supporting Effective Instruction	84.367A	25694501015908	605,235
Total Assistance Listing Number 84.367A			606,767
Title IV, Part A	84.424A	24680101015908	3,719
Title IV, Part A	84.424A	25680101015908	339,248
Total Assistance Listing Number 84.424A			342,967
Total Passed Through Texas Education Agency			8,278,837
Passed Through ESC Region 18: Teacher and School Leader Incentive Program	84.374A	S374A230023	57,443
Passed Through University of Incarnate Word Mental Health Services Professional Demonstration Grant - UIW	84.184X	S18X230151	42,573
TOTAL U.S. DEPARTMENT OF EDUCATION			8,662,861
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Direct:			
Head Start Cluster:			
Head Start	93.600	06CH012472/01	1,444,466
Head Start	93.600	06CH012472/02	1,645,488
Total Assistance Listing Number 93.600			3,089,954
Total Head Start Cluster			3,089,954
Passed Through Texas Department of Health and Human Services: Medical Assistance Program	93.778	N/A	22,580
Total Passed Through Texas Department of Health and Human Services			22,580
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			3,112,534
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 19,843,270

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

South San Antonio Independent School District
Notes to the Schedule of Expenditures of Federal Awards

Note 1. Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards includes the federal grant activity of South San Antonio Independent School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. National School Lunch Program and Food Distribution Cluster non-cash commodities are recorded at their estimated acquisition value at the time of donation.

Note 2. De Minimis Cost Rate

The District has elected not to use the 10% de minimis indirect cost rate as allowed under Uniform Guidance.

Note 3. Reconciliation to Basic Financial Statements

Presented below is a reconciliation of federal revenues:

Total Expenditures of Federal Awards per Exhibit K-1	\$ 19,843,270
General Fund - Federal Revenue:	
School Health and Related Services (SHARS)	238,467
E-Rate Program Revenue	323,085
Other Miscellaneous Federal Receipts	<u>467,097</u>
Total Federal Revenues per Exhibit C-2	<u>\$ 20,871,919</u>



Other Information

South San Antonio Independent School District

Exhibit L-1

Schedule of Required Responses to Selected School First Indicators (Unaudited) For the Fiscal Year Ended August 31, 2025

<u>Data Codes</u>		<u>Responses</u>
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments.)	Yes
	Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued.	
	Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end	\$ 14,725,673