

Onalaska Independent School District

Annual Financial Report

For the Fiscal Year Ended August 31, 2025



Onalaska Independent School District

Annual Financial Report
For the Fiscal Year Ended August 31, 2025
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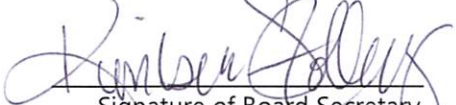
Certificate of the Board

Onalaska Independent School District
Name of School District

Polk
County

187-910
Co.-Dist Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and ✓ approved disapproved for the fiscal year ended August 31, 2025 at a meeting of the Board of Trustees of such school district on the 17th day of November, 2025.



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):

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Financial Section

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Independent Auditor's Report

To the Board of Trustees of
Onalaska Independent School District
Onalaska, 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 Onalaska 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 as listed in the table of contents.

In our opinion, the accompanying financial statements 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 for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

Responsibilities of Management for the Financial Statements

The District's 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 *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis and 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 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 Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information and 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 Financial Report

Management is responsible for the other information included in the Annual Financial 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 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 financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2025 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.

The Woodlands, Texas
November 13, 2025

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Management's Discussion and Analysis

As management of the Onalaska Independent School District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended August 31, 2025.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$15,778,859 (*net position*). Of this amount, \$5,662,784 (*unrestricted net position*) was available to meet the District's ongoing obligations.
- The District's total net position increased by \$2,520,281.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$55,983,829, an increase of \$39,907,384 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$6,127,414, or 40 percent of total general fund expenditures.
- The District's total net bonded debt increased by \$40,995,408.

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 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and supplementary information in addition to the basic financial statements themselves.

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 business.

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 between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* (Exhibit B-1) presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and incurred but unpaid interest).

The government-wide financial statements of the District are principally supported by taxes and intergovernmental revenues (*governmental activities*). 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, Health Services, Student Transportation, Food Services, 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, 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, like 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 two categories: governmental 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 spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a District's 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 fourteen 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, the debt service fund, and capital projects fund, which are considered to be major funds. Data from the other eleven governmental funds are combined into a single, aggregated presentation titled *total nonmajor 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, debt service fund and national school breakfast and lunch program special revenue fund to demonstrate compliance with its budget.

The basic governmental fund financial statements can be found as noted in the table of contents of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources related to scholarship funds. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the District's own programs. The accounting used for fiduciary funds is similar to the accounting used for proprietary funds.

The basic fiduciary fund financial statements can be found as noted in the table of contents of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as noted in the table of contents of this report.

Supplementary Information. In addition to the basic financial statements and accompanying notes, this report presents required supplementary information and supplementary information, which includes schedules required by the Texas Education Agency. Such information can be found as noted in the table of contents of this report.

Other Information. The District presents the Schedule of Required Responses to Selected School First Indicators (unaudited) as other information.

Government-wide Financial Analysis

As mentioned earlier, net position may, over time, serve as a useful indicator of a District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$15,778,859 at the close of the most recent fiscal year.

Onalaska Independent School District's Net Position

	Governmental Activities					
	2025		2024		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Current and other assets	\$ 58,696,452	76	\$ 18,217,342	55	\$ 40,479,110	222
Capital assets	18,225,310	24	15,013,628	45	3,211,682	21
Total assets	76,921,762	100	33,230,970	100	43,690,792	
Total deferred outflows of resources	3,861,999	100	4,588,642	100	(726,643)	(16)
Long-term liabilities outstanding	58,546,692	97	17,389,118	92	41,157,574	237
Other liabilities	2,038,540	3	1,468,536	8	570,004	39
Total liabilities	60,585,232	100	18,857,654	100	41,727,578	
Total deferred inflows of resources	4,419,670	100	5,703,380	100	(1,283,710)	(23)
Net position:						
Net investment in capital assets	8,291,761	53	6,311,294	48	1,980,467	31
Restricted for grants	382,762	2	454,024	3	(71,262)	(16)
Restricted for debt service	1,441,552	9	985,174	7	456,378	46
Unrestricted (deficit)	5,662,784	36	5,508,086	42	154,698	3
Total net position	\$ 15,778,859	100	\$ 13,258,578	100	\$ 2,520,281	

Investment in capital assets (e.g., land and improvements, buildings and improvements, furniture and equipment, and construction in progress), less any related debt used to acquire those assets that are still outstanding represents the majority of the District's net position. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's net 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 that is restricted for debt service and grants totaled \$1,824,314. The *unrestricted net position* as of August 31, 2025 was \$5,662,784, and is available to meet the District's ongoing obligations.

Governmental Activities. Governmental activities increased the District’s net position by \$2,520,281 from current operations. Key elements of this change are as follows:

Onalaska Independent School District's Changes in Net Position

	Governmental Activities					
	2025		2024		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Revenue						
Program revenues:						
Charges for services	\$ 260,845	1	\$ 236,996	1	\$ 23,849	10
Operating grants and contributions	2,529,334	11	4,000,843	19	(1,471,509)	(37)
General revenues:						
Property taxes, levied for general purposes	5,775,280	26	5,636,061	26	139,219	2
Property taxes, levied for debt service	3,223,206	15	1,465,174	7	1,758,032	120
Grants and contributions not restricted to specific programs	7,870,495	35	9,388,361	44	(1,517,866)	(16)
Investment earnings	2,371,713	11	734,784	3	1,636,929	223
Miscellaneous	195,467	1	98,625	-	96,842	98
Total revenues	22,226,340	100	21,560,844	100	665,496	
Expenses						
Instruction	8,591,383	44	9,081,752	50	(490,369)	(5)
Instructional resources and media services	39,437	-	44,723	-	(5,286)	(12)
Curriculum and instructional staff development	564,334	3	386,868	2	177,466	46
Instructional leadership	477,321	2	688,899	4	(211,578)	(31)
School leadership	891,448	5	902,769	5	(11,321)	(1)
Guidance, counseling, and evaluation services	731,771	4	419,245	2	312,526	75
Health services	90,342	1	84,843	1	5,499	6
Student transportation	911,202	5	877,543	5	33,659	4
Food services	1,192,552	6	1,238,507	7	(45,955)	(4)
Extracurricular activities	767,902	4	775,899	4	(7,997)	(1)
General administration	689,846	4	639,724	4	50,122	8
Plant maintenance and operations	1,670,882	8	1,579,814	9	91,068	6
Security and monitoring services	213,064	1	222,803	1	(9,739)	(4)
Data processing services	263,784	1	462,017	3	(198,233)	(43)
Community services	97,345	-	1,826	-	95,519	5,231
Interest on long-term debt	1,853,567	9	217,917	1	1,635,650	751
Issuance costs and fees	460,839	2	11,300	-	449,539	3,978
Facilities repair and maintenance	-	-	26,693	-	(26,693)	(100)
Payments related to shared services arrangements	-	-	261,228	1	(261,228)	(100)
Other intergovernmental charges	199,040	1	188,691	1	10,349	5
Total expenses	19,706,059	100	18,113,061	100	1,592,998	
Change in net position	2,520,281		3,447,783		(927,502)	
Net position - beginning	13,258,578		9,810,795		3,447,783	
Net position - ending	\$ 15,778,859		\$ 13,258,578		\$ 2,520,281	

Revenues are generated primarily from two sources. Grants and contributions (program and general revenues totaling \$10,399,829) represent 46 percent of total revenues, property taxes (\$8,998,486) represent 41 percent of total revenues, and investment earnings (\$2,371,713) represents 11 percent of total revenues. The remaining 2 percent is generated from charges for services and miscellaneous revenues. The most significant changes in revenues are a \$1.6 million increase in investment earnings, a \$1.9 million increase in property tax income due to a tax rate increase, and \$1.5 million decreases in both grants and contributions not restricted to specific programs and operating grants and contributions, due to reductions in Foundation School Program revenue and federal grants, respectively.

The primary functional expenses of the District are instruction (\$8,591,383) which represents 44 percent of total expenses, plant maintenance and operations (\$1,670,882) which represents 8 percent, and interest on long-term debt (\$1,853,567) which represents 9 percent. The remaining functional categories of expenses are individually 6 percent or less of total expenditures.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$55,983,829, an increase of \$39,907,384 in comparison with the prior year.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, total fund balance of the general fund was \$14,127,414 of which unassigned fund balance was \$6,127,414. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 40 percent of total general fund expenditures, while total fund balance represents 92 percent of the same amount. The fund balance of the District's general fund decreased by \$137,675 during the current fiscal year primarily due to a decrease in State Foundation Program revenue.

The debt service fund had a total fund balance of \$1,338,838, all of which is restricted for the payment of debt service. Fund balance in the debt service fund increased by \$152,338 due an increase in the tax rate.

The capital project fund had a total fund balance of \$39,951,395, all of which is restricted for capital acquisition and contractual obligations. Fund balance in the capital projects fund increased by \$39,951,395 due to the issuance of the Series 2024 building bonds..

General Fund Budgetary Highlights

The District amends the budget as needed throughout the year.

There were no significant differences between the originally adopted budget and the final amended budget.

There were no significant differences between the final amended budget and the actual amounts.

Capital Assets and Long-term Liabilities

Capital Assets. The District's investment in capital assets for its governmental type activities as of August 31, 2025, amounted to \$18,225,310 (net of accumulated depreciation), an increase of \$3,211,682, the result of current year additions exceeding current year depreciation. This investment in capital assets includes land and improvements, buildings and improvements, furniture and equipment, and construction in progress.

Onalaska Independent School District's Capital Assets (net of depreciation)

	Governmental Activities					
	2025		2024		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Land and improvements	\$ 129,553	1	\$ 129,553	1	\$ -	-
Buildings and improvements	12,587,115	69	13,223,969	88	(636,854)	(5)
Furniture and equipment	1,801,269	10	1,660,106	11	141,163	9
Construction in progress	3,707,373	20	-	-	3,707,373	-
Totals	\$ 18,225,310	100	\$ 15,013,628	100	\$ 3,211,682	

Major capital asset events during the current fiscal year included the following:

- Construction in progress of the new high school for approximately \$3,700,000.

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

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

Onalaska Independent School District's Long-term Liabilities Outstanding

	Governmental Activities					
	2025		2024		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
General obligation bonds	\$ 49,185,747	84	\$ 8,190,339	47	\$ 40,995,408	501
Notes payable from direct placement	291,795	1	332,898	2	(41,103)	(12)
Financed purchases payable	72,226	-	107,795	1	(35,569)	(33)
Net pension liability	5,267,119	9	5,948,698	34	(681,579)	(11)
Net OPEB liability	3,729,805	6	2,809,388	16	920,417	33
Totals	\$ 58,546,692	100	\$ 17,389,118	100	\$ 41,157,574	

The District's net bonded debt increased by \$40,995,408 during the current fiscal year as a result of the issuance of new debt. Notes payable from direct placement decreased by \$41,103 during the current fiscal year as a result of scheduled payments. The District's financed purchases payable also decreased by \$35,569 as a result of scheduled payments. The District's net pension liability decreased by \$681,579 while the net OPEB liability increased \$920,417.

The District's general obligation debt is backed by the full faith and credit of the District and is further guaranteed by the Texas Permanent School Fund Guarantee Program. State statutes do not limit the tax rate or amount for the 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, net pension liability and OPEB liability can be found in the notes to the financial statements as indicated in the table of contents of this report.

Economic Factors and Next Year's Budgets and Rates

- Current enrollment (2025-2026) totals 1,219 students, which is an increase of 14 from the 1,205 students in the prior year.
- District staff totals 222 employees in 2025-2026, which includes 90 teachers and 42 teachers' aides and secretaries.
- The District maintains two campuses for instruction.
- The unemployment rate for the County is currently 5.4 percent, which is a 0.3 percent decrease from the rate of 5.7 percent a year ago. This compares unfavorably to the state's average unemployment rate of 4.1 percent, which remained the same as the previous year.
- Property values of the District are projected to increase 1 percent in the 2025-2026 fiscal year from the prior fiscal year.
- A maintenance and operations tax rate of \$0.676900 and a debt service tax rate of \$0.397300 for a total of \$1.056200 were adopted for 2025-2026. The prior year rates were \$0.676900 and \$0.397300, respectively, for a total of \$1.056200.

All of these factors were considered in preparing the District's budget for the 2025-2026 fiscal year.

During the current fiscal year, unassigned fund balance in the general fund decreased to \$6,127,414. The District plans to utilize unassigned fund balance to fund current expenditures prior to collecting the current year tax levy.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Manager, Onalaska Independent School District, P.O. Box 2289, Onalaska, Texas, 77360.

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Basic Financial Statements

Onalaska Independent School District
Statement of Net Position
August 31, 2025

Exhibit A-1

1

<u>Data Control Codes</u>		<u>Primary Government Governmental Activities</u>
ASSETS		
1110	Cash and cash equivalents	\$ 15,725,000
1120	Current investments	40,700,794
1220	Property taxes receivable	808,793
1230	Allowance for uncollectible taxes	(40,440)
1240	Due from other governments	1,363,207
1290	Other receivables	67,134
1300	Inventories	71,964
	Capital assets, not being depreciated:	
1510	Land and improvements	129,553
1580	Construction in progress	3,707,373
	Capital assets, net of accumulated depreciation:	
1520	Buildings and improvements (net)	12,587,115
1530	Furniture and equipment (net)	<u>1,801,269</u>
1000	Total assets	76,921,762
DEFERRED OUTFLOWS OF RESOURCES		
1705	Deferred outflows - pension	1,577,350
1706	Deferred outflows - OPEB	<u>2,284,649</u>
1700	Total deferred outflows of resources	3,861,999
LIABILITIES		
2110	Accounts payable	206,380
2140	Interest payable	94,270
2160	Accrued wages payable	1,378,203
2180	Due to other governments	359,687
	Noncurrent liabilities:	
2501	Due within one year	1,305,653
2502	Due in more than one year	48,244,115
2540	Net pension liability	5,267,119
2545	Net OPEB liability	<u>3,729,805</u>
2000	Total liabilities	60,585,232
DEFERRED INFLOWS OF RESOURCES		
2605	Deferred inflows - pension	137,461
2606	Deferred inflows - OPEB	3,947,033
2610	Deferred gain on refunding	<u>335,176</u>
2600	Total deferred inflows of resources	4,419,670
NET POSITION		
3200	Net investment in capital assets	8,291,761
3820	Restricted for grants	382,762
3850	Restricted for debt service	1,441,552
3900	Unrestricted	<u>5,662,784</u>
3000	TOTAL NET POSITION	<u>\$ 15,778,859</u>

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

Onalaska Independent School District

Statement of Activities

For the Fiscal Year Ended August 31, 2025

Exhibit B-1

Data Control Codes	Functions/Programs	1	3	4	Net (Expense) Revenue and Changes in Net Position
		Expenses	Program Revenues		Governmental Activities
			Charges for Services	Operating Grants and Contributions	
PRIMARY GOVERNMENT					
Governmental activities:					
0011	Instruction	\$ 8,591,383	\$ -	\$ 686,448	\$ (7,904,935)
0012	Instructional resources and media services	39,437	-	-	(39,437)
0013	Curriculum and instructional staff development	564,334	-	112,704	(451,630)
0021	Instructional leadership	477,321	-	103,021	(374,300)
0023	School leadership	891,448	-	5,752	(885,696)
0031	Guidance, counseling, and evaluation services	731,771	-	228,296	(503,475)
0033	Health services	90,342	-	-	(90,342)
0034	Student transportation	911,202	-	343	(910,859)
0035	Food services	1,192,552	82,616	7,533	(1,102,403)
0036	Extracurricular activities	767,902	178,229	1,056,681	467,008
0041	General administration	689,846	-	1,915	(687,931)
0051	Plant maintenance and operations	1,670,882	-	2,606	(1,668,276)
0052	Security and monitoring services	213,064	-	3,917	(209,147)
0053	Data processing services	263,784	-	150,000	(113,784)
0061	Community services	97,345	-	1,850	(95,495)
0072	Interest on long-term debt	1,853,567	-	168,268	(1,685,299)
0073	Issuance costs and fees	460,839	-	-	(460,839)
0099	Other intergovernmental charges	199,040	-	-	(199,040)
TG	Total governmental activities	<u>19,706,059</u>	<u>260,845</u>	<u>2,529,334</u>	<u>(16,915,880)</u>
TP	TOTAL PRIMARY GOVERNMENT	<u>\$ 19,706,059</u>	<u>\$ 260,845</u>	<u>\$ 2,529,334</u>	<u>(16,915,880)</u>
General revenues:					
MT	Property taxes, levied for general purposes				5,775,280
DT	Property taxes, levied for debt service				3,223,206
GC	Grants and contributions not restricted to specific programs				7,870,495
IE	Investment earnings				2,371,713
MI	Miscellaneous				195,467
TR	Total general revenues				<u>19,436,161</u>
CN	Change in net position				2,520,281
NB	Net position - beginning				<u>13,258,578</u>
NE	NET POSITION - ENDING				<u>\$ 15,778,859</u>

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

Onalaska Independent School District
Balance Sheet
Governmental Funds
August 31, 2025

Exhibit C-1

	199	599	699	98	
Data Control Codes	General Fund	Debt Service Fund	Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
1110 Cash and cash equivalents	\$ 13,890,265	\$ 1,331,450	\$ 3,496	\$ 499,789	\$ 15,725,000
1120 Current investments	-	-	40,700,794	-	40,700,794
1220 Property taxes receivable	605,052	203,741	-	-	808,793
1230 Allowance for uncollectible taxes	(30,253)	(10,187)	-	-	(40,440)
1240 Due from other governments	1,096,176	-	-	267,031	1,363,207
1260 Due from other funds	802,251	-	-	-	802,251
1290 Other receivables	59,746	7,388	-	-	67,134
1300 Inventories	-	-	-	71,964	71,964
1000 Total assets	<u>16,423,237</u>	<u>1,532,392</u>	<u>40,704,290</u>	<u>838,784</u>	<u>59,498,703</u>
TOTAL ASSETS AND DEFERRED					
1000a OUTFLOWS OF RESOURCES	<u>\$ 16,423,237</u>	<u>\$ 1,532,392</u>	<u>\$ 40,704,290</u>	<u>\$ 838,784</u>	<u>\$ 59,498,703</u>
LIABILITIES					
2110 Accounts payable	\$ 66,303	\$ -	\$ 85,736	\$ 54,341	\$ 206,380
2160 Accrued wages payable	1,295,034	-	-	83,169	1,378,203
2170 Due to other funds	-	-	667,159	135,092	802,251
2180 Due to other governments	359,687	-	-	-	359,687
2000 Total liabilities	1,721,024	-	752,895	272,602	2,746,521
DEFERRED INFLOWS OF RESOURCES					
2600 Unavailable revenue - property taxes	574,799	193,554	-	-	768,353
Total deferred inflows of resources	574,799	193,554	-	-	768,353
FUND BALANCES					
3410 Nonspendable - inventories	-	-	-	71,964	71,964
3450 Restricted - grant funds	-	-	-	382,762	382,762
3470 Restricted - capital acquisition and contractual obligations	-	-	39,951,395	-	39,951,395
3480 Restricted - debt service	-	1,338,838	-	-	1,338,838
3545 Committed - other	8,000,000	-	-	111,456	8,111,456
3600 Unassigned	6,127,414	-	-	-	6,127,414
3000 Total fund balances	<u>14,127,414</u>	<u>1,338,838</u>	<u>39,951,395</u>	<u>566,182</u>	<u>55,983,829</u>
4000 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 16,423,237</u>	<u>\$ 1,532,392</u>	<u>\$ 40,704,290</u>	<u>\$ 838,784</u>	<u>\$ 59,498,703</u>

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

Onalaska 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) \$ 55,983,829

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 at year-end consist of:

Governmental capital assets costs	\$ 31,157,034	
Accumulated depreciation of governmental capital assets	<u>(12,931,724)</u>	18,225,310

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.		768,353
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Long-term liabilities, including bonds payable, notes payable, financed purchases payable, and net pension and net 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	\$ (47,415,000)	
Premium on bonds payable	(1,770,747)	
Accrued interest on the bonds	(90,840)	
Notes and financed purchases payables	(364,021)	
Accrued interest on notes and financed purchases payable	(3,430)	
Net pension liability	(5,267,119)	
Net OPEB liability	<u>(3,729,805)</u>	(58,640,962)

Deferred gain on refunding is reported as a deferred inflow in the statement of net position and it is not reported in the funds due to it is not a current financial resource available to pay for current expenditures.		(335,176)
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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 (expense/expenditures) until then.		1,577,350
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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.		(137,461)
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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 (expense/expenditures) until then.		2,284,649
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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>(3,947,033)</u>
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TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES (EXHIBIT A-1) \$ 15,778,859

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

Exhibit C-2

		199	599	699		98
Data Control Codes		General Fund	Debt Service Fund	Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES						
5700	Local and intermediate sources	\$ 6,536,596	\$ 3,266,645	\$ 1,658,769	\$ 286,559	\$ 11,748,569
5800	State program revenues	8,641,722	168,268	-	297,064	9,107,054
5900	Federal program revenues	63,764	-	-	1,894,413	1,958,177
5020	Total revenues	15,242,082	3,434,913	1,658,769	2,478,036	22,813,800
EXPENDITURES						
Current:						
0011	Instruction	8,483,873	-	-	561,554	9,045,427
0012	Instructional resources and media services	16,577	-	-	-	16,577
0013	Curriculum and instructional staff development	447,469	-	-	109,559	557,028
0021	Instructional leadership	393,937	-	-	95,435	489,372
0023	School leadership	876,356	-	-	-	876,356
0031	Guidance, counseling, and evaluation services	512,006	-	-	222,505	734,511
0033	Health services	90,295	-	-	-	90,295
0034	Student transportation	968,886	-	-	5,222	974,108
0035	Food services	-	-	-	1,222,565	1,222,565
0036	Extracurricular activities	464,670	-	-	169,870	634,540
0041	General administration	692,523	-	-	-	692,523
0051	Plant maintenance and operations	1,647,498	-	-	-	1,647,498
0052	Security and monitoring services	76,554	-	-	150,000	226,554
0053	Data processing services	340,148	-	-	-	340,148
0061	Community services	18,540	-	-	-	18,540
Debt service:						
0071	Principal on long-term debt	76,672	1,048,998	-	-	1,125,670
0072	Interest on long-term debt	11,767	2,233,577	-	-	2,245,344
0073	Issuance costs and fees	-	-	460,839	-	460,839
Capital outlay:						
0081	Facilities acquisition and construction	62,946	-	3,707,373	-	3,770,319
Intergovernmental:						
0099	Other intergovernmental charges	199,040	-	-	-	199,040
6030	Total expenditures	15,379,757	3,282,575	4,168,212	2,536,710	25,367,254
1100	Excess (deficiency) of revenues over (under) expenditures	(137,675)	152,338	(2,509,443)	(58,674)	(2,553,454)
OTHER FINANCING SOURCES (USES)						
7911	Issuance of bonds	-	-	41,140,000	-	41,140,000
7916	Premium or discount on issuance of bonds	-	-	1,320,838	-	1,320,838
7080	Total other financing sources (uses)	-	-	42,460,838	-	42,460,838
1200	Net change in fund balances	(137,675)	152,338	39,951,395	(58,674)	39,907,384
0100	Fund balances - beginning	14,265,089	1,186,500	-	624,856	16,076,445
3000	FUND BALANCES - ENDING	<u>\$ 14,127,414</u>	<u>\$ 1,338,838</u>	<u>\$ 39,951,395</u>	<u>\$ 566,182</u>	<u>\$ 55,983,829</u>

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

Onalaska 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-3

TOTAL NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (EXHIBIT C-2) \$ 39,907,384

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 cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense.

Capital assets increased	\$ 4,128,061	
Depreciation expense	<u>(916,379)</u>	3,211,682

Because some property taxes will not be collected for several months after the District's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues increased (decreased) by this amount this year. 77,942

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	\$ (41,140,000)	
(Premium) discount	<u>(1,320,838)</u>	(42,460,838)

Repayment of bonds, notes, and financed purchases payable principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,125,670

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, and includes amortization of related long-term debt accounts. The changes reported in the statement of activities consist of the following:

Accrued interest on current interest bonds payable (increased) decreased	\$ (76,916)	
Accrued interest on notes payable (increased) decreased	398	
Accrued interest on financed purchases payable (increased) decreased	298	
Interest accreted on the capital appreciation bonds (increased) decreased	315,439	
Amortization of bond premium and discount	100,993	
Amortization of deferred charge and gain on refunding	<u>51,565</u>	391,777

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)	\$ (1,260,022)	
Deferred inflows (increased) decreased	182,733	
Net pension liability (increased) decreased	<u>681,579</u>	(395,710)

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)	\$ 533,379	
Deferred inflows (increased) decreased	1,049,412	
Net OPEB liability (increased) decreased	<u>(920,417)</u>	<u>662,374</u>

CHANGE IN NET POSITION FOR GOVERNMENTAL ACTIVITIES (EXHIBIT B-1) \$ 2,520,281

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

Onalaska Independent School District

Statement of Fiduciary Net Position

Fiduciary Fund

August 31, 2025

Exhibit E-1

	865 Custodial Fund
	Scholarship Funds
ASSETS	
Cash and cash equivalents	\$ 64,210
Total assets	64,210
NET POSITION	
Restricted for:	
Scholarships	64,210
TOTAL NET POSITION	\$ 64,210

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

Onalaska Independent School District
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended August 31, 2025

Exhibit E-2

	865 Custodial Fund
	Scholarship Funds
ADDITIONS	
Investment income	\$ 2,451
Contributions	<u>67,142</u>
Total additions	69,593
DEDUCTIONS	
Scholarship awards	<u>56,625</u>
Total deductions	<u>56,625</u>
Net change in fiduciary net position	12,968
Net position - beginning of year	<u>51,242</u>
NET POSITION - END OF YEAR	<u><u>\$ 64,210</u></u>

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

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Onalaska Independent School District

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Onalaska Independent School District (the District) is governed by a seven-member board of trustees (the Board), which has governance responsibilities over all activities related to public, elementary and secondary, education within the District. Members of the Board are elected by the public; have authority to make decisions; appoint management and significantly influence operations; and have primary accountability for fiscal matters; the District is not included in any other governmental reporting entity.

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 normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions

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. Separate financial statements are provided for governmental 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 and fiduciary—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

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 *capital projects fund* accounts for the acquisition and construction of the District's major capital facilities.

Additionally, the District reports the following governmental fund types:

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

Onalaska Independent School District

Notes to the Financial Statements

The District reports the following fiduciary fund types:

The *custodial fund* accounts for assets held by the District for scholarships. Contributions, gifts and fundraisers benefit the related scholarships.

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 funds) are eliminated so that only the net amount is included as internal balances in the governmental 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 are eliminated in governmental activities.

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.

The government-wide and fiduciary fund 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 generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as required under accrual accounting. However, debt service and note payable expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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 60 days of year end). All other revenue items, including property taxes, are considered to be measurable and available only when cash is received by the District.

Onalaska Independent School District

Notes to the Financial Statements

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. Investments

Investments for the District, except for certain investment pools, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost or net asset value.

3. Inventories and Prepaid Items

Inventories are valued at cost using the average cost method 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.

4. Capital Assets

Capital assets, which include land and improvements, buildings and improvements, and furniture and equipment, 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 (i.e., those reported by governmental activities), the District chose to include all such items regardless of their acquisition date or amount. The District was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). 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	10-40
Furniture and equipment	5-15

Onalaska Independent School District

Notes to the Financial Statements

5. Deferred Outflows/Inflows of Resources

Deferred outflows of resources represents a consumption of net assets 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 assets 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 as a reduction of the respective liability.
- Deferred charge/gain on refunding is amortized over the shorter of the life of the refunded or refunding debt.
- Property taxes are recognized in the period the amount becomes available.

6. 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 type of leave qualifies for liability recognition for compensated absences – state 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 separation from employment, with limitations.

The District does not have a monetary obligation for accumulated leave benefits upon separation from service.

7. Net Position Flow Assumption

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

It is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Onalaska Independent School District

Notes to the Financial Statements

8. 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.

9. 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 his 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.

Unassigned fund balance represents the residual amount for the general fund that is not contained in the other classifications. The general fund is the only fund that reports a positive unassigned fund balance. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

10. 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.

11. 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.

Onalaska Independent School District

Notes to the 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 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 July 1 of each year.

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 the 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 the 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 no impact to amounts or disclosures previously reported.

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.

Onalaska Independent School District

Notes to the Financial Statements

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, National School Breakfast and Lunch Program special revenue fund, and the debt service fund. All annual appropriations lapse at fiscal year end. The following procedures are followed in establishing the budgetary data.

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 legally enacted through passage of a resolution 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 campus/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. The District made several supplemental budgetary amendments during the year.

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. The District did not have any outstanding encumbrances at August 31, 2025.

Note 3. Detailed Notes on All Funds

A. Deposits

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 are approved by the TEA and 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.

Onalaska Independent School District

Notes to the Financial Statements

Investments

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. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity, allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

The District is authorized by the Public Funds Investment Act to invest in the following instruments provided that they meet the guidelines of the investment policy:

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

As of August 31, 2025, the District had the following investments:

	<u>August 31, 2025</u>	<u>Percentage of Total Investments</u>	<u>Weighted Average Maturity</u>	<u>Credit Risk</u>
Investments measured at Fair Value (NAV), not subject to level reporting:				
Money Market Funds	\$ 40,700,794	100%	36	AAAm
Total value	<u>\$ 40,700,794</u>	<u>100%</u>		
Portfolio weighted average maturity			36	

Money market mutual funds are measured at net asset value and not subjected to fair value hierarchy reporting.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. 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 individual investment not to exceed one year from the date of purchase, unless approved by the governing body. During the year ended August 31, 2025, the District did not invest in any securities which were highly sensitive to interest rate fluctuations.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The minimum rating required by the Public Funds Investment Act for local government investment pools is AAA or AAAM. During the year ended August 31, 2025, the District was not significantly exposed to credit risk, and its investment pool met the minimum required rating as noted in the preceding table.

Onalaska Independent School District

Notes to the Financial Statements

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 – Deposit

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, the District's banks' balances at the local bank were insured and collateralized with securities held by the District's agent and 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. The District's 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 due to the investments are insured or registered and are held by the District or its agent in the District's name.

B. Receivables

Tax revenues of the general and debt service funds are reported net of 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	\$ (12,425)
Change in uncollectibles related to debt service property taxes	<u>(65,517)</u>
Total change in uncollectibles of the current fiscal year	<u>\$ (77,942)</u>

Approximately 66% of the outstanding balance of property taxes receivable is anticipated to go uncollected within the next year.

C. Interfund Receivables, Payables, and Transfers

1. Receivables/Payables

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

Fund	Interfund Receivables	Interfund Payables
General fund	\$ 802,251	\$ -
Capital projects fund	-	(667,159)
Nonmajor governmental funds	<u>-</u>	<u>(135,092)</u>
Total	<u>\$ 802,251</u>	<u>\$ (802,251)</u>

Interfund balances consist of short-term lending/borrowing arrangements that generally result from payroll and other regularly occurring charges that are paid by the general fund and then charged back to the appropriate other fund. Additionally, some lending/borrowing may occur between two or more nonmajor governmental funds.

Onalaska Independent School District

Notes to the Financial Statements

D. Capital Assets

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

	Beginning Balance	Additions	Transfers and Reductions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land and improvements	\$ 129,553	\$ -	\$ -	\$ 129,553
Construction in progress	-	3,707,373	-	3,707,373
Total capital assets, not being depreciated	129,553	3,707,373	-	3,836,926
Capital assets, being depreciated:				
Buildings and improvements	23,157,006	-	-	23,157,006
Furniture and equipment	3,742,414	420,688	-	4,163,102
Total capital assets, being depreciated	26,899,420	420,688	-	27,320,108
Less accumulated depreciation for:				
Buildings and improvements	(9,933,037)	(636,854)	-	(10,569,891)
Furniture and equipment	(2,082,308)	(279,525)	-	(2,361,833)
Total accumulated depreciation	(12,015,345)	(916,379)	-	(12,931,724)
Total capital assets, being depreciated, net	14,884,075	(495,691)	-	14,388,384
Governmental activities capital assets, net	\$ 15,013,628	\$ 3,211,682	\$ -	\$ 18,225,310

Depreciation expense charged to functions/programs of the District was as follows:

Governmental activities:	
11 Instruction	\$ 407,012
12 Instructional resources and media services	22,860
13 Curriculum and staff development	12,301
23 School leadership	24,231
31 Guidance, counseling, and evaluation services	6,461
33 Health services	594
34 Student transportation	136,003
35 Food service	88,340
36 Extracurricular activities	144,004
41 General administration	1,464
51 Plant maintenance and operations	49,540
52 Security and monitoring services	10,189
53 Data Processing Services	11,554
61 Community service	1,826
Total depreciation expense-governmental activities	\$ 916,379

Onalaska Independent School District

Notes to the 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's commitments with contractors are as follows:

Project	Remaining Commitment
High School	\$ 45,048,636
Total	\$ 45,048,636

E. Long-term Liabilities

The District's long-term liabilities consist of bond indebtedness, note payable, financed purchase payable, 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, par	\$ 7,323,998	\$ 41,140,000	\$ (1,048,998)	\$ 47,415,000	\$ 1,230,000
Premium on bonds	550,902	1,320,838	(100,993)	1,770,747	-
Accreted interest (CAB)	315,439	-	(315,439)	-	-
Total bonds payable	8,190,339	42,460,838	(1,465,430)	49,185,747	1,230,000
Note payable from direct placement	332,898	-	(41,103)	291,795	42,071
Financed purchases payable	107,795	-	(35,569)	72,226	33,582
Net pension liability	5,948,698	563,723	(1,245,302)	5,267,119	-
Net OPEB liability	2,809,388	1,109,855	(189,438)	3,729,805	-
Governmental activities long-term liabilities	\$ 17,389,118	\$ 44,134,416	\$ (2,976,842)	\$ 58,546,692	\$ 1,305,653

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 14-30 year current interest and capital appreciation bonds (CAB) with various amounts of principal maturing each year.

Onalaska Independent School District

Notes to the 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
2011 REF CAB	12.40%	\$ 1,887,206	2025	\$ 63,998	\$ -	\$ (63,998)	\$ -
2014 BLDG	2.00-4.00%	9,445,000	2039	4,835,000	-	(320,000)	4,515,000
2020 REF	3.00%	2,545,000	2032	2,425,000	-	-	2,425,000
2024 BLDG	4-5%	41,140,000	2054	-	41,140,000	(665,000)	40,475,000
Totals				<u>\$ 7,323,998</u>	<u>\$ 41,140,000</u>	<u>\$ (1,048,998)</u>	<u>\$ 47,415,000</u>

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

Year Ending August 31,	Principal	Interest	Total Requirements
2026	\$ 1,230,000	\$ 2,050,462	\$ 3,280,462
2027	1,280,000	1,998,637	3,278,637
2028	1,335,000	1,944,487	3,279,487
2029	1,390,000	1,887,937	3,277,937
2030	1,450,000	1,828,937	3,278,937
2031	1,510,000	1,767,212	3,277,212
2032	1,575,000	1,703,087	3,278,087
2033	1,570,000	1,641,712	3,211,712
2034	1,645,000	1,567,612	3,212,612
2035	1,170,000	1,492,262	2,662,262
2036	1,225,000	1,438,512	2,663,512
2037	1,260,000	1,382,212	2,642,212
2038	1,310,000	1,319,212	2,629,212
2039	1,340,000	1,253,730	2,593,730
2040	1,370,000	1,200,112	2,570,112
2041	1,425,000	1,145,312	2,570,312
2042	1,480,000	1,088,312	2,568,312
2043	1,555,000	1,014,312	2,569,312
2044	1,635,000	936,562	2,571,562
2045	1,715,000	854,812	2,569,812
2046	1,785,000	786,212	2,571,212
2047	1,855,000	714,812	2,569,812
2048	1,930,000	640,612	2,570,612
2049	2,010,000	563,412	2,573,412
2050	2,090,000	483,012	2,573,012
2051	2,175,000	394,186	2,569,186
2052	2,270,000	301,750	2,571,750
2053	2,365,000	20,534	2,385,534
2054	2,465,000	104,762	2,569,762
Totals	<u>\$ 47,415,000</u>	<u>\$ 33,524,725</u>	<u>\$ 80,939,725</u>

Onalaska Independent School District

Notes to the Financial Statements

Following voter approval in the May 4, 2024, bond election, the District issued the 2024 Unlimited Tax Building Bonds in the amount of \$41,140,000 on September 1, 2024. The issuance included a bond premium of \$1,320,838 and will fund the construction of the new Onalaska High School. The bonds are scheduled to mature on August 15, 2054. Additionally, during the fiscal year, the District fully retired the 2011 Unlimited Tax Refunding Bonds (CABS).

Note Payable

The District issued a direct placement note to provide funds for the construction and equipment of school facilities. The direct placement note is secured by maintenance and operations property tax revenues. The note issued as a 15-year current interest note. The direct placement note contains a provision that in an event of default, outstanding amounts become immediately due if the District is unable to make payment.

The following is a summary of changes in the note payable for the fiscal year:

Description	Interest Rate	Original Issue	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance
2016 Direct Placement Note	2.34%	\$ 612,500	2031	\$ 332,898	\$ -	\$ (41,103)	\$ 291,795
Totals				<u>\$ 332,898</u>	<u>\$ -</u>	<u>\$ (41,103)</u>	<u>\$ 291,795</u>

Annual debt service requirements to maturity for the note payable are as follows:

Year Ending August 31,	Notes Payable from Direct Placement		
	Principal	Interest	Total Requirements
2026	\$ 42,071	\$ 6,583	\$ 48,654
2027	43,061	5,593	48,654
2028	44,074	4,580	48,654
2029	45,112	3,542	48,654
2030	46,173	2,481	48,654
2031	47,260	1,394	48,654
2032	24,044	281	24,325
Totals	<u>\$ 291,795</u>	<u>\$ 24,454</u>	<u>\$ 316,249</u>

Onalaska Independent School District

Notes to the Financial Statements

Financed Purchases Payable

In September 2021, the District entered into a financed purchase agreement for the acquisition and installation of energy saving equipment in the amount of \$242,505. The obligation is payable in quarterly installments that began on March 24, 2023 and maturing on September 24, 2027 at an interest rate of 4.5%.

Year Ending August 31,	Principal	Interest	Total Payments
2026	\$ 33,582	\$ 2,683	\$ 36,265
2027	35,119	1,146	36,265
2028	3,525	38	3,563
Totals	<u>\$ 72,226</u>	<u>\$ 3,866</u>	<u>\$ 76,092</u>

Capital assets and accumulated depreciation on assets acquired under the financed purchasing agreement totaled \$242,505 and \$48,501, respectively, as of August 31, 2025, and are classified as furniture and equipment in governmental activities. Depreciation expense on these assets totaled \$12,125 for the fiscal year ended August 31, 2025.

F. Fund Balance

Other committed fund balance includes the following commitments of funds:

General fund - transportation	\$ 375,000
General fund - facility maintenance and capital projects	6,842,000
General fund - technology	200,000
General fund - debt retirement	583,000
Other governmental fund - campus activity	111,456
Total other committed fund balance	<u>\$ 8,111,456</u>

G. Revenues from Local and Intermediate Sources

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

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Totals
Property taxes	\$ 5,762,855	\$ 3,157,689	\$ -	\$ -	\$ 8,920,544
Investment income	581,248	108,956	1,658,769	22,740	2,371,713
Food sales	-	-	-	82,616	82,616
Extracurricular activities	3,785	-	-	174,444	178,229
Other	188,708	-	-	6,759	195,467
Totals	<u>\$ 6,536,596</u>	<u>\$ 3,266,645</u>	<u>\$ 1,658,769</u>	<u>\$ 286,559</u>	<u>\$ 11,748,569</u>

Onalaska Independent School District

Notes to the Financial Statements

Note 4. Other Information

A. Risk Management

Property/Casualty Insurance

The District is exposed to various risks of loss related to property/liability losses for which the District participates in the Texas Association of School Boards Risk Management Fund (Fund) for property/liability insurance. The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund's membership, obtain competitive costs for coverages and develop a comprehensive loss control program. The District pays a premium to the Fund for its property/casualty coverage and transfers the risk of loss to the Fund. The District's agreement with the Fund provides that the Fund will be self-sustaining through member premiums and may provide, through commercial companies, reinsurance contracts. In the event that the Fund was to discontinue operations, the member districts would be responsible for any eligible claims not funded by the Fund. In addition, there were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

Health Insurance

During the fiscal year end August 31, 2025, employees of the District were covered by TRS Active-Care (the Plan) a statewide health coverage program of Texas public education employees, implemented by the Teacher Retirement System of Texas (TRS). The District paid premiums of \$230 per month, per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to the TRS. The legislature created the Plan for public school employee group health coverage in 2002-03, requiring all Districts with fewer than 500 employees to participate in the Plan.

Workers' Compensation

The District participates in the Deep East Texas Workers' Compensation Insurance Fund. The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund's membership, obtain competitive costs for workers' compensation coverage and develop a comprehensive loss control program. The District pays an annual premium to the Fund for its workers' compensation coverage and transfers the risk of loss to the Fund. The District's agreement with the Fund provides that the Fund will be self-sustaining through member premiums and will provide, through commercial companies, reinsurance contracts. The Fund maintains stop loss coverage for any claim in excess of the Fund's self-insured retention of \$1,000,000 per individual. In the event that the Fund was to discontinue operations, the member districts would be responsible for any eligible claims not funded by the Fund. In addition, there were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

B. Contingencies

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.

Onalaska Independent School District

Notes to the Financial Statements

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 TRS at 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 through 2025.

Onalaska Independent School District

Notes to the Financial Statements

Rates for such plan fiscal years are as follows:

	Contribution Rates	
	2025	2024
Member	8.25%	8.25%
Non-employer contributing 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	\$	459,194
Member contributions		880,321
NECE on-behalf contributions (State)		645,577

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.

Onalaska Independent School District

Notes to the 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 \$5,267,119 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	\$ 5,267,119
State's proportionate share of the net pension liability associated with the District	<u>5,944,506</u>
Total	<u><u>\$ 11,211,625</u></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 0.0086227% which was a decrease of 0.00003744% from its proportion measured as of August 31, 2023.

For the fiscal year ended August 31, 2025, the District recognized pension expense of \$1,565,372 and revenue of \$710,468 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 290,316	\$ 41,123
Changes of assumptions	271,953	36,460
Difference between projected and actual earnings on pension plan investments	32,016	-
Changes in proportion and difference between District's contributions and the proportionate share of contributions	523,871	59,878
District contributions paid subsequent to the measurement date	<u>459,194</u>	<u>-</u>
Totals	<u><u>\$ 1,577,350</u></u>	<u><u>\$ 137,461</u></u>

Onalaska Independent School District

Notes to the Financial Statements

\$459,194 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 as follows:

Year Ending August 31,		
2026	\$	153,252
2027		719,824
2028		189,553
2029		(97,442)
2030		<u>15,508</u>
Total	\$	<u>980,695</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 postemployment benefit changes	None
Active mortality rates	The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioners Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published projection scale ("U-MP"). The active mortality rates were based on the published PUB(2010) Mortality Tables for Teachers, below median, also with full generational mortality.

Onalaska Independent School District

Notes to the Financial Statements

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.

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 geometric 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%	5.6%	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 cash	-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 come from (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.

Onalaska Independent School District

Notes to the 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	\$ 8,412,924	\$ 5,267,119	\$ 2,660,596

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. There are no automatic post-employment benefit changes; including automatic cost of living adjustments (COLAs). 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.

Onalaska Independent School District

Notes to the Financial Statements

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

TRS-Care Monthly Premium Rates

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

Contributions

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

Texas Insurance Code, section 1575.202 establishes the State’s contribution rate which is 1.25% of the employee’s salary. Section 1575.203 establishes the active employee’s rate which is 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 or charter school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act.

Rates for such plan fiscal years are as follows:

	Contribution Rates	
	2025	2024
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%

*Contributions paid from federal funds and private grants are remitted by the employer (District) and paid at the State rate.

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

District contributions	\$ 122,027
Member contributions	69,262
NECE on-behalf contributions (State)	122,838

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 \$66,576, \$55,449, and, \$47,628 in 2025, 2024, and 2023, respectively, for on-behalf payments for Medicare Part D.

Onalaska Independent School District

Notes to the 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 \$3,729,805 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	\$ 3,729,805
State's proportionate share of the net OPEB liability associated with the District	<u>4,673,395</u>
Total	<u><u>\$ 8,403,200</u></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 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 0.012289% which was a decrease of 0.000401% from its proportion measured as of August 31, 2023.

For the fiscal year ended June 30, 2025, the District recognized net OPEB revenue of \$1,147,802 due to recognition of deferred inflows in excess of deferred outflows and current year expense. OPEB revenue of \$607,455 was recognized 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	\$ 714,878	\$ 1,861,375
Changes of assumptions	477,371	1,216,992
Net difference between projected and actual earnings on OPEB plan investments	-	10,445
Changes in proportion and difference between District's contributions and the proportionate share of contributions	970,373	858,221
District contributions paid subsequent to the measurement date	<u>122,027</u>	<u>-</u>
Totals	<u><u>\$ 2,284,649</u></u>	<u><u>\$ 3,947,033</u></u>

Onalaska Independent School District

Notes to the Financial Statements

\$122,027 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 expense as follows:

Year Ending August 31,		
2026	\$	(637,248)
2027		(468,320)
2028		(451,517)
2029		(248,614)
2030		(65,126)
Thereafter		<u>86,414</u>
Total	\$	<u>(1,784,411)</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.

Onalaska Independent School District

Notes to the Financial Statements

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

Actuarial cost method	Individual entry age normal
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 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.
Ad hoc postemployment 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 (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
District's proportionate share of the net OPEB liability	\$ 4,431,182	\$ 3,729,805	\$ 3,163,081

Onalaska Independent School District

Notes to the 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	\$ 3,037,372	\$ 3,729,805	\$ 4,632,113

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.

Required Supplementary Information

Onalaska 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	\$ 6,628,146	\$ 6,628,146	\$ 6,536,596	\$ (91,550)
5800	State program revenues	8,704,351	8,904,351	8,641,722	(262,629)
5900	Federal program revenues	150,000	150,000	63,764	(86,236)
5020	Total revenues	15,482,497	15,682,497	15,242,082	(440,415)
EXPENDITURES					
Current:					
0011	Instruction	8,150,265	8,548,665	8,483,873	64,792
0012	Instructional resources and media services	21,500	21,500	16,577	4,923
0013	Curriculum and instructional staff development	456,649	456,649	447,469	9,180
0021	Instructional leadership	405,672	405,672	393,937	11,735
0023	School leadership	1,000,077	1,000,077	876,356	123,721
0031	Guidance, counseling, and evaluation services	689,015	597,015	512,006	85,009
0033	Health services	99,451	99,451	90,295	9,156
0034	Student transportation	725,583	1,008,872	968,886	39,986
0035	Food services	100	100	-	100
0036	Extracurricular activities	512,204	521,304	464,670	56,634
0041	General administration	778,214	778,214	692,523	85,691
0051	Plant maintenance and operations	1,948,440	1,710,490	1,647,498	62,992
0052	Security and monitoring services	184,380	159,380	76,554	82,826
0053	Data processing services	419,896	419,896	340,148	79,748
0061	Community services	-	27,000	18,540	8,460
Debt service:					
0071	Principal on long-term debt	76,673	76,673	76,672	1
0072	Interest on long-term debt	45,327	45,327	11,767	33,560
Capital outlay:					
0081	Facilities acquisition and construction	-	62,950	62,946	4
Intergovernmental:					
0099	Other intergovernmental charges	200,500	200,500	199,040	1,460
6030	Total expenditures	15,713,946	16,139,735	15,379,757	759,978
1200	Net change in fund balance	(231,449)	(457,238)	(137,675)	319,563
0100	Fund balance - beginning	14,265,089	14,265,089	14,265,089	-
3000	FUND BALANCE - ENDING	<u>\$ 14,033,640</u>	<u>\$ 13,807,851</u>	<u>\$ 14,127,414</u>	<u>\$ 319,563</u>

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

Onalaska 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*

Year	District's Proportion of Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State's Proportionate Share of the Net Pension Liability Associated with the District	Total	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	0.0086227%	\$ 5,267,119	\$ 5,944,506	\$ 11,211,625	\$ 10,167,402	51.80%	77.51%
2024	0.0086602%	5,948,698	6,610,472	12,559,170	9,479,418	62.75%	73.15%
2023	0.0078973%	4,688,408	5,820,377	10,508,785	8,765,147	53.49%	75.62%
2022	0.0064515%	1,642,959	2,913,131	4,556,090	8,427,854	19.49%	88.79%
2021	0.0064887%	3,475,208	6,064,872	9,540,080	8,146,190	42.66%	75.54%
2020	0.0067112%	3,488,690	5,280,650	8,769,340	7,178,324	48.60%	75.24%
2019	0.0075265%	4,142,789	5,650,413	9,793,202	6,864,319	60.35%	73.74%
2018	0.0070437%	2,252,182	3,275,411	5,527,593	6,379,090	35.31%	82.17%
2017	0.0066222%	2,502,442	3,636,219	6,138,661	5,679,385	44.06%	78.00%
2016	0.0057989%	2,049,834	3,598,759	5,648,593	5,311,762	38.59%	78.43%

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

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

Exhibit G-3

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	\$ 459,194	\$ (459,194)	\$ -	\$ 10,670,548	4.30%
2024	485,020	(485,020)	-	10,167,402	4.77%
2023	445,153	(445,153)	-	9,479,418	4.70%
2022	368,510	(368,510)	-	8,765,147	4.20%
2021	275,314	(275,314)	-	8,427,854	3.27%
2020	267,725	(267,725)	-	8,146,190	3.29%
2019	234,900	(234,900)	-	7,178,324	3.27%
2018	249,195	(249,195)	-	6,864,319	3.63%
2017	228,877	(228,877)	-	6,379,090	3.59%
2016	210,311	(210,311)	-	5,679,385	3.70%

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

Onalaska Independent School District

Exhibit G-4

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 Eight Fiscal Years*

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	0.0122887%	\$ 3,729,805	\$ 4,673,395	\$ 8,403,200	\$ 10,167,402	36.68%	13.70%
2024	0.0126901%	2,809,388	3,389,958	6,199,346	9,479,418	29.64%	14.94%
2023	0.0124037%	2,969,953	3,622,876	6,592,829	8,765,147	33.88%	11.52%
2022	0.0106282%	4,099,753	5,492,755	9,592,508	8,427,854	48.65%	6.18%
2021	0.0102408%	3,892,979	5,231,230	9,124,209	8,146,190	47.79%	4.99%
2020	0.0107333%	5,075,930	6,744,773	11,820,703	7,178,324	70.71%	2.66%
2019	0.0126054%	6,293,974	5,790,672	12,084,646	6,864,319	91.69%	1.57%
2018	0.0136607%	5,940,515	5,032,061	10,972,576	6,379,090	93.12%	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.

Onalaska Independent School District
 Schedule of the District's Contributions to the
 Teacher Retirement System of Texas OPEB Plan
 For the Last Eight Fiscal Years*

Exhibit G-5

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	\$ 122,027	\$ (122,027)	\$ -	\$ 10,670,548	1.14%
2024	111,438	(111,438)	-	10,167,402	1.10%
2023	110,084	(110,084)	-	9,479,418	1.16%
2022	101,877	(101,877)	-	8,765,147	1.16%
2021	82,495	(82,495)	-	8,427,854	0.98%
2020	77,837	(77,837)	-	8,146,190	0.96%
2019	76,177	(76,177)	-	7,178,324	1.06%
2018	84,284	(84,284)	-	6,864,319	1.23%

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

Onalaska 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%	

Onalaska 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 pre-65 retirees was lowered from 50% to 40%.
- The ultimate healthcare 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.

Onalaska 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.

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Supplementary Information

Onalaska Independent School District

Combining Balance Sheet
 Nonmajor Governmental Funds
 Special Revenue Funds
 August 31, 2025

	211	224	225	240
<u>Data Control Codes</u>	<u>ESSA Title I Improving Basic Programs</u>	<u>IDEA-B Formula</u>	<u>IDEA-B Preschool</u>	<u>National School Breakfast/ Lunch Program</u>
ASSETS				
1110 Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 388,267
1240 Due from other governments	53,364	-	38	103,108
1300 Inventories	-	-	-	71,964
1000 TOTAL ASSETS	<u>\$ 53,364</u>	<u>\$ -</u>	<u>\$ 38</u>	<u>\$ 563,339</u>
LIABILITIES				
2110 Accounts payable	\$ -	\$ -	\$ -	\$ 52,013
2160 Accrued wages payable	26,569	-	-	56,600
2170 Due to other funds	26,795	-	38	-
2000 Total liabilities	53,364	-	38	108,613
FUND BALANCES				
3410 Nonspendable - inventories	-	-	-	71,964
3450 Restricted - grant funds	-	-	-	382,762
3545 Committed - other	-	-	-	-
3000 Total fund balances	-	-	-	454,726
4000 TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 53,364</u>	<u>\$ -</u>	<u>\$ 38</u>	<u>\$ 563,339</u>

244 255 270 289 410 429 461

Career and Tech Basic Grant	ESSA Title II Training and Recruiting	Rural and Low- Income Program	Federally Funded Special Revenue Funds	State Textbook Fund	State Funded Special Revenue Funds	Campus Activity Funds	Total Nonmajor Funds (See Exhibit C-1)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 111,522	\$ 499,789
2,507	6,889	6,435	-	12,073	82,617	-	267,031
-	-	-	-	-	-	-	71,964
<u>\$ 2,507</u>	<u>\$ 6,889</u>	<u>\$ 6,435</u>	<u>\$ -</u>	<u>\$ 12,073</u>	<u>\$ 82,617</u>	<u>\$ 111,522</u>	<u>\$ 838,784</u>
\$ 2,192	\$ 70	\$ -	\$ -	\$ -	\$ -	\$ 66	\$ 54,341
-	-	-	-	-	-	-	83,169
315	6,819	6,435	-	12,073	82,617	-	135,092
2,507	6,889	6,435	-	12,073	82,617	66	272,602
-	-	-	-	-	-	-	71,964
-	-	-	-	-	-	-	382,762
-	-	-	-	-	-	111,456	111,456
-	-	-	-	-	-	111,456	566,182
<u>\$ 2,507</u>	<u>\$ 6,889</u>	<u>\$ 6,435</u>	<u>\$ -</u>	<u>\$ 12,073</u>	<u>\$ 82,617</u>	<u>\$ 111,522</u>	<u>\$ 838,784</u>

Onalaska Independent School District

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

		211	224	225	240
Data Control Codes		ESSA Title I Improving Basic Programs	IDEA-B Formula	IDEA-B Preschool	National School Breakfast/ Lunch Program
REVENUES					
5700	Local and intermediate sources	\$ -	\$ -	\$ -	\$ 106,302
5800	State program revenues	-	-	-	3,828
5900	Federal program revenues	<u>490,777</u>	<u>222,505</u>	<u>2,217</u>	<u>1,043,374</u>
5020	Total revenues	490,777	222,505	2,217	1,153,504
EXPENDITURES					
Current:					
0011	Instruction	313,717	-	2,217	-
0013	Curriculum and instructional staff development	76,403	-	-	-
0021	Instructional leadership	95,435	-	-	-
0031	Guidance, counseling, and evaluation services	-	222,505	-	-
0034	Student transportation	5,222	-	-	-
0035	Food services	-	-	-	1,222,565
0036	Extracurricular activities	-	-	-	-
0052	Security and monitoring services	-	-	-	-
6030	Total expenditures	<u>490,777</u>	<u>222,505</u>	<u>2,217</u>	<u>1,222,565</u>
1200	Net change in fund balances	-	-	-	(69,061)
0100	Fund balances - beginning	-	-	-	<u>523,787</u>
3000	FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 454,726</u>

Exhibit H-2

	244	255	270	289	410	429	461	
	Career and Tech Basic Grant	ESSA Title II Training and Recruiting	Rural and Low- Income Program	Federally Funded Special Revenue Funds	State Textbook Fund	State Funded Special Revenue Funds	Campus Activity Funds	Total Nonmajor Funds (See Exhibit C-2)
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 180,257	\$ 286,559
	-	-	-	-	143,236	150,000	-	297,064
	<u>26,263</u>	<u>64,958</u>	<u>22,681</u>	<u>21,638</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,894,413</u>
	26,263	64,958	22,681	21,638	143,236	150,000	180,257	2,478,036
	26,263	31,802	22,681	21,638	143,236	-	-	561,554
	-	33,156	-	-	-	-	-	109,559
	-	-	-	-	-	-	-	95,435
	-	-	-	-	-	-	-	222,505
	-	-	-	-	-	-	-	5,222
	-	-	-	-	-	-	-	1,222,565
	-	-	-	-	-	-	169,870	169,870
	-	-	-	-	-	150,000	-	150,000
	<u>26,263</u>	<u>64,958</u>	<u>22,681</u>	<u>21,638</u>	<u>143,236</u>	<u>150,000</u>	<u>169,870</u>	<u>2,536,710</u>
	-	-	-	-	-	-	10,387	(58,674)
	-	-	-	-	-	-	101,069	624,856
\$	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,456</u>	<u>566,182</u>

Onalaska Independent School District

Schedule of Delinquent Taxes Receivable

For the Fiscal Year Ended August 31, 2025

Year Ended August 31,	1		2		3	
	Tax Rates				Assessed/ Appraised Value for School Tax Purposes	
	Maintenance		Debt Service			
2016 and prior years	\$	Various	\$	Various	\$	Various
2017		1.0400		0.19500		506,208,907
2018		1.0400		0.20890		545,051,806
2019		1.0600		0.18890		555,868,044
2020		0.9900		0.18890		600,502,926
2021		0.9764		0.18890		608,381,018
2022		0.9086		0.17530		679,050,433
2023		0.8646		0.17530		755,928,166
2024		0.6792		0.17530		835,721,123
2025		0.6769		0.37930		849,685,571

1000 TOTALS

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

10	20	31	32	40	50	99
Beginning Balance 9/1/2024	Current Year's Total Levy	Maintenance Collections	Debt Service Collections	Entire Year's Adjustments	Ending Balance 8/31/2025	Total Taxes Refunded Under Section 26.1115(c)
\$ 98,698	\$ -	\$ 2,846	\$ 656	\$ 161	\$ 95,357	
15,122	-	1,219	229	-	13,674	
22,750	-	3,637	731	-	18,382	
21,083	-	2,630	469	-	17,984	
22,981	-	2,938	561	(589)	18,893	
56,125	-	3,011	582	(2,536)	49,996	
69,569	-	5,618	1,084	(1,979)	60,888	
120,109	-	20,133	4,083	(8,296)	87,597	
300,312	-	112,128	28,931	(42,343)	116,910	
-	8,974,379	5,483,797	3,072,838	(88,632)	329,112	
<u>\$ 726,749</u>	<u>\$ 8,974,379</u>	<u>\$ 5,637,957</u>	<u>\$ 3,110,164</u>	<u>\$ (144,214)</u>	<u>\$ 808,793</u>	
						<u>\$ 1,398</u>

Onalaska Independent School District
 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

Exhibit J-2

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 93,501	\$ 93,501	\$ 106,302	\$ 12,801
5800	State program revenues	4,500	4,500	3,828	(672)
5900	Federal program revenues	970,000	970,000	1,043,374	73,374
5020	Total revenues	1,068,001	1,068,001	1,153,504	85,503
EXPENDITURES					
Current:					
0035	Food services	1,184,600	1,287,900	1,222,565	65,335
6030	Total expenditures	1,184,600	1,287,900	1,222,565	65,335
1200	Net change in fund balance	(116,599)	(219,899)	(69,061)	150,838
0100	Fund balance - beginning	523,787	523,787	523,787	-
3000	FUND BALANCE - ENDING	<u>\$ 407,188</u>	<u>\$ 303,888</u>	<u>\$ 454,726</u>	<u>\$ 150,838</u>

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

Exhibit J-3

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 3,067,782	\$ 3,067,782	\$ 3,266,645	\$ 198,863
5800	State program revenues	-	-	168,268	168,268
5020	Total revenues	3,067,782	3,067,782	3,434,913	367,131
EXPENDITURES					
Debt service:					
0071	Principal on long-term debt	1,048,998	1,048,998	1,048,998	-
0072	Interest on long-term debt	2,018,784	2,233,577	2,233,577	-
6030	Total expenditures	3,067,782	3,282,575	3,282,575	-
1200	Net change in fund balance	-	(214,793)	152,338	367,131
0100	Fund balance - beginning	1,186,500	1,186,500	1,186,500	-
3000	FUND BALANCE - ENDING	<u>\$ 1,186,500</u>	<u>\$ 971,707</u>	<u>\$ 1,338,838</u>	<u>\$ 367,131</u>

Onalaska 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.	\$ 1,188,665
AP4 List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30)	\$ 992,461
<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.	\$ 11,391
AP8 List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25)	\$ 30,845

Overall Compliance, Internal Control Section and Federal Awards

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Trustees of
Onalaska Independent School District
Onalaska, Texas

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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Onalaska 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, and have issued our report thereon dated November 13, 2025.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

The Woodlands, Texas
November 13, 2025

**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
Onalaska Independent School District
Onalaska, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Onalaska 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 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.

The Board of Trustees of
Onalaska Independent School District

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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
Onalaska 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.

[NAME OF FIRM]

The Woodlands, Texas
[REPORT RELEASE DATE]

Onalaska 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

- | | |
|--|---------------|
| 1. Type of auditor's report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | None reported |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|--|
| 4. Internal control over major programs: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | None reported |
| 5. Type of auditor's report issued on compliance with major programs | Unmodified |
| 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |
| 7. Identification of major programs | 10,553, 10,555 – Child Nutrition Cluster |
| 8. Dollar threshold used to distinguish between Type A and Type B federal programs | \$750,000 |
| 9. Auditee qualified as a low-risk auditee? | Yes |

Section 2. Financial Statement Findings

None reported

Section 3. Federal Awards Findings and Questioned Costs

None reported

Onalaska Independent School District

Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended August 31, 2025

Prior Year Findings

None reported

Onalaska Independent School District
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended August 31, 2025

Exhibit K-1

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed Through State Department of Education:			
ESEA Title I, Part A-Improving Basic Programs	84.010A	25610101187910	\$ 490,777
Special Education Cluster (IDEA):			
IDEA - Part B Formula	84.027A	256600011879106000	222,505
IDEA - Part B Preschool	84.173A	256610011879106000	<u>2,217</u>
Total Special Education Cluster (IDEA)			224,722
Career and Technology - Basic Grant	84.048A	25420006187910	26,263
ESEA Title VI, Part B, Subpart 2 - Rural and Low Income School	84.358B	25696001187910	22,681
ESEA Title II, Part A-Teacher and Principal Training and Recruiting	84.367A	25694501187910	64,958
ESEA Title IV, Part A, Subpart 1	84.424A	25680101187910	<u>21,638</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			851,039
U.S. DEPARTMENT OF AGRICULTURE			
Child Nutrition Cluster:			
Passed Through State Department of Education- Cash Assistance:			
School Breakfast Program	10.553	71402501	344,864
Passed Through State Department of Agriculture - Non Cash Assistance:			
National School Lunch Program	10.555	806780706	46,501
Passed Through State Department of Agriculture:			
National School Lunch Program	10.555	71302501	<u>648,591</u>
Total Assistance Listing Number 10.555			<u>695,092</u>
Total Child Nutrition Cluster			1,039,956
2021 P-EBT Admin Expense Reimbursement	10.649	806780706	<u>3,418</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>1,043,374</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,894,413</u>

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

Onalaska 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 Onalaska 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 non-cash commodities are recorded at their estimated market 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	\$	1,894,413
General fund - federal revenue:		
School health and related services (SHARS)		<u>63,764</u>
Total federal revenues per Exhibit C-2	\$	<u><u>1,958,177</u></u>

Onalaska Independent School District
 Schedule of Required Responses to Selected
 School FIRST Indicators (Unaudited)
 For the Year Ending August 31, 2025

Exhibit L-1

<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.	\$ -