

CORSICANA INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
AUGUST 31, 2023**

CORSICANA INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2023

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CERTIFICATE OF BOARD

Corsicana Independent School District
Name of School District

Navarro
County

175-903
Co.-Dist.Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) _____ approved _____ disapproved for the year ended August 31, 2023, at a meeting of the Board of Trustees of such school district on the 22nd day of January, 2024.

Signature of Board Secretary

Signature of Board President

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

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Corsicana Independent School District
Corsicana, 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 Corsicana Independent School District (the "District"), as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise Corsicana Independent School 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 Corsicana Independent School District, as of August 31, 2023, 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 Corsicana Independent School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Corsicana Independent School 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.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Auditor's Responsibility 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 Corsicana Independent School 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 Corsicana Independent School 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 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 Corsicana Independent School District’s basic financial statements. The combining statements, required TEA schedules and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements, required TEA schedules and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2023 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 Corsicana Independent School District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Corsicana Independent School District’s internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
January 22, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Corsicana Independent School District's annual financial report presents our discussion and analysis of the District's financial performance during the year ended August 31, 2023. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's total combined net position on financial statement exhibit A-1 was (\$16,950,468) at August 31, 2023.
- During the year, the District's primary government expenses on financial statement exhibit B-1 were \$6,146,466 less than the \$83,498,559 generated in taxes and other revenues for governmental activities.
- Total governmental expenditures for the District, presented on financial statement exhibit C-3 increased (\$2,546,238) from last year.
- The General Fund reported a fund balance this year on financial statement exhibit C-3 of \$22,201,574. The District began the current year with a fund balance in the amount of \$19,016,796.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *government-wide* financial statements that provide both *long-term* and *short-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in more detail than the government-wide statements.
- The *governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements provide information about for-profit activities.
- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others to whom the resources in question belong.

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

Government-wide Statements

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

- Over time, increases or decreases in the District's net position is an indicator of whether its financial health is improving or deteriorating, respectively.

- To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District's tax base.

The government-wide financial statements of the District include the *Governmental activities*. Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services and general administration. Property taxes and grants finance most of these activities.

Fund Financial Statements

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

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

The District has the following kinds of funds:

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position

The District's combined net position was (\$16,950,468) at August 31, 2023. (See Table A-1).

**TABLE A-1
CORNICANA INDEPENDENT SCHOOL DISTRICT
NET POSITION**

	Governmental Activities		Total Percentage Change
	2023	2022	
Current assets:			
Cash and cash equivalents	\$ 23,100,607	\$ 20,359,365	13.46%
Due from other governments	9,995,396	10,846,214	-7.84%
Inventories	58,782	133,765	-56.06%
Other receivables	4,475,090	910,652	391.42%
Total current assets	<u>37,629,875</u>	<u>32,249,996</u>	16.68%
Noncurrent assets:			
Capital assets	173,337,198	173,147,882	0.11%
Right to use	477,234	477,234	0.00%
Less accumulated depreciation	(101,199,518)	(95,655,677)	5.80%
Total noncurrent assets	<u>72,614,914</u>	<u>77,969,439</u>	-6.87%
Total Assets	<u>110,244,789</u>	<u>110,219,435</u>	0.02%
Deferred Outflows of Resources	<u>18,402,430</u>	<u>17,111,289</u>	7.55%
Current liabilities:			
Accounts payable and accrued liabilities	5,652,972	5,153,267	9.70%
Deferred revenue	19,207	311,145	-93.83%
Total current liabilities	<u>5,672,179</u>	<u>5,464,412</u>	3.80%
Long-term liabilities:			
Noncurrent liabilities due in one year	4,699,989	4,870,298	-3.50%
Noncurrent liabilities due in more than 1 yr	80,503,290	85,090,254	-5.39%
Net Pension Liability	19,511,420	9,176,755	112.62%
Net OPEB Liability	11,262,918	19,651,064	-42.69%
Total Liabilities	<u>121,649,796</u>	<u>124,252,783</u>	-2.09%
Deferred Inflows of Resources	<u>23,947,891</u>	<u>26,174,875</u>	-8.51%
Net Position:			
Net invested in capital assets	(4,976,437)	(4,334,097)	14.82%
Restricted	7,001,962	5,048,218	38.70%
Unrestricted	(18,975,993)	(23,811,055)	-20.31%
Total Net Position	<u>\$ (16,950,468)</u>	<u>\$ (23,096,934)</u>	-26.61%

The District has \$7,001,962 in restricted net position that represents \$6,003,823 proceeds for debt service, \$259,422 for campus activities, and \$738,717 for federal and state programs. These proceeds, when spent, are restricted for the above purposes. The (\$18,975,993) of unrestricted net position represents a deficit of resources to be available to fund the programs of the District next year.

Changes in net position. The District's total revenues were \$80,098,559. A significant portion, 36%, of the District's revenue comes from taxes. (See Table A-2). 20% comes from operating grants and contributions, and 40% relates to grants and contributions not restricted to specific programs.

The total cost of all programs and services was \$77,352,093; 52% of these costs are for governmental activities associated with instructional and student services.

Governmental Activities

**TABLE A-2
CORSIANA INDEPENDENT SCHOOL DISTRICT
CHANGES IN NET POSITION**

	Governmental Activities		Total Percentage Change
	2023	2022	
REVENUES			
Program revenues:			
Charges for services	\$ 682,891	\$ 518,552	31.69%
Operating grants and contributions	16,150,794	18,651,825	-13.41%
General revenues:			
Property taxes	28,677,084	27,584,481	3.96%
State aid - formula	32,373,374	32,829,895	-1.39%
Investment earnings	1,239,732	153,024	710.16%
Other	974,684	1,098,323	-11.26%
Total revenues	<u>80,098,559</u>	<u>80,836,100</u>	-0.91%
EXPENSES			
Instruction	39,922,440	38,932,472	2.54%
Instructional resources and media services	571,378	526,110	8.60%
Curriculum dev. and instructional staff development	581,428	623,874	-6.80%
Instructional leadership	2,507,906	2,739,476	-8.45%
School leadership	3,377,625	3,514,915	-3.91%
Guidance, counseling and evaluation services	2,560,686	2,809,853	-8.87%
Social work services	118,156	104,414	13.16%
Health services	604,917	601,267	0.61%
Student (pupil) transportation	2,460,297	2,128,787	15.57%
Food services	5,881,128	5,156,216	14.06%
Co-curricular/extra curricular activities	2,449,713	2,141,461	14.39%
General administration	1,326,123	1,116,531	18.77%
Plant maintenance and operations	7,721,857	7,152,426	7.96%
Security and monitoring services	1,744,030	1,733,140	0.63%
Data processing services	2,457,307	5,222,909	-52.95%
Community services	80,181	165,510	-51.56%
Debt services	2,401,025	2,261,635	6.16%
Payments to fiscal agent/member dist. - SSA	95,738	84,988	12.65%
Other	490,158	450,198	8.88%
Total expenses	<u>77,352,093</u>	<u>77,466,182</u>	-0.15%
EXTRAORDINARY ITEM	3,400,000	-	100.00%
CHANGE IN NET POSITION	6,146,466	3,369,918	82.39%
NET POSITION, BEGINNING	<u>(23,096,934)</u>	<u>(26,466,852)</u>	-12.73%
NET POSITION, ENDING	<u>\$ (16,950,468)</u>	<u>\$ (23,096,934)</u>	-26.61%

Table A-3 presents the cost of each of the District's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.

The cost of all governmental activities this year was \$77,352,093. However, the amount that our taxpayers paid for these activities through property taxes was only \$28,677,084. Some of the cost, \$682,891, was paid by those who directly benefited from the programs, or by grants and contributions of \$16,150,794.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled \$82,080,164, while the previous year it was \$77,588,464. The increase in local revenues is a result of changed valuations. The increase in federal revenues is due to the change in federal program revenue distributed through other agencies.

General Fund Budgetary Highlights

Over the course of the year, the District revised its budget several times. Actual expenditures were \$2,801,209 less than final budget amounts in the General Fund.

Additionally, revenues were \$1,301,784 above the final budgeted amount.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2023, the District had invested \$72,614,914 in a broad range of capital assets, including land, equipment, buildings, vehicles, and right to use assets. (See Table A-4.)

TABLE A-4
DISTRICT'S CAPITAL ASSETS
(in millions of dollars)

	Governmental Activities		Total Percentage Change
	2023	2022	
Land	\$ 1,517,186	\$ 1,517,186	0.00%
Buildings and improvements	155,209,769	155,209,769	0.00%
Equipment	10,102,186	10,097,186	0.05%
Vehicles	6,508,057	6,323,741	2.91%
Right to use	477,234	477,234	0.00%
Totals at historical cost	173,814,432	173,625,116	0.11%
Total accumulated depreciation	(101,199,518)	(95,655,677)	5.80%
Net capital assets	\$ 72,614,914	\$ 77,969,439	-6.87%

More detailed information about the District's capital assets is presented in the notes to the financial statements.

Long Term Liabilities

At year-end the District had \$115.978 million in bonds, net pension and OPEB liability, and notes outstanding as shown in Table A-5. More detailed information about the District's debt is presented in the notes to the financial statements.

Bond Ratings. The District's bonds presently carry "AAA" ratings with underlying ratings as follows: Moody's Investor Services "A3" and Standard & Poors "A".

TABLE A-5
DISTRICT'S LONG-TERM LIABILITIES

	Governmental Activities		Total Percentage Change
	2023	2022	
Leases payable	\$ -	\$ 216,417	-100.00%
Bonds payable	83,485,365	87,567,959	-4.66%
Bond premium	536,397	560,779	-4.35%
Tax maintenance notes	435,000	570,000	-23.68%
Notes payable	83,318	169,807	-50.93%
Loan - SECO	663,199	875,590	-24.26%
Net pension liability	19,511,420	9,176,755	112.62%
Net OPEB liability	11,262,918	19,651,064	-42.69%
Total long-term liabilities	\$ 115,977,617	\$ 118,788,371	-2.37%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following indicators were taken into account when adopting the general fund budget for 2024:

- Appraised value used for the 2024 budget preparation is \$2,888,773,846, an increase of 10.6% from 2023.
- General operating fund spending per student increased in the 2024 budget from \$9,616 to \$10,716. This is an 11.4% increase.
- The District's 2024 refined average daily attendance is expected to be 5,600, an increase of less than 1%.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Corsicana Independent School District's Business Services Department at 2200 W. 4th Ave., Corsicana, Texas 75110 or phone number 903-602-8129.

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BASIC FINANCIAL STATEMENTS

CORSIANA INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION

AUGUST 31, 2023

<u>Data Control Codes</u>		<u>Governmental Activities</u>
ASSETS		
1110	Cash and cash equivalents	\$ 23,100,607
1225	Property taxes receivables (net)	1,044,492
1240	Due from other governments	9,995,396
1267	Due from fiduciary funds	2,000
1290	Other receivables (net)	3,428,598
1300	Inventories	58,782
	Capital assets:	
1510	Land	1,517,186
1520	Buildings and improvements, net	69,990,799
1530	Furniture and equipment, net	<u>1,106,929</u>
1000	Total assets	<u>110,244,789</u>
DEFERRED OUTFLOWS OF RESOURCES		
1701	Deferred loss on bond refunding	6,339,210
1705	Deferred outflow related to pensions	8,016,382
1706	Deferred outflow related to OPEB	<u>4,046,838</u>
1700	Total deferred outflows of resources	<u>18,402,430</u>
LIABILITIES		
2110	Accounts payable	244,356
2140	Interest payable	82,325
2160	Accrued wages payable	4,651,835
2165	Accrued liabilities	636,216
2180	Due to other governments	38,240
2300	Unearned revenue	19,207
	Noncurrent liabilities:	
2501	Due within one year	4,699,989
2502	Due in more than one year	80,503,290
2540	Net pension liability	19,511,420
2545	Net OPEB liability	<u>11,262,918</u>
2000	Total liabilities	<u>121,649,796</u>
DEFERRED INFLOWS OF RESOURCES		
2601	Deferred revenue-deferred gain on refunding	702,723
2605	Deferred inflow related to pensions	3,658,185
2606	Deferred inflow related to OPEB	<u>19,586,983</u>
2600	Total deferred inflows of resources	<u>23,947,891</u>
NET POSITION		
3200	Net investment in capital assets	(4,976,437)
	Restricted for:	
3820	Federal and state programs	738,717
3850	Debt service	6,003,823
3870	Campus activities	259,422
3900	Unrestricted	<u>(18,975,993)</u>
3000	Total net position (deficit)	<u>\$ (16,950,468)</u>

The accompanying notes are an integral part of this financial statement.

CORSIANA INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	Functions/Programs	1 Expenses	Program Revenues		Net (Expenses) Revenue and Changes in in Net Position 6
			3 Charges for Services	4 Operating Grants and Contributions	
					Governmental Activities
Primary government:					
Governmental activities:					
11	Instruction	\$39,922,440	\$ -	\$ 6,066,871	\$ (33,855,569)
12	Instructional resources and media services	571,378	-	50,881	(520,497)
13	Curriculum and staff development	581,428	-	204,426	(377,002)
21	Instructional leadership	2,507,906	-	762,398	(1,745,508)
23	School leadership	3,377,625	-	428,467	(2,949,158)
31	Guidance, counseling, and evaluation services	2,560,686	-	574,192	(1,986,494)
32	Social work services	118,156	-	119,226	1,070
33	Health services	604,917	-	392,554	(212,363)
34	Student transportation	2,460,297	-	39,956	(2,420,341)
35	Food service	5,881,128	236,308	5,153,021	(491,799)
36	Cocurricular/extracurricular activities	2,449,713	317,258	89,101	(2,043,354)
41	General administration	1,326,123	-	18,361	(1,307,762)
51	Facilities maintenance and operations	7,721,857	129,325	97,397	(7,495,135)
52	Security and monitoring services	1,744,030	-	441,890	(1,302,140)
53	Data processing services	2,457,307	-	1,315,048	(1,142,259)
61	Community services	80,181	-	68,050	(12,131)
72	Interest on long-term debt	2,387,774	-	328,955	(2,058,819)
73	Bond issuance costs and fees	13,251	-	-	(13,251)
93	Payments for shared services arrangements	95,738	-	-	(95,738)
99	Other intergovernmental charges	490,158	-	-	(490,158)
TG	Total governmental activities	<u>\$77,352,093</u>	<u>\$682,891</u>	<u>\$16,150,794</u>	<u>\$ (60,518,408)</u>
General revenues:					
MT	Property taxes, levied for general purposes				22,388,316
DT	Property taxes, levied for debt service				6,288,768
	Grants and contributions not restricted				
GC	to specific programs				32,373,374
IE	Investment earnings				1,239,732
MI	Miscellaneous				974,684
EI	Extraordinary item				<u>3,400,000</u>
TR	Total general revenues and extraordinary item				<u>66,664,874</u>
CN	Change in net position				<u>6,146,466</u>
NB	Net position, beginning				<u>(23,096,934)</u>
NE	Net position, ending				<u>\$ (16,950,468)</u>

CORSICANA INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

AUGUST 31, 2023

Data Control Codes		10	50	281
		General Fund	Debt Service Fund	ESSER II
ASSETS				
1110	Cash and cash equivalents	\$ 13,509,717	\$ 5,892,855	\$ -
1220	Property taxes receivable	1,354,931	385,888	-
1230	Allowance for uncollectible taxes	(541,972)	(154,355)	-
1240	Due from other governments	3,729,524	-	224,390
1260	Due from other funds	6,192,096	-	-
1290	Other receivables	3,408,932	-	-
1300	Inventories	-	-	-
1000	Total assets	<u>27,653,228</u>	<u>6,124,388</u>	<u>224,390</u>
LIABILITIES				
2110	Accounts payable	163,089	-	-
2160	Accrued wages payable	3,986,729	-	-
2170	Due to other funds	365,922	-	224,390
2180	Due to other governments	-	38,240	-
2200	Accrued expenditures	116,460	-	-
2300	Unearned revenues	14,269	-	-
2000	Total liabilities	<u>4,646,469</u>	<u>38,240</u>	<u>224,390</u>
DEFERRED INFLOWS OF RESOURCES				
2600	Deferred revenue-property taxes	805,185	229,344	-
2600	Total deferred inflows of resources	<u>805,185</u>	<u>229,344</u>	<u>-</u>
FUND BALANCES				
3410	Non-spendable - inventories	-	-	-
	Restricted:			
3450	Federal and state programs	-	-	-
3470	Capital acquisitions & contractual obligations	-	-	-
3480	Retirement of long-term debt	-	5,856,804	-
3490	Campus activities	-	-	-
3600	Unassigned	22,201,574	-	-
3000	Total fund balances	<u>22,201,574</u>	<u>5,856,804</u>	<u>-</u>
4000	Total liabilities, deferred inflows			
4000	and fund balances	\$ <u>27,653,228</u>	\$ <u>6,124,388</u>	\$ <u>224,390</u>

The accompanying notes are an integral part of this financial statement.

282		
ESSER III	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 3,659,919	\$ 23,062,491
-	-	1,740,819
-	-	(696,327)
1,654,574	4,386,908	9,995,396
-	-	6,192,096
-	19,666	3,428,598
-	58,782	58,782
<u>1,654,574</u>	<u>8,125,275</u>	<u>43,781,855</u>
35,234	46,033	244,356
26,870	638,236	4,651,835
1,591,291	4,374,415	6,556,018
-	-	38,240
1,179	29,291	146,930
-	4,938	19,207
<u>1,654,574</u>	<u>5,092,913</u>	<u>11,656,586</u>
-	-	1,034,529
-	-	1,034,529
-	58,782	58,782
-	738,717	738,717
-	1,975,441	1,975,441
-	-	5,856,804
-	259,422	259,422
-	-	22,201,574
<u>-</u>	<u>3,032,362</u>	<u>31,090,740</u>
\$ <u>1,654,574</u>	\$ <u>8,125,275</u>	\$ <u>43,781,855</u>

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CORSICANA INDEPENDENT SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

AUGUST 31, 2023

Total fund balances - governmental funds	\$ 31,090,740
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	72,614,914
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,034,529
The assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Position.	(85,248)
Long-term liabilities, including bonds and notes payable, are note due and payable in the current period and are not reported in the funds.	(79,566,792)
Payables for bond interest which are not due in the current period are not reported in the funds.	(82,325)
Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to pensions included a deferred resource outflow in the amount of \$8,016,382, a deferred resource inflow in the amount of \$3,658,185, and a net pension liability in the amount of \$19,511,420. This resulted in a decrease in net position.	(15,153,223)
Included in the items related to debt is the recognition of the District's proportionate share of the net other post-employment benefit liability required by GASB 75. The net position related to the TRS included a deferred resource outflow in the amount of \$4,046,838, a deferred resource inflow in the amount of \$19,586,983, and a net OPEB liability in the amount of \$11,262,918. This resulted in a decrease in net position.	<u>(26,803,063)</u>
Net position of governmental activities	<u>\$ (16,950,468)</u>

CORSICANA INDEPENDENT SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		10	50	281
		General Fund	Debt Service Fund	ESSER II
REVENUES				
5700	Local and intermediate sources	\$ 23,841,600	\$ 6,510,083	\$ -
5800	State program revenues	35,365,754	328,955	-
5900	Federal program revenues	1,125,738	-	286,340
5020	Total revenues	<u>60,333,092</u>	<u>6,839,038</u>	<u>286,340</u>
EXPENDITURES				
Current:				
0011	Instruction	33,688,525	-	219,826
0012	Instructional resources and media services	528,126	-	-
0013	Curriculum and staff development	355,443	-	-
0021	Instructional leadership	1,787,054	-	-
0023	School leadership	2,949,444	-	15,830
0031	Guidance, counseling and evaluation services	1,977,187	-	1,279
0032	Social work services	-	-	-
0033	Health services	594,753	-	-
0034	Student transportation	2,618,850	-	-
0035	Food services	-	-	-
0036	Cocurricular/extracurricular activities	1,877,400	-	-
0041	General administration	1,298,693	-	-
0051	Facilities maintenance and operations	7,364,346	-	-
0052	Security and monitoring services	1,543,680	-	34,774
0053	Data processing services	1,510,657	-	-
0061	Community services	-	-	14,631
Debt service:				
0071	Principal on long term debt	903,983	4,220,000	-
0072	Interest on long term debt	41,065	1,858,639	-
0073	Bond issuance costs and fees	-	13,251	-
Intergovernmental:				
0093	Payments to Shared Service Arrangements	95,738	-	-
0099	Other intergovernmental charges	490,158	-	-
6030	Total expenditures	<u>59,625,102</u>	<u>6,091,890</u>	<u>286,340</u>
1100	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	707,990	747,148	-
OTHER FINANCING SOURCES (USES)				
7915	Transfers in	-	923,212	-
8911	Transfers out	(923,212)	-	-
	Total other financing sources (uses)	<u>(923,212)</u>	<u>923,212</u>	<u>-</u>
7919	EXTRAORDINARY ITEM	3,400,000	-	-
1200	NET CHANGE IN FUND BALANCES	3,184,778	1,670,360	-
0100	FUND BALANCES, BEGINNING	<u>19,016,796</u>	<u>4,186,444</u>	<u>-</u>
3000	FUND BALANCES, ENDING	<u>\$ 22,201,574</u>	<u>\$ 5,856,804</u>	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.

282	Other Governmental Funds	Total Governmental Funds
ESSER III		
\$ -	\$ 1,096,768	\$ 31,448,451
-	1,964,495	37,659,204
<u>2,137,497</u>	<u>9,422,934</u>	<u>12,972,509</u>
<u>2,137,497</u>	<u>12,484,197</u>	<u>82,080,164</u>
1,280,128	4,144,242	39,332,721
-	43,271	571,397
-	201,525	556,968
-	675,388	2,462,442
145,063	214,422	3,324,759
7,188	533,265	2,518,919
-	119,226	119,226
-	-	594,753
-	-	2,618,850
-	5,662,260	5,662,260
71,146	421,045	2,369,591
5,338	-	1,304,031
32,007	9,553	7,405,906
8,906	124,253	1,711,613
587,721	32,852	2,131,230
-	53,419	68,050
-	-	5,123,983
-	-	1,899,704
-	-	13,251
-	-	95,738
-	-	490,158
<u>2,137,497</u>	<u>12,234,721</u>	<u>80,375,550</u>
-	249,476	1,704,614
-	-	923,212
-	-	(923,212)
<u>-</u>	<u>-</u>	<u>-</u>
-	-	3,400,000
-	249,476	5,104,614
-	2,782,886	25,986,126
<u>\$ -</u>	<u>\$ 3,032,362</u>	<u>\$ 31,090,740</u>

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CORNICANA INDEPENDENT SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2023

Net change in fund balances - total governmental funds	\$ 5,104,614
Amounts reported for governmental activities in the statement of activities are different because:	
The depreciation of capital assets used in governmental activities is not reported in the funds.	(5,354,525)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	164,438
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	4,630,051
(Increase) decrease in accrued interest from beginning of period to end of period.	5,862
The net revenue (expense) of internal service funds is reported with governmental activities.	(102,802)
GASB 68 Required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$1,682,065. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in net position totaling \$1,537,723. Finally, the proportionate share of the TRS pension expense on the plans as a whole had to be recorded. The net pension expense decreased the change in net position by \$366,985. The net result is a decrease in the change in net position.	(222,643)
GASB 75 Required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$396,117. Contributions made before the measurement date and during the previous fiscal year were expended and recorded as a reduction in net OPEB liability. This caused a decrease in net position totaling \$385,277. Finally, the proportionate share of the TRS OPEB expense on the plans as a whole had to be recorded. The net OPEB expense increased the change in net position by \$1,910,631. The net result is a decrease in the change in net position.	<u>1,921,471</u>
Change in net position of governmental activities	<u>\$ 6,146,466</u>

CORSICANA INDEPENDENT SCHOOL DISTRICT

EXHIBIT D-1

STATEMENT OF NET POSITION

AUGUST 31, 2023

	Internal Service Fund
	<u>Public Entity Risk Pool</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 38,116
Due from other funds	<u>365,922</u>
Total current assets	<u>404,038</u>
Total assets	<u>404,038</u>
LIABILITIES	
Current liabilities:	
Accrued expenses	<u>489,286</u>
Total current liabilities	<u>489,286</u>
Total liabilities	<u>489,286</u>
NET POSITION	
Unrestricted	<u>(85,248)</u>
Total net position	\$ <u>(85,248)</u>

CORSICANA INDEPENDENT SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

FOR THE YEAR ENDED AUGUST 31, 2023

	Internal Service Fund
	<u>Public Entity Risk Pool</u>
OPERATING REVENUES	
Local and intermediate sources	\$ 279,788
Total operating revenues	<u>279,788</u>
OPERATING EXPENSES	
Other operating costs	<u>382,590</u>
Total operating expenses	<u>382,590</u>
NET INCREASE (DECREASE) IN NET POSITION	(102,802)
NET POSITION, BEGINNING	<u>17,554</u>
NET POSITION, ENDING	<u>\$ (85,248)</u>

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CORSIANA INDEPENDENT SCHOOL DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUND

FOR THE YEAR ENDED AUGUST 31, 2023

	Nonmajor Internal Service Fund <hr/> Public Entity Risk Pool <hr/>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 279,788
Cash payments or other operating expenses	<u>(275,949)</u>
Net cash provided (used) by operating activities	<u>3,839</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,839
CASH AND CASH EQUIVALENTS, BEGINNING	<u>34,277</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>38,116</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	(102,802)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Change in assets and liabilities:	
Due from other funds	260
Accrued liabilities	<u>106,381</u>
Net cash provided (used) by operating activities	<u>\$ 3,839</u>

CORSICANA INDEPENDENT SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

AUGUST 31, 2023

Data Control Codes		Private Purpose Trust Funds	Custodial Fund <u>Student Activity</u>
	ASSETS		
1110	Cash and cash equivalents	\$ 16,250	\$ 215,467
1290	Other receivables	76,225	-
1810	Restricted cash and temporary investments	<u>18,549,631</u>	<u>-</u>
	Total assets	<u>18,642,106</u>	<u>215,467</u>
	LIABILITIES		
	Current Liabilities:		
2170	Due to other funds	2,000	-
2400	Payable from restricted assets	<u>55,708</u>	<u>-</u>
	Total liabilities	<u>57,708</u>	<u>-</u>
	NET POSITION		
	Restricted for:		
3800	Held in trust	18,584,398	-
3800	Student groups	-	<u>215,467</u>
3000	Total net position	<u>\$ 18,584,398</u>	<u>\$ 215,467</u>

CORSICANA INDEPENDENT SCHOOL DISTRICT

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

FOR THE YEAR ENDED AUGUST 31, 2023

	Private-Purpose Trust Funds	Custodial Fund
ADDITIONS		
Donations	\$ 100	\$ -
Investment income	524,248	-
Net increase in fair value of investments	815,869	-
Mineral income	294,715	-
Collections from student groups	-	503,011
Total additions	1,634,932	503,011
DEDUCTIONS		
Scholarship awards	522,687	-
Professional services	5,364	-
Administrative expenses	64,764	-
Payments on-behalf of student groups	-	502,372
Total deductions	592,815	502,372
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	1,042,117	639
NET POSITION, BEGINNING	17,542,281	214,828
NET POSITION, ENDING	\$ 18,584,398	\$ 215,467

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CORSICANA INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

The Board of School Trustees ("Board"), a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public and has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency ("TEA") or to the State Board of Education are reserved for the Board, and the TEA may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District receives funding from local, state and federal government sources and must comply with the requirements of those funding entities. However, the District is not included in any other governmental reporting entity and there are no component units included within the District's reporting entity.

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. 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.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

The District reports the following major governmental funds:

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

Debt Service Fund: This fund accounts for the proceeds raised through the debt service tax rates and used to pay for bonded debt service.

ESSER II Grant Fund: This fund accounts for the revenues and expenditures for the Elementary and Secondary School Emergency Relief Fund II of the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act used to support the district's ability to operate and instruct their students during the COVID-19 pandemic.

ESSER III Grant Fund: This fund accounts for the revenues and expenditures for the Elementary and Secondary School Emergency Relief Fund III of the American Rescue Plan (ARP) Act used to support the district's ability to operate and instruct their students during the COVID-19 pandemic.

In addition, the District reports the following fund types:

Governmental Funds:

Special Revenue Funds – The District accounts for resources restricted to, or designated for, specific purposes by the District or a grantor in a Special Revenue Fund. Most federal and some state financial assistance is accounted for in a Special Revenue Fund, and sometimes unused balances must be returned to the grantor at the close of specified project periods.

Capital Projects Fund – These funds are used to account for resources accumulated and expenditures made on the District’s capital projects.

Proprietary Funds:

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

Fiduciary Funds:

Private-Purpose Trust Funds - These funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments not reported in other fiduciary fund types.

Custodial Fund – The District accounts for resources held for student activities in its custodial fund.

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. 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 the governmental activities are eliminated.

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

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

1. Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

2. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

3. Inventories

The District records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory in accordance with the Resource Guide.

4. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Classification</u>	<u>Useful Life</u>
Buildings	50
Building improvements	20
Vehicles	5
Office equipment	5
Right to use	2-5

5. Deferred Outflows and Inflows of Resources

In addition to assets, the statements of financial position (the government-wide Statement of Net Position and governmental funds balance sheet) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and/or fund balance that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time.

6. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

7. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenues, and expenditures, expenses, and other disclosures. Accordingly, actual results could differ from those estimates.

8. Data Control Codes

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

9. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the District's Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Board of Trustees. Commitments are typically made through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Board of Trustees or by an official or body to which the Board of Trustees delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the General Fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed, or assigned.

10. Net Position Flow Assumption

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

11. 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.

12. Pensions

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

13. Other Post-Employment 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 post-employment benefits, OPEB expense, and information about assets, liabilities, and additions to/deductions from TRS Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

II. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Cash Deposits

Cash deposits of the District include all amounts deposited at the District's depository bank, including all demand deposits and certificates of deposit. The District's cash deposits at August 31, 2023 and during the year ended August 31, 2023 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

Investments

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

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the District adhered to the requirements of the Act. Additionally, investment practices of the District were in accordance with local policies.

The Act determines the types of investments which are allowable for the District. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers' acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper.

The District's investments at August 31, 2023 are shown below.

<u>Investment or Investment Type</u>	<u>Reported Value</u>	<u>Weighted Average Maturity (Days)</u>	<u>Rating</u>	<u>Rating Agency</u>
Lone Star - First Public	\$ 2,651,732	6	AAAm	S & P
TexStar	54,658	27	AAAm	S & P
TexPool	202,814	23	AAAm	S & P
Logic	3,089,949	28	AAAm	S & P
Texas Class	<u>3,617,467</u>	34	AAAm	S & P
Total Investments	<u>\$ 9,616,620</u>			

Public Funds Investment Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA- or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

B. Capital Assets

Capital asset activity for the year ended August 31, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,517,186	\$ -	\$ -	\$ 1,517,186
Total capital assets, not being depreciated	<u>1,517,186</u>	<u>-</u>	<u>-</u>	<u>1,517,186</u>
Capital assets, being depreciated:				
Buildings and improvements	155,209,769	-	-	155,209,769
Equipment	10,097,186	5,000	-	10,102,186
Vehicles	6,323,741	184,316	-	6,508,057
Right to use	477,234	-	-	477,234
Total capital assets, being depreciated	<u>172,107,930</u>	<u>189,316</u>	<u>-</u>	<u>172,297,246</u>
Less accumulated depreciation for:				
Buildings and improvements	(80,139,333)	(5,079,637)	-	(85,218,970)
Equipment	(9,468,979)	(51,459)	-	(9,520,438)
Vehicles	(5,786,415)	(196,461)	-	(5,982,876)
Right to use	(260,950)	(216,284)	-	(477,234)
Total accumulated depreciation	<u>(95,655,677)</u>	<u>(5,543,841)</u>	<u>-</u>	<u>(101,199,518)</u>
Total governmental activities capital assets, net	<u>\$ 77,969,439</u>	<u>\$ (5,354,525)</u>	<u>\$ -</u>	<u>\$ 72,614,914</u>

Depreciation was charged to functions as follows:

Governmental activities:	
Instruction	\$ 2,938,284
Instruction Resources & Media Services	40,507
Curriculum & Instructional Staff Development	45,531
Instructional Leadership	205,743
School Leadership	266,807
Guidance, Counseling & Evaluation Services	213,594
Social Work Services	7,806
Health Services	45,665
Student (Pupil) Transportation	145,013
Food Services	369,116
Extracurricular Activities	155,603
General Administration	82,187
Plant Maintenance & Operations	518,043
Security & Monitoring Services	128,741
Data Processing Services	367,760
Community Services	12,131
Capital Outlay	<u>1,310</u>
Total depreciation expense	<u>\$ 5,543,841</u>

C. Interfund Balances and Activities

Due To and From Other Funds

Balances due to and due from other funds at August 31, 2023, consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General fund	ESSER II	\$ 224,390	Short-term loans
General fund	ESSER III	1,591,291	Short-term loans
General fund	Other governmental funds	4,374,415	Short-term loans
General fund	Private purpose trust fund	2,000	Short-term loans
Internal service fund	General fund	365,922	Short-term loans
		<u>\$ 6,558,018</u>	

All amounts due are scheduled to be repaid within one year.

Interfund Transfers

Interfund transfers for the year ended August 31, 2023, consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Debt service	General fund	\$ 923,212
		<u>\$ 923,212</u>

D. Long-Term Obligations

Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended August 31, 2023, are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
General obligation bonds	\$ 1,945,000	\$ -	\$ 95,000	\$ 1,850,000	\$ 255,000
General obligation refunding bonds	75,860,000	-	1,535,000	74,325,000	1,195,000
General obligation refunding bonds - CAB	9,762,959	137,406	2,590,000	7,310,365	2,810,000
Tax maintenance notes	570,000	-	135,000	435,000	140,000
Loan - SECO	875,590	-	212,391	663,199	216,671
Notes payable	169,807	-	86,489	83,318	83,318
Leases	216,417	-	216,417	-	-
Premium on issuance of debt	560,779	-	24,382	536,397	-
Total long-term debt	89,960,552	137,406	4,894,679	85,203,279	4,699,989
Net pension liability	9,176,755	11,868,268	1,533,603	19,511,420	-
Net OPEB liability	19,651,064	(8,001,799)	386,347	11,262,918	-
Total long-term liabilities	<u>\$ 118,788,371</u>	<u>\$ 4,003,875</u>	<u>\$ 6,814,629</u>	<u>\$ 115,977,617</u>	<u>\$ 4,699,989</u>

General Obligation Bonds

General obligation school building bonds payable at August 31, 2023, with their outstanding balance are comprised of the following individual issues.

The District issued \$27,700,000 of Schoolhouse Series 2013 Refunding Bonds during the year ended August 31, 2013 for the purposes of refinancing. Interest rates vary from 1.25% to 5.0% with installments varying from \$405,000 to \$3,965,000. The total balance on this issue at August 31, 2023 is \$3,965,000.

The District issued \$42,165,000 of Schoolhouse Series 2015 Bonds during the year ended August 31, 2015 for the purposes of construction. Interest rates vary from 2.0% to 5.0% with installments varying from \$85,000 to \$300,000. The total balance on this issue at August 31, 2023 is \$1,850,000. The District issued \$13,985,000 of Schoolhouse Series 2015 Refunding Bonds during the year ended August 31, 2016 for the purposes of refinancing. Interest rates vary from .28% to 1.75% with installments varying from \$1,130,000 to \$1,260,000. The total balance on this issue at August 31, 2023 is \$2,455,000.

The District issued \$71,244,927 of Unlimited Tax Refunding Bonds, Series 2020 during the year ended August 31, 2020 with interest rates ranging from .79% to 2.75% with installments varying from \$3,221 to \$4,550,000. The proceeds were used to advance refund \$71,245,000 of outstanding Series 2012, Series 2013 and Series 2015 bonds which had interest rates ranging from .28% to 5.0%. The total balance on this issue at August 31, 2023 is \$67,905,000.

Tax Maintenance Notes

During 2016 the District issued \$1,300,000 Maintenance Notes, Series 2016 due in 10 installments of approximately \$150,000 each at the rate of 2.12%. The balance at August 31, 2023 is \$435,000.

Loan

During the 2019 year, the District entered into an agreement with the Texas Comptroller of Public Accounts, through its State Energy Conservation Office for \$1,428,930. The balance at August 31, 2023 is \$663,199. The quarterly payment amount is \$57,079 including principal and accrued interest at a 2% interest rate. The last payment is August 31, 2026.

Notes Payable

During the 2019 year, the District entered into an agreement with Government Capital Corporation to purchase various vehicles and equipment. The balance at August 31, 2023 is \$83,318. The annual payment amount is approximately \$90,000 including principal and accrued interest at a 3.94% interest rate. The last payment is December 7, 2023.

Leases

For the year ended August 31, 2023, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The District's leases have been retired as of August 31, 2023.

Debt Service Requirements

Debt service requirements on long-term debt at August 31, 2023, are as follows:

Year Ended August 31,	Governmental Activities-Bonded Debt		
	Principal	Interest	Total Requirements
2024	\$ 4,260,000	\$ 1,787,439	\$ 6,047,439
2025	3,250,000	1,715,664	4,965,664
2026	3,290,000	1,675,714	4,965,714
2027	3,320,000	1,646,967	4,966,967
2028	3,380,000	1,592,454	4,972,454
2029-2033	18,030,000	7,035,171	25,065,171
2034-2038	18,775,000	4,989,015	23,764,015
2039-2043	20,435,000	2,649,524	23,084,524
2044-2045	8,980,000	248,600	9,228,600
Totals	<u>\$ 83,720,000</u>	<u>\$ 23,340,547</u>	<u>\$ 107,060,547</u>
Subtract:			
Future Accreted Interest on CABs		(234,635)	
Amount outstanding		<u>\$ 83,485,365</u>	

Year Ended August 31,	Governmental Activities-Tax maintenance notes		
	Principal	Interest	Total Requirements
2024	\$ 140,000	\$ 10,069	\$ 150,069
2025	145,000	6,584	151,584
2026	150,000	2,250	152,250
Totals	<u>\$ 435,000</u>	<u>\$ 18,903</u>	<u>\$ 453,903</u>

Year Ended August 31,	Governmental Activities-Loan Payable - SECO		
	Principal	Interest	Total Requirements
2024	\$ 216,671	\$ 11,646	\$ 228,317
2025	221,037	7,280	228,317
2026	225,491	2,826	228,317
Totals	<u>\$ 663,199</u>	<u>\$ 21,752</u>	<u>\$ 684,951</u>

Year Ended August 31,	Governmental Activities-Notes Payable		
	Principal	Interest	Total Requirements
2024	\$ 83,318	\$ 3,542	\$ 86,860
Totals	<u>\$ 83,318</u>	<u>\$ 3,542</u>	<u>\$ 86,860</u>

The District's outstanding bonds and notes payable contain a provision that in an event of default, outstanding amounts will be paid from the corpus of the Texas Permanent School Fund. The District's outstanding bonds and notes payable contain a provision that in the event of default, outstanding amounts become immediately due.

Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2023, the District purchased commercial insurance to cover general liabilities. 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.

E. Defined Benefit Pension Plan

Plan Description. The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). It is a defined benefit pension plan 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 Teacher Retirement System'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 www.trs.texas.gov, by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

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

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

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

	Contribution Rates	
	2022	2023
Member	8.00%	8.00%
Non-Employer Contributing Entity (State)	7.75%	8.00%
Employers	7.75%	8.00%
Current fiscal year employer contributions		\$ 1,682,065
Current fiscal year member contributions		3,438,356
2022 measurement year NECE on-behalf contributions		2,236,498

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

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

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

- All public schools, charter schools, and regional educational service centers must contribute 1.6 percent of the member's salary beginning in fiscal year 2021, gradually increasing to 2 percent in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions. The total pension liability in the August 31, 2021 actuarial valuation was rolled forward to August 31, 2022 was determined using the following actuarial assumptions:

Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-Term Expected Investment Rate of Return	7.00%
Inflation	2.3%
Salary Increases Including Inflation	2.95% to 8.95%
Payroll Growth Rate	3.0%
Benefit Changes During the Year	None
Ad hoc Post Employment Benefit Changes	None

Changes Since the Prior Actuarial Valuation. The actuarial assumptions and methods have been modified since the determination of the prior year's net pension liability. The new assumptions were adopted in conjunction with an actuarial experience study. The primary assumption change was the lowering of the single discount rate from 7.25 percent to 7.00 percent.

Discount Rate. A single discount rate of 7.00 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.25 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

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

The long-term rate of return on pension plan investments is 7.00 percent. 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 the System's target asset allocation as of August 31, 2022 are summarized below:

Asset Class ¹	Target Allocation ²	Long-Term Expected Geometric Real Rate of Return ³	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.	18.00%	4.60%	1.12%
Non-U.S. Developed	13.00%	4.90%	0.90%
Emerging Markets	9.00%	5.40%	0.75%
Private Equity	14.00%	7.70%	1.55%
Stable Value			
Government Bonds	16.00%	1.00%	0.22%
Absolute Return	0.00%	3.70%	0.00%
Stable Value Hedge Funds	5.00%	3.40%	0.18%
Real Return			
Real Estate	15.00%	4.10%	0.94%
Energy, Natural Resources and Infrastructure	6.00%	5.10%	0.37%
Commodities	0.00%	3.60%	0.00%
Risk Parity			
Risk Parity	8.00%	4.60%	0.43%
Leverage			
Cash	2.00%	3.00%	0.01%
Asset Allocation Leverage	-6.00%	3.60%	-0.05%
Inflation Expectation			2.70%
Volatility Drag ⁴			-0.91%
Expected Return	100.00%		8.19%

1) Absolute Return includes Credit Sensitive Investments.

2) Target allocations are based on the FY2022 policy model.

3) Capital Market Assumptions come from Aon Hewitt (as of 08/31/2022).

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

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the net pension liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the 2022 net pension liability.

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Proportionate share of net pension liability	\$ 30,352,371	\$ 19,511,420	\$ 10,724,320

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At August 31, 2023, the District reported a liability of \$19,511,420 for its proportionate share of the TRS' net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 19,511,420
State's proportionate share that is associated with the District	28,454,078
Total	<u>\$ 47,965,498</u>

The net pension liability was measured as of August 31, 2021 and rolled forward to August 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2021 thru August 31, 2022.

At August 31, 2022, the employer's proportion of the collective net pension liability was 0.0328655298% which was a decrease of 0.0031691407% from its proportion measured as of August 31, 2021.

For the year ended August 31, 2023, the District's pension expense was \$4,264,595 and revenue of \$2,719,887 for support provided by the State.

At August 31, 2023, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	\$ 282,914	\$ 425,386
Changes in actuarial assumptions	3,635,613	906,096
Differences between projected and actual investment earnings	1,927,666	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	488,124	2,326,703
Contributions paid to TRS subsequent to the measurement date	<u>1,682,065</u>	<u>-</u>
Total as of fiscal year-end	<u>\$ 8,016,382</u>	<u>\$ 3,658,185</u>

The net amounts of the District's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended August 31,	Pension Expense
2024	\$ 843,227
2025	266,232
2026	(298,421)
2027	1,784,232
2028	80,861
Thereafter	1

F. Defined Other Post-Employment Benefit Plans

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

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

OPEB Plan Fiduciary Net Position. Detailed information about TRS-Care’s fiduciary net position is available in the separately issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at http://www.trs.texas.gov/Pages/about_publications.aspx; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Benefits Provided. TRS-Care provides health insurance coverage to retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension 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 COLAs.

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

	TRS-Care Monthly Premium Rates	
	Medicare	Non-Medicare
Retiree*	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree* and Children	468	408
Retiree and Family	1,020	999

* or surviving spouse

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

Texas Insurance Code, section 1575.202 establishes the state’s contribution rate which is 1.25% of the employee’s salary. Section 1575.203 establishes the active employee’s rate which is .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	Contribution Rates	
	2022	2023
Active employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding Remitted by Employers	1.25%	1.25%
Current fiscal year employer contributions		\$ 396,117
Current fiscal year member contributions		278,984
2022 measurement year NECE on-behalf contributions		471,283

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$83 million in fiscal year 2022 from the American Rescue Plan Act (ARPA) to help defray COVID-19-related health care costs during fiscal year 2022.

Actuarial Assumptions. The actuarial valuation was performed as of August 31, 2021. Update procedures were used to roll forward the Total OPEB liability to August 31, 2022.

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 demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using the ultimate improvement rates from the mortality projection scale MP-2018.

Additional Actuarial Methods and Assumptions

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Discount Rate	3.91% as of August 31, 2021
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Payroll Growth Rate	3.00%
Projected Salary Increases	3.05% to 9.05%
Healthcare Trend Rates	4.25% to 8.25%
Election Rates	Normal Retirement: 62% participation prior to age 65 and 25% participation after age 65. 30% of pre-65 retirees are assumed to discontinue coverage at age 65.
Ad hoc post-employment benefit changes	None

Discount Rate.

A single discount rate of 3.91% was used to measure the total OPEB liability. There was an increase of 1.96% in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

The source of the municipal bond rate is the Fidelity “20-year Municipal GO AA Index” as of August 31, 2022 using the fixed-income municipal bonds with 20 years to maturity that include only federally tax exempt municipal bonds.

Discount Rate Sensitivity Analysis.

The following schedule shows the impact of the net OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.91%) in measuring the net OPEB liability.

	1% Decrease in Discount Rate (2.91%)	Discount Rate (3.91%)	1% Increase in Discount Rate (4.91%)
Proportionate share of net OPEB liability	\$ 13,279,874	\$ 11,262,918	\$ 9,628,925

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

At August 31, 2023, the District reported a liability of \$11,262,918 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 11,262,918
State's proportionate share that is associated with the District	<u>13,738,991</u>
Total	<u>\$ 25,001,909</u>

The Net OPEB Liability was measured as of August 31, 2021 and rolled forward to August 31, 2022 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer's proportion of the Net OPEB Liability was based on the employer's contributions to OPEB relative to the contributions of all employers to the plan for the period September 1, 2021 thru August 31, 2022.

At August 31, 2022 the employer's proportion of the collective Net OPEB Liability was 0.0470385725%, which was a decrease of 0.0039046158% from its proportion measured as of August 31, 2021.

Healthcare Cost Trend Sensitivity Analysis. The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the assumed rate used.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of net OPEB liability	\$ 9,280,695	\$ 11,262,918	\$ 13,832,615

Changes Since the Prior Actuarial Valuation. The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period:

- The discount rate changed from 1.95% as of August 31, 2021 to 3.91% as of August 31, 2022. This change decreased the Total OPEB Liability.

For the year ended August 31, 2023, the District recognized OPEB expense of \$(3,475,028) and revenue of \$(1,949,674) for support provided by the State.

At August 31, 2021, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	\$ 626,178	\$ 9,383,022
Changes in actuarial assumptions	1,715,566	7,824,806
Differences between projected and actual investment earnings	33,549	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	1,275,428	2,379,155
Contributions paid to TRS subsequent to the measurement date	<u>396,117</u>	<u>-</u>
Total as of fiscal year-end	<u>\$ 4,046,838</u>	<u>\$ 19,586,983</u>

The net amounts of the employer’s balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended August 31,	Amount
2024	\$ (2,807,363)
2025	(2,807,241)
2026	(2,329,620)
2027	(1,683,005)
2028	(1,863,006)
Thereafter	(4,446,027)

G. Health Care Coverage

During the year ended August 31, 2023, employees of the District were covered by a health insurance plan (the Plan). The District paid premiums of \$417 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a third-party administrator, acting on behalf of the licensed insurer. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

The contract between the District and the third-party administrator is renewable September 1, 2023, and terms of coverage and premium costs are included in the contractual provisions. Other Districts and/or their employees contributed to the self-insurance pool which was operated under contractual provisions of Article 441 3(32c), Interlocal Cooperation Act.

The Teachers Retirement System (TRS) manages TRS Active Care. The medical plan is administered by Blue Cross and Blue Shield of Texas, FIRSTCARE and Scott and White HMO. Medco Health administers the prescription drug plan. The latest financial information on the statewide plan may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, by calling the TRS Communications Department at 1-800 223-8778, or by downloading the report from the TRS website, www.trs.state.tx.us.

H. Medicare Part D – On-behalf Payments

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. These on-behalf payments of \$231,447, \$173,358 and \$187,019 were recognized for the years ended August 31, 2023, 2022, and 2021, respectively, as equal revenues and expenditures.

I. Commitments and Contingencies

The District participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

J. Shared Services Arrangements

Shared Services Arrangement - Fiscal Agent

The District is the fiscal agent for a Shared Services Arrangement ("SSA") which provides services for the visual and mobile handicapped to the member districts listed below. All services are provided by the fiscal agent. The member districts provide the funds to the fiscal agent. According to guidance provided in TEA's Resource Guide, the District has accounted for the fiscal agent's activities of the SSA in fund 435 and will be accounted for using Model 3 in the SSA section of the Resource Guide. Expenditures of the SSA are summarized below:

<u>Member Districts</u>	<u>Expenditures</u>
Hillsboro ISD	\$ 13,385
Eustace ISD	10,951
Blooming Grove ISD	1,217
Rice ISD	9,735
Wortham ISD	8,518
Dawson ISD	2,434
Frost ISD	2,434
Fairfield ISD	2,434
Ennis ISD	26,770
Malakoff ISD	15,819
Cross Roads ISD	3,650
Mount Calm ISD	4,867
Kemp ISD	9,735
Scurry Rosser	3,650
Groesbeck ISD	2,434
Mexia ISD	9,735
Corsicana ISD	45,022
LaPoyner ISD	6,084
Teague ISD	3,650
Aquilla	2,434
Covington	6,084
Itasca	2,434
Whitney	10,951
Cayuga	1,217
Athens	19,469
Ferris	8,518
Mabank ISD	13,385
Connally	3,650
Rappoport (East Waco)	2,434
China Spring	4,867
La Vega	6,084
Palmer	4,867
Mildred	1,217
Buffalo	4,867
Corsicana ISD	<u>416,463</u>
Total	<u>\$ 691,465</u>

K. Self-Funded Workman's Compensation

The District utilizes a self-insurance plan for workers' compensation benefits as authorized by Section 504.011 of the Labor Code. Claims are paid by a third-party administrator acting on behalf of the District under the terms of a contractual agreement. Administrative fees are included within the provisions of that agreement. The liability of liabilities reported in the funds at August 31, 2023, are based on the requirements of Governmental Accounting Standards Board No. 10 which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

	2023	2022
Statement of Change in Liability		
Unpaid (overpayment) claims at September 1	\$ 382,905	\$ 381,577
Net claims incurred or (adjusted) during the year	281,327	122,340
Payments of claims during the year	(174,946)	(121,012)
Unpaid claims at August 31	\$ 489,286	\$ 382,905

The above amount is reflected as a liability on the financial statements as of August 31, 2023.

L. Extraordinary Item

In April 2023, a fire at the Travis Elementary Complex resulted in extensive damage to District facilities. Insurance proceeds of \$3.4 million were reported as an extraordinary item in the financial statements as of August 31, 2023.

M. New Accounting Standards

Significant new accounting standards issued by the Governmental Accounting Standards Board (GASB) not yet implemented by the District include the following:

GASB Statement No. 99, *Omnibus 2022* – The objective of this Statement is to correct practice issues identified during implementation and application of certain GASB Statements and financial reporting for financial guarantees. There are various effective dates 1.) upon issuance 2.) fiscal years beginning after June 15, 2022 and 3.) fiscal years beginning after June 15, 2023.

GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62* - The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement will become effective for reporting periods beginning after June 15, 2023, and the impact has not yet been determined.

GASB Statement No. 101, *Compensated Absences* - The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement will become effective for reporting periods beginning after December 15, 2023, and the impact has not yet been determined.

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REQUIRED SUPPLEMENTARY INFORMATION

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CORSICANA INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive or (Negative)	
	Original	Final			
REVENUES					
5700	Local and intermediate sources	\$ 23,350,698	\$ 23,465,931	\$ 23,841,600	\$ 375,669
5800	State program revenues	33,827,672	34,583,807	35,365,754	781,947
5900	Federal program revenues	660,000	981,570	1,125,738	144,168
5020	Total revenues	<u>57,838,370</u>	<u>59,031,308</u>	<u>60,333,092</u>	<u>1,301,784</u>
EXPENDITURES					
Current:					
Instruction & Instructional Related Services:					
0011	Instruction	34,100,105	35,801,607	33,688,525	2,113,082
0012	Instructional resources and media services	572,198	590,982	528,126	62,856
0013	Curriculum and instructional staff development	437,998	357,998	355,443	2,555
	Total Instruction & Instr. Related Services	<u>35,110,301</u>	<u>36,750,587</u>	<u>34,572,094</u>	<u>2,178,493</u>
Instructional and School Leadership:					
0021	Instructional leadership	1,842,704	1,764,307	1,787,054	(22,747)
0023	School leadership	2,982,500	2,922,500	2,949,444	(26,944)
	Total Instructional & School Leadership	<u>4,825,204</u>	<u>4,686,807</u>	<u>4,736,498</u>	<u>(49,691)</u>
Support Services - Student (Pupil) :					
0031	Guidance, counseling and evaluation services	1,987,431	1,961,200	1,977,187	(15,987)
0033	Health services	575,823	618,823	594,753	24,070
0034	Student (pupil) transportation	2,213,022	2,734,418	2,618,850	115,568
0036	Extracurricular activities	1,607,642	1,852,075	1,877,400	(25,325)
	Total Support Services - Student (Pupil)	<u>6,383,918</u>	<u>7,166,516</u>	<u>7,068,190</u>	<u>98,326</u>
Administrative Support Services:					
0041	General administration	995,464	1,265,554	1,298,693	(33,139)
	Total Administrative Support Services	<u>995,464</u>	<u>1,265,554</u>	<u>1,298,693</u>	<u>(33,139)</u>
Support Services - Nonstudent Based :					
0051	Facilities maintenance and operations	6,269,618	7,686,618	7,364,346	322,272
0052	Security and monitoring services	1,129,913	1,755,347	1,543,680	211,667
0053	Data processing services	1,857,350	1,575,549	1,510,657	64,892
	Total Support Services - Nonstudent Based	<u>9,256,881</u>	<u>11,017,514</u>	<u>10,418,683</u>	<u>598,831</u>
Ancillary Services:					
0061	Community services	2,283	2,283	-	2,283
	Total Ancillary Services	<u>2,283</u>	<u>2,283</u>	<u>-</u>	<u>2,283</u>
Debt Service:					
0071	Principal on long term debt	433,881	903,984	903,983	1
0072	Interest on long term debt	35,696	41,066	41,065	1
	Total Debt Service	<u>469,577</u>	<u>945,050</u>	<u>945,048</u>	<u>2</u>
Intergovernmental Charges:					
0093	Payments to fiscal agent/member dist.-SSA	85,000	96,000	95,738	262
0099	Other intergovernmental charges	470,000	496,000	490,158	5,842
	Total Intergovernmental Charges	<u>555,000</u>	<u>592,000</u>	<u>585,896</u>	<u>6,104</u>
6030	Total expenditures	<u>57,598,628</u>	<u>62,426,311</u>	<u>59,625,102</u>	<u>2,801,209</u>
1100	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	239,742	(3,395,003)	707,990	4,102,993
OTHER FINANCING SOURCES (USES)					
8911	Transfers out	-	-	(923,212)	(923,212)
	Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(923,212)</u>	<u>(923,212)</u>
7919	EXTRAORDINARY ITEM	-	3,400,000	3,400,000	-
1200	NET CHANGE IN FUND BALANCES	239,742	4,997	3,184,778	3,179,781
0100	FUND BALANCES, BEGINNING	<u>19,016,796</u>	<u>19,016,796</u>	<u>19,016,796</u>	<u>-</u>
3000	FUND BALANCES, ENDING	<u>\$ 19,256,538</u>	<u>\$ 19,021,793</u>	<u>\$ 22,201,574</u>	<u>\$ 3,179,781</u>

CORSICANA INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM

FOR THE YEAR ENDED AUGUST 31, 2023

	Measurement Year Ended August 31,		
	2022	2021	2020
District's proportion of the net pension liability	0.033%	0.036%	0.038%
District's proportionate share of net pension liability (asset)	\$ 19,511,420	\$ 9,176,755	\$ 20,370,491
States proportionate share of the net pension liability (asset) associated with the District	<u>28,454,078</u>	<u>13,010,612</u>	<u>27,556,064</u>
Total	<u>\$ 47,965,498</u>	<u>\$ 22,187,367</u>	<u>\$ 47,926,555</u>
District's covered payroll	\$ 41,171,023	\$ 41,444,128	\$ 41,899,185
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	47.39%	22.14%	48.62%
Plan fiduciary net position as a percentage of the total pension liability	75.62%	88.79%	75.54%

Note: Only nine years of data is presented in accordance with GASB #68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

Measurement Year Ended August 31,					
2019	2018	2017	2016	2015	2014
0.040%	0.037%	0.037%	0.037%	0.038%	0.025%
\$ 20,907,918	\$ 20,227,806	\$ 11,951,142	\$ 14,118,362	\$ 13,473,287	\$ 6,803,897
<u>26,038,083</u>	<u>27,920,170</u>	<u>16,168,783</u>	<u>19,741,055</u>	<u>18,900,292</u>	<u>16,263,369</u>
<u>\$ 46,946,001</u>	<u>\$ 48,147,976</u>	<u>\$ 28,119,925</u>	<u>\$ 33,859,417</u>	<u>\$ 32,373,579</u>	<u>\$ 23,067,266</u>
\$ 39,724,278	\$ 36,906,850	\$ 35,623,769	\$ 34,895,153	\$ 33,206,310	\$ 31,532,487
52.63%	54.81%	33.55%	40.46%	40.57%	21.58%
75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

CORSICANA INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM

FOR THE YEAR ENDED AUGUST 31, 2023

	Fiscal Year Ended August 31,		
	2023	2022	2021
Contractually required contribution	\$ 1,682,065	\$ 1,537,723	\$ 1,537,468
Contribution in relation to the contractually required contribution	<u>(1,682,065)</u>	<u>(1,537,723)</u>	<u>(1,537,468)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 42,979,447	\$41,171,023	\$41,444,128
Contributions as a percentage of covered employee payroll	3.91%	3.73%	3.71%

Note: Only nine years of data is presented in accordance with GASB #68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

Fiscal Year Ended August 31,					
2020	2019	2018	2017	2016	2015
\$ 1,569,127	\$ 1,382,895	\$ 1,250,268	\$ 1,225,010	\$ 1,190,043	\$ 661,641
<u>(1,569,127)</u>	<u>(1,382,895)</u>	<u>(1,250,268)</u>	<u>(1,225,010)</u>	<u>(1,190,043)</u>	<u>(661,641)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$41,899,185	\$39,724,278	\$36,906,850	\$ 35,623,769	\$ 34,895,153	\$ 33,206,310
3.75%	3.48%	3.39%	3.44%	3.41%	1.99%

CORSICANA INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM

FOR THE YEAR ENDED AUGUST 31, 2023

	Measurement Year Ended August 31,		
	2022	2021	2020
District's proportion of the net OPEB liability (asset)	0.0470385725%	0.0509431883%	0.0514067213%
District's proportionate share of net OPEB liability (asset)	\$ 11,262,918	\$ 19,651,064	\$ 19,542,016
States proportionate share of the net OPEB liability (asset) associated with the District	<u>13,738,991</u>	<u>26,328,047</u>	<u>26,259,785</u>
Total	<u>\$ 25,001,909</u>	<u>\$ 45,979,111</u>	<u>\$ 45,801,801</u>
District's covered employee payroll	\$ 4,171,023	\$ 41,444,128	\$ 41,899,185
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered employee payroll	27.36%	47.42%	46.64%
Plan fiduciary net position as a percentage of the total OPEB liability	11.52%	6.18%	4.99%

Note: Only six years of data is presented in accordance with GASB #75, paragraph 245. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

Measurement Year Ended August 31,		
2019	2018	2017
0.0513772136%	0.047733946%	0.048048752%
\$ 24,296,916	\$ 23,833,996	\$ 20,894,600
<u>32,285,164</u>	<u>30,580,868</u>	<u>26,366,155</u>
<u>\$ 56,582,080</u>	<u>\$ 54,414,864</u>	<u>\$ 47,260,755</u>
\$ 39,724,278	\$ 36,906,850	\$ 35,623,769
61.16%	64.58%	58.65%
2.66%	1.57%	0.91%

CORSICANA INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM

FOR THE YEAR ENDED AUGUST 31, 2023

	Fiscal Year Ended August 31,		
	2023	2022	2021
Contractually required contribution	\$ 396,117	\$ 385,277	\$ 397,818
Contribution in relation to the contractually required contribution	<u>(396,117)</u>	<u>(385,277)</u>	<u>(397,818)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 42,920,545	\$ 41,171,023	\$ 41,444,128
Contributions as a percentage of covered employee payroll	0.92%	0.94%	0.96%

Note: Only six years of data is presented in accordance with GASB #75, paragraph 245. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

Fiscal Year Ended August 31,		
2020	2019	2018
\$ 390,216	\$ 356,312	\$ 325,641
<u>(390,216)</u>	<u>(356,312)</u>	<u>(325,641)</u>
\$ -	\$ -	\$ -
\$ 41,899,185	\$ 39,724,278	\$ 36,906,850
0.93%	0.90%	0.88%

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CORSICANA INDEPENDENT SCHOOL DISTRICT

NOTES TO BUDGETARY INFORMATION

AUGUST 31, 2023

Budgetary Information

The Board of Trustees adopts an "appropriated budget" for the General Fund, Debt Service Fund, and the National School Breakfast and Lunch Fund which is included in the Special Revenue Funds. The District is required to present the adopted and final amended budgeted revenue and expenditures for each of these funds and compares the final amended budget to actual revenue and expenditures. The District presented the General Fund budgetary comparison schedule as required supplementary information, and the Debt Service Fund, and National School Breakfast and Lunch Fund comparison schedules are presented as required TEA schedules.

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

1. Prior to August 21, 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. At least 10 days' public notice of the meeting must be given.
3. Prior to September 1, the budget is legally approved by Board action. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments made before the fact are reflected in the official minutes of the Board, and are not made after fiscal year-end. Because the District has a policy of careful budgetary control, amendments were necessary during the year. However, none of these were significant.
4. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year-end.
5. Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse on August 31, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget. The District had no outstanding end-of-year encumbrances.

Expenditures over Appropriations

The District exceeded appropriations in the General Fund in functions 21, 23, 31, 36, and 41, as noted on Exhibit G-1. These excess expenditures over appropriations were funded with overages in other functions.

Additionally, the District exceeded appropriations in the National School Breakfast and Lunch Program Fund in functions 35 and 51, as noted on Exhibit J-2. The excess expenditures over appropriations were funded by existing beginning fund balance.

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COMBINING STATEMENTS

CORSICANA INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2023

Data Control Codes		Special Revenue Funds			
		211 ESEA I Improving Basic Programs	224 IDEA-B Formula Grant	225 IDEA-B Preschool	240 National School Breakfast/Lunch Program
ASSETS					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 665,094
1240	Due from other governments	1,275,817	805,116	25,966	-
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	58,782
1000	Total assets	<u>1,275,817</u>	<u>805,116</u>	<u>25,966</u>	<u>723,876</u>
LIABILITIES					
2110	Accounts payable	24,410	8,117	311	2,489
2160	Accrued wages payable	82,353	86,426	7,787	344,725
2170	Due to other funds	1,165,738	706,727	17,487	-
2200	Accrued expenditures	3,316	3,846	381	19,331
2300	Unearned revenues	-	-	-	-
2000	Total liabilities	<u>1,275,817</u>	<u>805,116</u>	<u>25,966</u>	<u>366,545</u>
FUND BALANCES					
3410	Non-spendable - Inventories	-	-	-	58,782
Restricted:					
3450	Federal and state programs	-	-	-	298,549
3470	Capital acquisitions & contractual obligations	-	-	-	-
3490	Campus Activities	-	-	-	-
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>357,331</u>
4000	Total liabilities and fund balances	<u>\$ 1,275,817</u>	<u>\$ 805,116</u>	<u>\$ 25,966</u>	<u>\$ 723,876</u>

Special Revenue Funds							
244 Career and Tech Basic Grant	255 ESEA II Training & Recruiting	263 English Language Acquisition and Enhancement	270 ESEA, Title V Part B, Subpart 2 Rural School	279 ESSER III - TCLAS	284 IDEA-B Formula Grant ARPA	285 IDEA-B Preschool ARPA	289 Title IV Part A Subpart 1
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,938
46,914	200,348	204,694	202,133	77,010	250,779	14,273	110,220
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>46,914</u>	<u>200,348</u>	<u>204,694</u>	<u>202,133</u>	<u>77,010</u>	<u>250,779</u>	<u>14,273</u>	<u>115,158</u>
-	169	82	156	715	1,536	-	919
-	-	-	-	-	16,607	-	-
46,914	200,179	204,612	201,977	76,295	232,636	14,273	109,301
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	4,938
<u>46,914</u>	<u>200,348</u>	<u>204,694</u>	<u>202,133</u>	<u>77,010</u>	<u>250,779</u>	<u>14,273</u>	<u>115,158</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ 46,914	\$ 200,348	\$ 204,694	\$ 202,133	\$ 77,010	\$ 250,779	\$ 14,273	\$ 115,158

CORSICANA INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2023

Data Control Codes		Special Revenue Funds			
		315 IDEA-B Discretionary	410 State Textbook Fund	429 State Special Revenue	435 Regional Day School for the Deaf
ASSETS					
1110	Cash and cash equivalents	\$ -	\$ -	\$ 120,559	\$ 632,875
1240	Due from other governments	63,730	-	245,871	-
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1000	Total assets	<u>63,730</u>	<u>-</u>	<u>366,430</u>	<u>632,875</u>
LIABILITIES					
2110	Accounts payable	409	-	-	1,801
2160	Accrued wages payable	12,937	-	-	87,401
2170	Due to other funds	50,020	-	125,253	342,629
2200	Accrued expenditures	364	-	-	2,053
2300	Unearned revenues	-	-	-	-
2000	Total liabilities	<u>63,730</u>	<u>-</u>	<u>125,253</u>	<u>433,884</u>
FUND BALANCES					
3410	Non-spendable - inventories	-	-	-	-
	Restricted:				
3450	Federal and state programs	-	-	241,177	198,991
3470	Capital acquisitions & contractual obligations	-	-	-	-
3490	Campus Activities	-	-	-	-
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>241,177</u>	<u>198,991</u>
4000	Total liabilities and fund balances	<u>\$ 63,730</u>	<u>\$ -</u>	<u>\$ 366,430</u>	<u>\$ 632,875</u>

Special Revenue Funds							
459 Autism Services Grant	461 Campus Activity Funds	480 Campus Grants	481 Donations	482 Food Pantry & Clothing	485 Education Foundation	487 Youth Leadership Camp	499 Locally Funded Special Revenue
\$ -	\$ 229,665	\$ 9,314	\$ 85	\$ 486	\$ -	\$ 970	\$ 20,492
864,037	-	-	-	-	-	-	-
-	-	-	-	-	19,666	-	-
-	-	-	-	-	-	-	-
<u>864,037</u>	<u>229,665</u>	<u>9,314</u>	<u>85</u>	<u>486</u>	<u>19,666</u>	<u>970</u>	<u>20,492</u>
3,329	1,590	-	-	-	-	-	-
-	-	-	-	-	-	-	-
860,708	-	-	-	-	19,666	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>864,037</u>	<u>1,590</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,666</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	228,075	9,314	85	486	-	970	20,492
<u>-</u>	<u>228,075</u>	<u>9,314</u>	<u>85</u>	<u>486</u>	<u>-</u>	<u>970</u>	<u>20,492</u>
\$ 864,037	\$ 229,665	\$ 9,314	\$ 85	\$ 486	\$ 19,666	\$ 970	\$ 20,492

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CORSICANA INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2023

Data Control Codes		699 Capital Projects Fund	Total Nonmajor Governmental Funds
ASSETS			
1110	Cash and cash equivalents	\$ 1,975,441	\$ 3,659,919
1240	Due from other governments	-	4,386,908
1290	Other receivables	-	19,666
1300	Inventories	-	58,782
1000	Total assets	<u>1,975,441</u>	<u>8,125,275</u>
LIABILITIES			
2110	Accounts payable	-	46,033
2160	Accrued wages payable	-	638,236
2170	Due to other funds	-	4,374,415
2200	Accrued expenditures	-	29,291
2300	Unearned revenues	-	4,938
2000	Total liabilities	<u>-</u>	<u>5,092,913</u>
FUND BALANCES			
3410	Non-spendable - inventories	-	58,782
Restricted:			
3450	Federal and state programs	-	738,717
3470	Capital acquisitions & contractual obligations	1,975,441	1,975,441
3490	Campus Activities	-	259,422
3000	Total fund balances	<u>1,975,441</u>	<u>3,032,362</u>
4000	Total liabilities and fund balances	<u>\$ 1,975,441</u>	<u>\$ 8,125,275</u>

CORSICANA INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		Special Revenue Funds			
		211 ESEA I Improving Basic Programs	224 IDEA-B Formula Grant	225 IDEA-B Preschool	240 National School Breakfast/Lunch Program
REVENUES					
5700	Local and intermediate sources	\$ -	\$ -	\$ -	\$ 319,664
5800	State program revenues	-	-	-	107,141
5900	Federal program revenues	<u>1,741,839</u>	<u>1,178,104</u>	<u>41,386</u>	<u>5,123,578</u>
5020	Total revenues	<u>1,741,839</u>	<u>1,178,104</u>	<u>41,386</u>	<u>5,550,383</u>
EXPENDITURES					
Current:					
0011	Instruction	841,804	631,854	41,386	-
0012	Instructional resources and media services	43,271	-	-	-
0013	Curriculum and staff development	159,001	-	-	-
0021	Instructional leadership	428,446	81,663	-	-
0023	School leadership	146,748	-	-	-
0031	Guidance, counseling and evaluation services	16,823	464,587	-	-
0032	Social work services	52,327	-	-	-
0035	Food services	-	-	-	5,662,260
0036	Cocurricular/extracurricular activities	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	9,553
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	<u>53,419</u>	-	-	-
6030	Total expenditures	<u>1,741,839</u>	<u>1,178,104</u>	<u>41,386</u>	<u>5,671,813</u>
1200	NET CHANGE IN FUND BALANCES	-	-	-	(121,430)
0100	FUND BALANCES, BEGINNING	-	-	-	<u>478,761</u>
3000	FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 357,331</u>

Special Revenue Funds							
244 Career and Tech Basic Grant	255 ESEA II Training & Recruiting	263 English Language Acquisition and Enhancement	270 ESEA, Title V Part B, Subpart 2 Rural School	279 ESSER III - TCLAS	284 IDEA-B Formula Grant ARPA	285 IDEA-B Preschool ARPA	289 Title IV Part A Subpart 1
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
<u>67,674</u>	<u>244,766</u>	<u>208,400</u>	<u>233,810</u>	<u>77,011</u>	<u>250,780</u>	<u>14,273</u>	<u>156,843</u>
<u>67,674</u>	<u>244,766</u>	<u>208,400</u>	<u>233,810</u>	<u>77,011</u>	<u>250,780</u>	<u>14,273</u>	<u>156,843</u>
-	74,962	202,723	233,810	77,011	250,780	14,273	5,237
-	-	-	-	-	-	-	-
-	36,847	5,677	-	-	-	-	-
-	132,957	-	-	-	-	-	-
67,674	-	-	-	-	-	-	-
-	-	-	-	-	-	-	51,855
-	-	-	-	-	-	-	66,899
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	32,852
-	-	-	-	-	-	-	-
<u>67,674</u>	<u>244,766</u>	<u>208,400</u>	<u>233,810</u>	<u>77,011</u>	<u>250,780</u>	<u>14,273</u>	<u>156,843</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CORSICANA INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		Special Revenue Funds			
		315 IDEA-B Discretionary	410 State Textbook Fund	429 State Special Revenue	435 Regional Day School for the Deaf
REVENUES					
5700	Local and intermediate sources	\$ -	\$ -	\$ -	\$ 275,883
5800	State program revenues	-	151,571	366,430	469,649
5900	Federal program revenues	84,470	-	-	-
5020	Total revenues	84,470	151,571	366,430	745,532
EXPENDITURES					
Current:					
0011	Instruction	84,470	151,571	1,000	659,143
0012	Instructional resources and media services	-	-	-	-
0013	Curriculum and staff development	-	-	-	-
0021	Instructional leadership	-	-	-	32,322
0023	School leadership	-	-	-	-
0031	Guidance, counseling & evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0035	Food services	-	-	-	-
0036	Cocurricular/extracurricular activities	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	124,253	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
6030	Total expenditures	84,470	151,571	125,253	691,465
1200	NET CHANGE IN FUND BALANCES	-	-	241,177	54,067
0100	FUND BALANCES, BEGINNING	-	-	-	144,924
3000	FUND BALANCES, ENDING	\$ -	\$ -	\$ 241,177	\$ 198,991

Special Revenue Funds							
459 Autism Services Grant	461 Campus Activity Funds	480 Campus Grants	481 Donations	482 Food Pantry & Clothing	485 Education Foundation	487 Youth Leadership Camp	499 Locally Funded Special Revenue
\$ -	\$ 419,087	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
869,704	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>869,704</u>	<u>419,087</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
869,704	-	-	-	4,514	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	421,045	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>869,704</u>	<u>421,045</u>	<u>-</u>	<u>-</u>	<u>4,514</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(1,958)	-	-	(4,514)	-	-	-
-	230,033	9,314	85	5,000	-	970	20,492
<u>\$ -</u>	<u>\$ 228,075</u>	<u>\$ 9,314</u>	<u>\$ 85</u>	<u>\$ 486</u>	<u>\$ -</u>	<u>\$ 970</u>	<u>\$ 20,492</u>

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CORSIANA INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		699 Capital Projects Fund	Total Nonmajor Governmental Funds
REVENUES			
5700	Local and intermediate sources	\$ 82,134	\$ 1,096,768
5800	State program revenues	-	1,964,495
5900	Federal program revenues	-	9,422,934
5020	Total revenues	<u>82,134</u>	<u>12,484,197</u>
EXPENDITURES			
Current:			
0011	Instruction	-	4,144,242
0012	Instructional resources and media services	-	43,271
0013	Curriculum and staff development	-	201,525
0021	Instructional leadership	-	675,388
0023	School leadership	-	214,422
0031	Guidance, counseling & evaluation services	-	533,265
0032	Social work services	-	119,226
0035	Food services	-	5,662,260
0036	Cocurricular/extracurricular activities	-	421,045
0051	Facilities maintenance and operations	-	9,553
0052	Security and monitoring services	-	124,253
0053	Data processing services	-	32,852
0061	Community services	-	53,419
6030	Total expenditures	<u>-</u>	<u>12,234,721</u>
1200	NET CHANGE IN FUND BALANCES	82,134	249,476
0100	FUND BALANCES, BEGINNING	<u>1,893,307</u>	<u>2,782,886</u>
3000	FUND BALANCES, ENDING	<u>\$ 1,975,441</u>	<u>\$ 3,032,362</u>

CORSIANA INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS

AUGUST 31, 2023

Data Control Codes	826 Miscellaneous Scholarship Fund	827 Marx Athletic Scholarship	828 Collins Education Foundation	829 LePoris Breithaupt Scholarship	Total Private-Purpose Trust Funds
ASSETS					
1110 Cash and cash equivalents	\$ 1,625	\$ 1	\$ -	\$ 14,624	\$ 16,250
1290 Other receivables	-	-	76,225	-	76,225
1810 Restricted cash and temporary investments	-	30,018	18,511,607	8,006	18,549,631
1000 Total assets	1,625	30,019	18,587,832	22,630	18,642,106
LIABILITIES					
2170 Due to other funds	-	2,000	-	-	2,000
2400 Payable from restricted assets	-	20,519	26,691	8,498	55,708
2000 Total liabilities	-	22,519	26,691	8,498	57,708
NET POSITION:					
3800 Held in trust	1,625	7,500	18,561,141	14,132	18,584,398
3000 Total net position	\$ 1,625	\$ 7,500	\$ 18,561,141	\$ 14,132	\$ 18,584,398

CORNICANA INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENTS OF CHANGE IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS

FOR THE YEAR ENDED AUGUST 31, 2023

	826 Miscellaneous Scholarship Fund	827 Marx Athletic Scholarship	828 Collins Education Fund	829 LePoris Breithaupt Scholarship	Total Private-Purpose Trust Funds
ADDITIONS					
Donations	\$ -	\$ -	\$ -	\$ 100	\$ 100
Investment income	-	-	524,248	-	524,248
Net increase in fair value of investments	-	-	815,869	-	815,869
Mineral income	-	-	294,715	-	294,715
Total additions	<u>-</u>	<u>-</u>	<u>1,634,832</u>	<u>100</u>	<u>1,634,932</u>
DEDUCTIONS					
Scholarship awards	-	-	503,687	19,000	522,687
Professional services	-	-	5,364	-	5,364
Administrative expenses	-	-	64,764	-	64,764
Total deductions	<u>-</u>	<u>-</u>	<u>573,815</u>	<u>19,000</u>	<u>592,815</u>
NET INCREASE (DECREASE) IN NET POSITION	-	-	1,061,017	(18,900)	1,042,117
NET POSITION, BEGINNING	<u>1,625</u>	<u>7,500</u>	<u>17,500,124</u>	<u>33,032</u>	<u>17,542,281</u>
NET POSITION, ENDING	<u>\$ 1,625</u>	<u>\$ 7,500</u>	<u>\$ 18,561,141</u>	<u>\$ 14,132</u>	<u>\$ 18,584,398</u>

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REQUIRED TEA SCHEDULES

CORSICANA INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DELINQUENT TAXES RECEIVABLES

FOR THE YEAR ENDED AUGUST 31, 2023

Last Ten Years Ended August 31,	1		2	3	10
	Tax Rates			Net Assessed/ Appraised Value for School Tax Purpose	Beginning Balance 9/1/2022
	Maintenance	Debt Service			
2014 and prior years	various	various		various	\$ 214,623
2015	1.04	0.2403		1,466,988,174	41,943
2016	1.04	0.2403		1,435,549,077	52,497
2017	1.04	0.3303		1,456,985,186	64,534
2018	1.04	0.3303		1,552,394,184	89,274
2019	1.04	0.3303		1,666,725,535	108,094
2020	0.97	0.3131		2,037,409,165	178,762
2021	0.97	0.3131		2,069,365,131	230,275
2022	0.96	0.2809		2,162,004,259	497,602
2023 (School year under audit)	0.91	0.2553		2,477,557,315	-
1000 Totals					<u>\$ 1,477,604</u>
8000	Taxes Refunded under 26.1115				

EXHIBIT J-1

20	31	32	40	50
<u>Current Year's Total Levy</u>	<u>Maintenance Total Collections</u>	<u>Debt Service Total Collections</u>	<u>Entire Year's Adjustments</u>	<u>Ending Balance 8/31/2022</u>
\$ -	\$ 17,505	\$ 4,090	\$ 1,221	\$ 194,249
-	2,585	604	(6,274)	32,480
-	3,141	998	(7,112)	41,246
-	4,551	1,445	(7,967)	50,571
-	6,068	1,927	(18,340)	62,939
-	10,051	3,192	4,730	99,581
-	46,280	13,933	(38,301)	80,248
-	65,257	20,196	3,813	148,635
-	143,629	41,878	(71,652)	240,443
<u>28,789,216</u>	<u>21,485,426</u>	<u>6,049,663</u>	<u>(463,700)</u>	<u>790,427</u>
<u>\$ 28,789,216</u>	<u>\$ 21,784,493</u>	<u>\$ 6,137,926</u>	<u>\$ (603,582)</u>	<u>\$ 1,740,819</u>
	<u>\$ 23,333</u>			

CORNICANA INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	
	Original	Final			
REVENUES					
5700	Local and intermediate sources	\$ 160,750	\$ 260,750	\$ 319,664	\$ 58,914
5800	State program revenues	6,500	6,500	107,141	100,641
5900	Federal program revenues	<u>4,550,000</u>	<u>5,251,186</u>	<u>5,123,578</u>	<u>(127,608)</u>
5020	Total revenues	<u>4,717,250</u>	<u>5,518,436</u>	<u>5,550,383</u>	<u>31,947</u>
EXPENDITURES					
Current:					
Support Services - Student (Pupil):					
0035	Food services	4,295,668	5,518,436	5,662,260	(143,824)
0051	Facilities maintenance and operations	-	-	9,553	(9,553)
	Total Support Services - Student (Pupil)	<u>4,295,668</u>	<u>5,518,436</u>	<u>5,671,813</u>	<u>(153,377)</u>
6030	Total expenditures	<u>4,295,668</u>	<u>5,518,436</u>	<u>5,671,813</u>	<u>(153,377)</u>
1200	NET CHANGE IN FUND BALANCES	<u>421,582</u>	<u>-</u>	<u>(121,430)</u>	<u>(121,430)</u>
0100	FUND BALANCES, BEGINNING	<u>478,761</u>	<u>478,761</u>	<u>478,761</u>	<u>-</u>
3000	FUND BALANCES, ENDING	<u>\$ 900,343</u>	<u>\$ 478,761</u>	<u>\$ 357,331</u>	<u>\$ (121,430)</u>

CORNICANA INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
DEBT SERVICE FUND

FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	
	Original	Final			
REVENUES					
5700	Local and intermediate sources	\$ 6,436,002	\$ 6,436,002	\$ 6,510,083	\$ 74,081
5800	State program revenues	-	-	328,955	328,955
5020	Total revenues	<u>6,436,002</u>	<u>6,436,002</u>	<u>6,839,038</u>	<u>403,036</u>
EXPENDITURES					
Debt Service:					
0071	Principal on long-term debt	4,220,000	4,220,000	4,220,000	-
0072	Interest on long-term debt	1,858,640	1,858,640	1,858,639	1
0073	Bond issuance costs and fees	<u>13,000</u>	<u>13,300</u>	<u>13,251</u>	<u>49</u>
	Total Debt Service	<u>6,091,640</u>	<u>6,091,940</u>	<u>6,091,890</u>	<u>50</u>
6030	Total expenditures	<u>6,091,640</u>	<u>6,091,940</u>	<u>6,091,890</u>	<u>50</u>
1100	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	344,362	344,062	747,148	403,086
OTHER FINANCING SOURCES (USES)					
7915	Transfers in	-	-	923,212	923,212
	Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>923,212</u>	<u>923,212</u>
1200	NET CHANGE IN FUND BALANCES	<u>344,362</u>	<u>344,062</u>	<u>1,670,360</u>	<u>1,326,298</u>
0100	FUND BALANCES, BEGINNING	<u>4,186,444</u>	<u>4,186,444</u>	<u>4,186,444</u>	<u>-</u>
3000	FUND BALANCES, ENDING	<u>\$ 4,530,806</u>	<u>\$ 4,530,506</u>	<u>\$ 5,856,804</u>	<u>\$ 1,326,298</u>

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CORSICANA INDEPENDENT SCHOOL DISTRICT

USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAMS

FOR THE YEAR ENDED AUGUST 31, 2023

Section A: Compensatory Education Programs

AP1	Did your LEA expend any state compensatory education program state allotment funds during the district’s fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district’s fiscal year.	\$ 7,508,422
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA’s fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$ 1,878,388

Section B: Bilingual Education Programs

AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA’s fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA’s fiscal year.	\$ 1,012,227
AP8	List the actual direct program expenditures for bilingual education programs during the LEA’s fiscal year. (PICs 25, 35)	\$ 261,582

COMPLIANCE SECTION

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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**

Board of Trustees of
Corsicana Independent School District
Corsicana, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Corsicana Independent School District, as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise Corsicana Independent School District's basic financial statements, and have issued our report thereon dated January 22, 2024.

Internal Control Over Financial Reporting

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

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Corsicana Independent School District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
January 22, 2024

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Board of Trustees
Corsicana Independent School District
Corsicana, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Corsicana 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 Corsicana Independent School District's major federal programs for the year ended August 31, 2023. 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, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's 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 Corsicana Independent School 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 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 above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
January 22, 2024

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CORSICANA INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED AUGUST 31, 2023

(1) Federal Grantor/ Pass-through Grantor/ Grantor/Program Title	(2) Assistance Listing Number	(2A) Pass-through Entity Identifying Number	(3) Federal Expenditures	(4) Pass-through Expenditures
U. S. DEPARTMENT OF AGRICULTURE				
Passed through the Texas Education Agency:				
School Breakfast Program	10.553	71402301	\$ 1,327,238	\$ -
Subtotal Assistance Listing Number 10.553			<u>1,327,238</u>	<u>-</u>
Commodities - Non-cash assistance	10.555	NT4XL1YGLGC5	309,224	-
COVID-19 - Commodity Storage	10.555	NT4XL1YGLGC5	25,887	-
National School Lunch Program	10.555	71302301	<u>3,122,049</u>	<u>-</u>
Subtotal Assistance Listing Number 10.555			<u>3,457,160</u>	<u>-</u>
Total passed through the Texas Education Agency			<u>4,784,398</u>	<u>-</u>
Passed through the Texas Department of Agriculture:				
COVID-19 - Supply Chain Assistance	10.555	NT4XL1YGLGC5	336,045	-
COVID-19 - Pandemic Admin Expense Reimbursement	10.649	NT4XL1YGLGC5	<u>3,135</u>	<u>-</u>
Total Child Nutrition Cluster			<u>5,120,443</u>	<u>-</u>
TOTAL U. S. DEPARTMENT OF AGRICULTURE			<u>5,123,578</u>	<u>-</u>
U. S. DEPARTMENT OF DEFENSE				
Passed through the State Department of Education:				
JROTC	12.002	175-903	<u>62,958</u>	<u>-</u>
Total passed through State Department of Education			<u>62,958</u>	<u>-</u>
TOTAL U. S. DEPARTMENT OF DEFENSE			<u>62,958</u>	<u>-</u>
U. S. DEPARTMENT OF EDUCATION				
Passed through the Texas Education Agency:				
ESEA Title I Part A - Improving Basic Programs	84.010A	23610101175903	<u>1,741,839</u>	<u>-</u>
IDEA-B Formula	84.027A	236600011759036600	1,178,104	-
SSA IDEA-B Discretionary	84.027A	236600111759036673	84,470	-
Subtotal Assistance Listing Number 84.027A			<u>1,262,574</u>	<u>-</u>
COVID-19 - IDEA-B Formula - ARP	84.027X	235350011759035000	<u>250,780</u>	<u>-</u>
IDEA-B Preschool	84.173A	236610011759036000	<u>41,386</u>	<u>-</u>
COVID-19 - IDEA-B Preschool - ARP	84.173X	235350011759035000	<u>14,273</u>	<u>-</u>
Total Special Education Cluster			<u>1,569,013</u>	<u>-</u>
Career and Technical - Basic Grant	84.048A	23420006175903	<u>67,674</u>	<u>-</u>
ESEA, Title V, Part B, Subpart 2 - Rural and Low Income School	84.358B	23696001175903	<u>233,810</u>	<u>-</u>
Title III Part A English Language Acquisition and Language Enhance	84.365A	23671001175903	<u>208,400</u>	<u>-</u>

CORSICANA INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED AUGUST 31, 2023

(1) Federal Grantor/ Pass-through Grantor/ Grantor/Program Title	(2) Assistance Listing Number	(2A) Pass-through Entity Identifying Number	(3) Federal Expenditures	(4) Pass-through Expenditures
U. S. DEPARTMENT OF EDUCATION				
ESEA Title II Part A - Teacher & Principal Training & Recruiting	84.367A	23694501175903	244,766	-
Title IV Part A Subpart 1	84.424A	23680101175903	156,843	-
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) II	84.425D	21521001175903	286,340	-
COVID-19 - ARP Elementary and Secondary School Emergency Relief (ESSER) III	84.425U	21528042175903	2,137,497	-
COVID-19 - ARP Elementary and Secondary School Emergency Relief (ESSER) III - TCLAS	84.425U	21528042175903	77,011	-
Subtotal Assistance Listing Number 84.425			2,500,848	-
Total passed through the Texas Education Agency			6,723,193	-
TOTAL U. S. DEPARTMENT OF EDUCATION			6,723,193	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 11,909,729</u>	<u>\$ -</u>

CORSICANA INDEPENDENT SCHOOL DISTRICT

NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS

AUGUST 31, 2023

1. GENERAL

The Schedule of Expenditures of Federal Awards presents the activity of all applicable federal award programs of Corsicana Independent School District. The District's reporting entity is defined in Note I of the financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. The District's significant account policies, including the modified accrual basis of accounting, are presented in Note 1 of the basic financial statements. The information in the schedule is presented in accordance with the 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). Therefore, some of the amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

3. INDIRECT COSTS

Corsicana Independent School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. RECONCILIATION OF FEDERAL REVENUES

The following is the reconciliation of federal revenues and the Schedule of Expenditures of Federal Awards for the year ended August 31, 2023:

Federal revenues per the Statement of Revenues, Expenditures and Changes in Fund Balance - Government Funds (Exhibit C-3)	\$ 12,972,509
Less:	
SHARS	381,980
ERATE	<u>680,800</u>
Federal expenditures	<u>\$ 11,909,729</u>

CORSICANA INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2023

Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified,
that were not considered a material weakness None reported

Material noncompliance to the
financial statements noted? No

Federal Awards:

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified,
that were not considered a material weakness None reported

Type of auditor's report on compliance
for major programs Unmodified

Any audit findings disclosed that are required
to be reported in accordance with 2 CFR 200.516(a)? None

Identification of major programs:

Assistance Listing Numbers: Name of Federal Program or Cluster:
10.553 and 10.555 Child Nutrition Cluster
84.425 COVID-19 - Elementary and Secondary
School Emergency Relief (ESSER)

Dollar threshold used to distinguish between type A
and type B programs \$750,000

Auditee qualified as low-risk auditee? No

**Findings Relating to the Financial Statements Which are Required to be Reported in
Accordance With Generally Accepted Government Auditing Standards**

None

Findings and Questioned Costs for Federal Awards

None

CORSICANA INDEPENDENT SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED AUGUST 31, 2023

None.