

**CORSICANA INDEPENDENT SCHOOL DISTRICT**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
AUGUST 31, 2021**



**CORSICANA INDEPENDENT SCHOOL DISTRICT**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED AUGUST 31, 2021**

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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, 2021, at a meeting of the Board of Trustees of such school district on the 6<sup>th</sup> day of December, 2021.

\_\_\_\_\_  
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 of  
Corsicana Independent School District  
Corsicana, Texas

### Report on the Financial Statements

We have audited the accompanying 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, 2021, 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.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Corsicana Independent School District, as of August 31, 2021, 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.

### OFFICE LOCATIONS

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

## **Emphasis of Matter – Change in Accounting Principle**

As described in the notes to the financial statements, in fiscal year 2021 the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and OPEB information be presented to supplement the basic financial statements. Such information, 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.

### *Other 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 the audit requirements of 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.

The combining statements, required TEA schedules and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 December 6, 2021 on our consideration of Corsicana Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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  
December 6, 2021



## 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, 2021. 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 (\$26,466,852) at August 31, 2021.
- During the year, the District's primary government expenses on financial statement exhibit B-1 were \$230,356 more than the \$77,931,871 generated in taxes and other revenues for governmental activities.
- Total governmental expenditures for the District, presented on financial statement exhibit C-3 decreased \$487,621 from last year.
- The general fund reported a fund balance this year on financial statement exhibit C-3 of \$18,331,528. The District began the current year with a fund balance in the amount of \$15,373,689.

### 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 explain the relationship (or differences) between them.
- **Fiduciary funds** - The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.
- **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 (\$26,466,852) at August 31, 2021. (See Table A-1).

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

	Governmental Activities		Total
	2021	2020	Percentage Change
<b>Current assets:</b>			
Cash and cash equivalents	\$ 22,438,561	\$ 22,882,550	-1.94%
Due from other governments	5,813,106	1,928,281	201.47%
Inventories	127,761	108,750	17.48%
Other receivables	<u>907,477</u>	<u>1,211,752</u>	-25.11%
Total current assets	<u>29,286,905</u>	<u>26,131,333</u>	12.08%
<b>Noncurrent assets:</b>			
Capital assets	172,012,485	171,936,540	0.04%
Less accumulated depreciation	( 90,071,236)	( 83,356,974)	8.05%
Total noncurrent assets	<u>81,941,249</u>	<u>88,579,566</u>	-7.49%
Total Assets	<u>111,228,154</u>	<u>114,710,899</u>	-3.04%
Deferred Outflows of Resources	<u>19,465,777</u>	<u>22,670,710</u>	-14.14%
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities	4,074,756	4,566,863	10.78%
Deferred revenue	<u>19,991</u>	<u>16,465</u>	-21.42%
Total current liabilities	<u>4,094,747</u>	<u>4,583,328</u>	10.66%
<b>Long-term liabilities:</b>			
Noncurrent liabilities due in one year	4,576,406	3,087,576	-48.22%
Noncurrent liabilities due in more than 1 yr	89,609,035	97,125,352	7.74%
Net Pension Liability	20,370,491	20,907,918	2.57%
Net OPEB Liability	<u>19,542,016</u>	<u>24,296,916</u>	19.57%
Total Liabilities	<u>138,192,695</u>	<u>150,001,090</u>	7.87%
Deferred Inflows of Resources	<u>18,968,088</u>	<u>15,413,601</u>	-23.06%
<b>Net Position:</b>			
Net invested in capital assets	( 4,471,445)	( 3,671,697)	-21.78%
Restricted	4,334,295	3,459,471	-25.29%
Unrestricted	<u>( 26,329,702)</u>	<u>( 27,820,856)</u>	5.36%
Total Net Position	<u>\$( 26,466,852)</u>	<u>\$( 28,033,082)</u>	5.59%

The District has \$4,334,295 in restricted net position that represents \$3,950,766 proceeds for debt service, \$255,771 for campus activities, and \$127,758 for federal and state programs. These proceeds, when spent, are restricted for the above purposes. The (\$26,329,702) 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 \$77,931,871. A significant portion, 35%, of the District's revenue comes from taxes. (See Table A-2.) 20% comes from operating grants and contributions, and 44% relates to grants and contributions not restricted to specific programs.

The total cost of all programs and services was \$78,162,227; 56% of these costs are for governmental activities associated with instructional and student services.

**Governmental Activities**

Property tax rates remained the same. Tax revenues increased by \$1,055,197 or approximately 4%.

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

	Governmental Activities	
	2021	2020
<b>REVENUES</b>		
Program revenues:		
Charges for services	\$ 332,310	\$ 554,444
Operating grants and contributions	15,650,392	15,081,496
General revenues:		
Property taxes	27,098,587	26,043,390
State aid - formula	34,021,263	31,040,731
Investment earnings	48,196	290,370
Other	781,123	626,765
Total revenues	<u>77,931,871</u>	<u>73,637,196</u>
<b>EXPENSES</b>		
Instruction	43,702,449	44,478,588
Instructional resources and media services	537,282	748,578
Curriculum dev. and instructional staff development	816,436	1,105,932
Instructional leadership	2,887,032	2,982,915
School leadership	3,634,703	3,700,771
Guidance, counseling and evaluation services	3,068,344	2,880,361
Social work services	113,402	122,320
Health services	652,975	726,131
Student (pupil) transportation	2,076,174	2,157,563
Food services	4,431,239	4,349,595
Co-curricular/extra curricular activities	1,857,000	1,790,558
General administration	1,225,064	1,441,486
Plant maintenance and operations	6,948,286	7,041,147
Security and monitoring services	1,173,726	1,462,012
Data processing services	1,882,230	1,639,405
Community services	164,956	127,249
Debt services	2,250,766	3,646,338
Payments to fiscal agent/member dist. - SSA	292,577	60,383
Other	447,586	422,545
Total expenses	<u>78,162,227</u>	<u>80,883,877</u>
<b>CHANGE IN NET POSITION</b>	( 230,356)	( 7,246,681)
<b>NET POSITION, BEGINNING</b>	<u>( 28,033,082)</u>	<u>( 20,786,401)</u>
<b>PRIOR PERIOD ADJUSTMENT</b>	1,796,586	-
<b>NET POSITION, ENDING</b>	<u><u>\$( 26,466,852)</u></u>	<u><u>\$( 28,033,082)</u></u>

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 \$78,162,227. However, the amount that our taxpayers paid for these activities through property taxes was only \$27,098,587. Some of the cost, \$332,310, was paid by those who directly benefited from the programs, or by grants and contributions of \$15,650,392.

**TABLE A-3  
NET COST OF SELECTED DISTRICT FUNCTIONS**

	Total Cost of Services		Net Cost of Services	
	2021	2020	2021	2020
Instruction	\$ 43,702,449	\$ 44,478,588	\$( 35,364,200)	\$( 36,730,863)
Facilities maintenance and operations	6,948,286	7,041,147	( 6,561,442)	( 6,553,327)
Food services	4,431,239	4,349,595	( 766,424)	( 1,050,906)
Debt services	2,250,766	3,646,338	(2,091,059)	( 2,648,218)

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

Revenues from governmental fund types totaled \$77,588,464, while the previous year it was \$71,301,847. 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 \$1,396,200 less than final budget amounts in the General Fund.

Additionally, revenues were \$1,402,472 above the final budgeted amount.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2021, the District had invested \$81,941,249 in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-4.) This amount represents a net decrease (including additions and deductions) of \$6,638,317 or 8% from last year.

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

	Governmental Activities		Total Percentage Change
	2021	2020	
Land	\$ 1,517,186	\$ 1,517,186	0.00%
Buildings and improvements	154,465,524	154,434,375	0.02%
Equipment	10,032,045	9,987,249	0.45%
Vehicles	<u>5,997,730</u>	<u>5,997,730</u>	0.00%
Totals at historical cost	172,012,485	171,936,540	0.04%
Total accumulated depreciation	( 90,071,236)	( 83,356,974)	8.05%
Net capital assets	<u>\$ 81,941,249</u>	<u>\$ 88,579,566</u>	-7.49%

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 \$134.098 million in bonds, 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
	2021	2020	
Leases payable	\$ 253,844	\$ 333,900	100.00%
Bonds payable	91,562,650	97,156,616	-5.76%
Bond premium	585,161	609,543	-4.00%
Notes payable	700,000	825,000	-15.15%
Loan	1,083,786	1,287,869	-15.85%
Net pension liability	20,370,491	20,907,918	-2.57%
Net OPEB liability	19,542,016	24,296,916	-19.57%
Total bonds & notes payable	<u>\$ 134,097,948</u>	<u>\$ 145,417,762</u>	-7.78%

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

- Appraised value used for the 2022 budget preparation is \$2,278,607,454, an increase of 6.5% from 2021.
- General operating fund spending per student increased in the 2022 budget from \$9,186 to \$10,239. This is an 11.5% increase.
- The District's 2022 refined average daily attendance is expected to be 5,697, an increase of less than 1%.

These indicators were taken into account when adopting the general fund budget for 2021. Amounts available for appropriation in the general fund budget are \$58,332,303, an increase of more than 4.5 percent from the final 2021 budget.

**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.

## **BASIC FINANCIAL STATEMENTS**

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## CORSIANA INDEPENDENT SCHOOL DISTRICT

## STATEMENT OF NET POSITION

AUGUST 31, 2021

Data Control Codes		Governmental Activities
<b>ASSETS</b>		
1110	Cash and cash equivalents	\$ 22,438,561
1225	Property taxes receivables (net)	905,387
1240	Due from other governments	5,813,106
1267	Due from fiduciary funds	2,000
1290	Other receivables (net)	90
1300	Inventories	127,761
	Capital assets:	
1510	Land	1,517,186
1520	Buildings and improvements, net	79,405,828
1530	Furniture and equipment, net	<u>1,018,235</u>
1000	Total assets	<u>111,228,154</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
1701	Deferred loss on bond refunding	6,915,502
1705	Deferred outflow related to pensions	8,136,281
1706	Deferred outflow related to OPEB	<u>4,413,994</u>
1700	Total deferred outflows of resources	<u>19,465,777</u>
<b>LIABILITIES</b>		
2110	Accounts payable	223,868
2140	Interest payable	93,546
2160	Accrued wages payable	2,802,819
2165	Accrued liabilities	460,092
2180	Due to other governments	494,431
2300	Unearned revenue	19,991
	Noncurrent liabilities:	
2501	Due within one year	4,576,406
2502	Due in more than one year	89,609,035
2540	Net pension liability	20,370,491
2545	Net OPEB liability	<u>19,542,016</u>
2000	Total liabilities	<u>138,192,695</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
2601	Deferred gain on refunding	1,024,571
2605	Deferred inflow related to pensions	3,503,464
2606	Deferred inflow related to OPEB	<u>14,440,053</u>
2600	Total deferred inflows of resources	<u>18,968,088</u>
<b>NET POSITION</b>		
3200	Net investment in capital assets	( 4,471,445)
	Restricted for:	
3450	Federal and state programs	127,758
3850	Debt service	3,950,766
3870	Campus activities	255,771
3900	Unrestricted	<u>( 26,329,702)</u>
3000	Total net position (deficit)	<u>\$( 26,466,852)</u>

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

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**CORSICANA INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT B-1**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	Functions/Programs	1 Expenses	Program Revenues		Net (Expenses)
			3 Charges for Services	4 Operating Grants and Contributions	Revenue and Changes in Net Position 6 Primary Gov. Governmental Activities
<b>Primary government:</b>					
Governmental activities:					
11	Instruction	\$ 43,702,449	\$ -	\$ 8,338,249	\$( 35,364,200)
12	Instructional resources and media services	537,282	-	37,772	( 499,510)
13	Curriculum and staff development	816,436	-	344,809	( 471,627)
21	Instructional leadership	2,887,032	-	815,450	( 2,071,582)
23	School leadership	3,634,703	-	465,933	( 3,168,770)
31	Guidance, counseling, and evaluation services	3,068,344	-	458,083	( 2,610,261)
32	Social work services	113,402	-	97,115	( 16,287)
33	Health services	652,975	-	364,474	( 288,501)
34	Student transportation	2,076,174	-	115,351	( 1,960,823)
35	Food service	4,431,239	9,912	3,654,903	( 766,424)
36	Cocurricular/extracurricular activities	1,857,000	192,998	56,648	( 1,607,354)
41	General administration	1,225,064	-	39,336	( 1,185,728)
51	Facilities maintenance and operations	6,948,286	129,400	257,444	( 6,561,442)
52	Security and monitoring services	1,173,726	-	83,533	( 1,090,193)
53	Data processing services	1,882,230	-	221,424	( 1,660,806)
61	Community services	164,956	-	140,161	( 24,795)
72	Interest on long-term debt	2,238,922	-	159,707	( 2,079,215)
73	Bond issuance costs and fees	11,844	-	-	( 11,844)
93	Payments for shared services arrangements	292,577	-	-	( 292,577)
99	Other intergovernmental changes	447,586	-	-	( 447,586)
	[TP] Total primary government	<u>\$ 78,162,227</u>	<u>\$ 332,310</u>	<u>\$ 15,650,392</u>	<u>\$( 62,179,525)</u>
General revenues:					
MT	Property taxes, levied for general purposes				20,678,861
DT	Property taxes, levied for debt service				6,419,726
	Grants and contributions not restricted				
GC	to specific programs				34,021,263
IE	Investment earnings				48,196
MI	Miscellaneous				<u>781,123</u>
TR	Total general revenues				<u>61,949,169</u>
CN	Change in net position				( 230,356)
NB	Net position, beginning				( 28,033,082)
PA	Prior period adjustment				<u>1,796,586</u>
NE	Net position, ending				<u>\$( 26,466,852)</u>

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

**CORSICANA INDEPENDENT SCHOOL DISTRICT**

BALANCE SHEET - GOVERNMENTAL FUNDS

AUGUST 31, 2021

Data Control Codes		10  General Fund	50  Debt Service Fund
		Fund	Fund
	<b>ASSETS</b>		
1110	Cash and cash equivalents	\$ 15,821,684	\$ 4,319,913
1220	Property taxes receivable	1,163,195	342,491
1230	Allowance for uncollectible taxes	( 463,752)	( 136,547)
1240	Due from other governments	2,438,060	-
1260	Due from other funds	3,104,356	12,886
1290	Other receivables	90	-
1300	Inventories	-	-
1000	Total assets	22,063,633	4,538,743
	<b>LIABILITIES</b>		
2110	Accounts payable	165,028	-
2160	Accrued wages payable	2,537,294	-
2170	Due to other funds	323,064	-
2180	Due to other governments	-	494,431
2200	Accrued expenditures	54,252	-
2300	Unearned revenues	18,002	-
2000	Total liabilities	3,097,640	494,431
	<b>DEFERRED INFLOWS OF RESOURCES</b>		
2600	Deferred revenue-property taxes	634,465	185,759
2600	Total deferred inflows of resources	634,465	185,759
	<b>FUND BALANCES</b>		
	Restricted:		
3450	Federal and state programs	-	-
3470	Capital acquisitions & contractual obligations	-	-
3480	Retirement of long-term debt	-	3,858,553
3490	Campus activities	-	-
3600	Unassigned	18,331,528	-
3000	Total fund balances	18,331,528	3,858,553
4000	Total liabilities, deferred inflows		
4000	and fund balances	\$ 22,063,633	\$ 4,538,743

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

281	282	Other Governmental Funds	Total Governmental Funds
<u>ESSER II</u>	<u>ESSER III</u>		
\$ -	\$ -	\$ 2,207,301	\$ 22,348,898
-	-	-	1,505,686
-	-	-	( 600,299)
1,215,287	896,006	1,263,753	5,813,106
-	-	-	3,117,242
-	-	-	90
-	-	127,761	127,761
<u>1,215,287</u>	<u>896,006</u>	<u>3,598,815</u>	<u>32,312,484</u>
-	-	58,840	223,868
-	6,924	258,601	2,802,819
1,215,287	888,284	998,785	3,425,420
-	-	-	494,431
-	798	23,465	78,515
-	-	1,989	19,991
<u>1,215,287</u>	<u>896,006</u>	<u>1,341,680</u>	<u>7,045,044</u>
-	-	-	820,224
-	-	-	820,224
-	-	127,758	127,758
-	-	1,881,816	1,881,816
-	-	-	3,858,553
-	-	255,771	255,771
-	-	( 8,210)	18,323,318
-	-	2,257,135	24,447,216
<u>\$ 1,215,287</u>	<u>\$ 896,006</u>	<u>\$ 3,598,815</u>	<u>\$ 32,312,484</u>

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## CORSIANA INDEPENDENT SCHOOL DISTRICT

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

AUGUST 31, 2021

Total fund balances - governmental funds	\$ 24,447,216
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.	81,941,249
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	820,224
The assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Position.	18,264
Long-term liabilities, including bonds and notes payable, are note due and payable in the current period and are not reported in the funds.	( 88,294,510)
Payables for bond interest which are not due in the current period are not reported in the funds.	( 93,546)
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 \$8,136,281, a deferred resource inflow in the amount of \$3,503,464, and a net pension liability in the amount of \$20,370,491. This resulted in a decrease in net position.	( 15,737,674)
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 \$4,413,994, a deferred resource inflow in the amount of \$14,440,053, and a net OPEB liability in the amount of \$19,542,016. This resulted in a decrease in net position.	( 29,568,075)
Net position of governmental activities	<u>\$ ( 26,466,852)</u>

**CORSICANA INDEPENDENT SCHOOL DISTRICT**

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

FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes		10	50
		General Fund	Debt Service Fund
	<b>REVENUES</b>		
5700	Local and intermediate sources	\$ 21,394,517	\$ 6,461,923
5800	State program revenues	36,891,353	159,707
5900	Federal program revenues	<u>719,913</u>	<u>-</u>
5020	Total revenues	<u>59,005,783</u>	<u>6,621,630</u>
	<b>EXPENDITURES</b>		
	Current:		
0011	Instruction	32,722,267	-
0012	Instructional resources and media services	465,880	-
0013	Curriculum and staff development	389,732	-
0021	Instructional leadership	1,848,809	-
0023	School leadership	2,936,755	-
0031	Guidance, counseling and evaluation services	2,349,669	-
0032	Social work services	-	-
0033	Health services	576,908	-
0034	Student transportation	1,849,008	-
0035	Food services	-	-
0036	Cocurricular/extracurricular activities	1,422,023	-
0041	General administration	1,090,182	-
0051	Facilities maintenance and operations	6,238,427	-
0052	Security and monitoring services	1,040,840	-
0053	Data processing services	1,513,064	-
0061	Community services	3,680	-
	Debt service:		
0071	Principal on long term debt	409,139	4,085,000
0072	Interest on long term debt	55,634	1,994,614
0073	Bond issuance costs and fees	-	11,844
0081	Capital outlay	80,995	-
	Intergovernmental:		
0093	Payments to Shared Service Arrangements	303,726	-
0099	Other intergovernmental charges	<u>447,586</u>	<u>-</u>
6030	Total expenditures	<u>55,744,324</u>	<u>6,091,458</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>3,261,459</u>	<u>530,172</u>
	<b>OTHER FINANCING SOURCES (USES)</b>		
7915	Transfers in	-	-
8911	Transfers out	<u>( 303,620)</u>	<u>-</u>
7080	Total other financing sources (uses)	<u>( 303,620)</u>	<u>-</u>
1200	<b>NET CHANGE IN FUND BALANCES</b>	2,957,839	530,172
0100	<b>FUND BALANCES, BEGINNING</b>	<u>15,373,689</u>	<u>3,328,381</u>
1300	<b>PRIOR PERIOD ADJUSTMENT</b>	<u>-</u>	<u>-</u>

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



281	282	Other Governmental Funds	Total Governmental Funds
<u>ESSER II</u>	<u>ESSER III</u>		
\$ -	\$ -	\$ 648,506	\$ 28,504,946
-	-	569,879	37,620,939
<u>1,215,287</u>	<u>896,006</u>	<u>8,631,373</u>	<u>11,462,579</u>
<u>1,215,287</u>	<u>896,006</u>	<u>9,849,758</u>	<u>77,588,464</u>
1,215,287	684,793	4,008,504	38,630,851
-	-	11,755	477,635
-	-	332,865	722,597
-	-	670,393	2,519,202
-	20,681	241,886	3,199,322
-	-	334,194	2,683,863
-	-	97,115	97,115
-	-	-	576,908
-	-	-	1,849,008
-	-	3,934,649	3,934,649
-	-	254,803	1,676,826
-	-	-	1,090,182
-	11,702	-	6,250,129
-	-	-	1,040,840
-	178,830	-	1,691,894
-	-	139,951	143,631
-	-	-	4,494,139
-	-	-	2,050,248
-	-	-	11,844
-	-	-	80,995
-	-	-	303,726
-	-	-	447,586
<u>1,215,287</u>	<u>896,006</u>	<u>10,026,115</u>	<u>73,973,190</u>
-	-	( 176,357)	3,615,274
-	-	303,620	303,620
-	-	-	( 303,620)
-	-	303,620	-
-	-	127,263	3,615,274
-	-	1,933,286	20,635,356
-	-	196,586	196,586

## 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, 2021

Net change in fund balances - total governmental funds	\$ 3,615,274
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.	( 6,638,317)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	( 144,093)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	4,300,265
(Increase) decrease in accrued interest from beginning of period to end of period.	5,200
The net revenue (expense) of internal service funds is reported with governmental activities.	( 28,814)
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 \$1,537,468. 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 \$1,569,127. 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 \$1,749,791. The net result is a decrease in the change in net position.	( 1,781,450)
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 \$397,818. 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 \$390,216. 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 \$433,977. The net result is an increase in the change in net position.	<u>441,579</u>
Change in net position of governmental activities	<u>\$ ( 230,356)</u>

**CORSICANA INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT D-1**

STATEMENT OF NET POSITION

AUGUST 31, 2021

	<u>Internal Service Fund</u> <u>Public Entity Risk Pool</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 89,663
Due from other funds	<u>310,178</u>
Total current assets	<u>399,841</u>
Total assets	<u>399,841</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accrued expenses	<u>381,577</u>
Total current liabilities	<u>381,577</u>
Total liabilities	<u>381,577</u>
<b>NET POSITION</b>	
Unrestricted	<u>18,264</u>
Total net position	\$ <u><u>18,264</u></u>

**CORSICANA INDEPENDENT SCHOOL DISTRICT**

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION

FOR THE YEAR ENDED AUGUST 31, 2021

	Internal Service Fund
	<u>Public Entity Risk Pool</u>
<b>OPERATING REVENUES</b>	
Local and intermediate sources	\$ 274,569
Total operating revenues	<u>274,569</u>
<b>OPERATING EXPENSES</b>	
Other operating costs	<u>303,383</u>
Total operating expenses	<u>303,383</u>
Change in net position	( 28,814)
<b>NET POSITION, BEGINNING</b>	<u>47,078</u>
<b>NET POSITION, ENDING</b>	\$ <u><u>18,264</u></u>

## CORNICANA INDEPENDENT SCHOOL DISTRICT

STATEMENT OF CASH FLOWS  
PROPRIETARY FUND

FOR THE YEAR ENDED AUGUST 31, 2021

	Internal Service Fund
	<u>Public Entity Risk Pool</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 274,569
Cash payments or other operating expenses	<u>( 378,414)</u>
Net cash provided (used) by operating activities	<u>( 103,845)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	( 103,845)
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u>193,508</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u>89,663</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Operating income (loss)	( 28,814)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Change in assets and liabilities:	
Due from other funds	( 104,038)
Accrued expenses	<u>29,007</u>
Net cash provided (used) by operating activities	<u>\$( 103,845)</u>

**CORSICANA INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT E-1**

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

AUGUST 31, 2021

Data Control Codes		Private Purpose Trust Funds	<u>Custodial Fund</u> Student Activity
	<b>ASSETS</b>		
1110	Cash and cash equivalents	\$ 29,750	\$ 155,271
1290	Other receivables	34,430	-
1810	Restricted cash and temporary investments	<u>19,729,018</u>	<u>-</u>
	Total assets	<u>19,793,198</u>	<u>155,271</u>
	<b>LIABILITIES</b>		
	Current Liabilities:		
2170	Due to other funds	2,000	-
2400	Payable from restricted assets	<u>93,396</u>	<u>-</u>
	Total liabilities	<u>95,396</u>	<u>-</u>
	<b>NET POSITION</b>		
	Restricted for:		
3800	Held in trust	19,697,802	-
3800	Student groups	<u>-</u>	<u>155,271</u>
3000	Total net position	<u>\$ 19,697,802</u>	<u>\$ 155,271</u>

## CORSIANA INDEPENDENT SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

FOR THE YEAR ENDED AUGUST 31, 2021

	Private-Purpose Trust Funds	Custodial Fund
<b>ADDITIONS</b>		
Donations	\$ 1,100	\$ -
Investment income	489,355	-
Net increase in fair value of investments	2,395,389	-
Mineral income	194,830	-
Collections from student groups	-	290,033
Total additions	<u>3,080,674</u>	<u>290,033</u>
<b>DEDUCTIONS</b>		
Scholarship awards	496,098	-
Professional services	94,029	-
Administrative expenses	63,773	-
Payments on-behalf of student groups	-	273,780
Total deductions	<u>653,900</u>	<u>273,780</u>
<b>NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION</b>	2,426,774	16,253
<b>NET POSITION, BEGINNING</b>	<u>17,271,028</u>	<u>-</u>
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>-</u>	<u>139,018</u>
<b>NET POSITION, ENDING</b>	<u>\$ 19,697,802</u>	<u>\$ 155,271</u>

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# CORSICANA INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2021

### 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.

**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.

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

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 statement 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

## **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 and 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 done 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, 2021 and during the year ended August 31, 2021 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, 2021 are shown below.

Investment or Investment Type	Reported Value	Weighted Average Maturity (Days)	Rating	Rating Agency
Lone Star - First Public	\$ 2,518,484	45	AAAm	S & P
TexStar	52,129	52	AAAm	S & P
TexPool	193,324	31	AAAm	S & P
Logic	4,927,193	55	AAA	S & P
Texas Class	<u>3,436,040</u>	53	AAAm	S & P
Total Investments	<u>\$ 11,127,170</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, 2021, 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	154,434,375	31,149	-	154,465,524
Equipment	9,987,249	44,796	-	10,032,045
Vehicles	5,997,730	-	-	5,997,730
Total capital assets, being depreciated	<u>170,419,354</u>	<u>75,945</u>	<u>-</u>	<u>170,495,299</u>
Less accumulated depreciation for:				
Buildings and improvements	( 68,837,314)	( 6,222,382)	-	( 75,059,696)
Equipment	( 9,115,972)	( 278,092)	-	( 9,394,064)
Vehicles	( 5,403,688)	( 213,788)	-	( 5,617,476)
Total accumulated depreciation	<u>( 83,356,974)</u>	<u>( 6,714,262)</u>	<u>-</u>	<u>( 90,071,236)</u>
Total governmental activities capital assets, net	<u>\$ 88,579,566</u>	<u>\$( 6,638,317)</u>	<u>\$ -</u>	<u>\$ 81,941,249</u>

Depreciation was charged to functions as follows:

Governmental activities:	
Instruction	\$ 3,842,718
Instruction Resources & Media Services	49,055
Curriculum & Instructional Staff Development	74,213
Instructional Leadership	258,731
School Leadership	328,582
Guidance, Counseling & Evaluation Services	275,643
Social Work Services	9,974
Health Services	59,251
Student (Pupil) Transportation	189,900
Food Services	401,800
Extracurricular Activities	169,919
General Administration	112,033
Plant Maintenance & Operations	639,857
Security & Monitoring Services	106,898
Data Processing Services	173,764
Community Services	14,751
Capital Outlay	7,173
Total depreciation expense	<u>\$ 6,714,262</u>



**C. Interfund Balances and Activities**

***Due To and From Other Funds***

Balances due to and due from other funds at August 31, 2021, consisted of the following:

<u>Due From Fund</u>	<u>Due To Fund</u>	<u>Amount</u>	<u>Purpose</u>
General fund	ESSER II	\$ 1,215,287	Short-term loans
General fund	ESSER III	888,284	Short-term loans
General fund	Other governmental funds	998,785	Short-term loans
General fund	Private purpose trust fund	2,000	Short-term loans
Debt service fund	General fund	12,886	Short-term loans
Internal service fund	General fund	310,178	Short-term loans
		<u>\$ 3,427,420</u>	

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

***Transfers To and From Other Funds***

Transfers to and from other funds at August 31, 2021, consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Other governmental fund	General fund	\$ 303,620
		<u>\$ 303,620</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, 2021, are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b><u>Governmental activities:</u></b>						
General obligation bonds	\$ 2,120,000	\$ -	\$ 85,000	\$ -	\$ 2,035,000	\$ 90,000
General obligation refunding bonds	78,370,000	-	1,225,000	-	77,145,000	1,285,000
General obligation refunding bonds - CAB	16,666,616	61,034	2,745,000	( 1,600,000)	12,382,650	2,780,000
Notes	825,000	-	125,000	-	700,000	130,000
Loan	1,287,869	-	204,083	-	1,083,786	208,196
Capital lease	333,900	-	80,056	-	253,844	83,210
Premium on issuance of debt	609,543	-	24,382	-	585,161	-
Total governmental activities	<u>\$ 100,212,928</u>	<u>\$ 61,034</u>	<u>\$ 4,488,521</u>	<u>\$( 1,600,000)</u>	<u>\$ 94,185,441</u>	<u>\$ 4,576,406</u>

***General Obligation Bonds***

General obligation school building bonds payable at August 31, 2021, 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, 2021 is \$5,655,000.

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, 2021 is \$2,035,000.

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, 2021 is \$3,585,000.

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%.

As of August 31, 2021, \$70,220,000 of defeased bonds remain outstanding, which includes bonds refunded during the current fiscal year. Of the amount of defeased bonds outstanding, \$70,220,000 is held by a trustee that may substitute the risk-free monetary assets held for the repayment of the debt with non-risk free monetary assets.

**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, 2021 is \$700,000.

**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, 2021 is \$1,083,786. The quarterly payment amount is \$57,079 including principal and accrued interest at a 2% interest rate. The last payment is August 31, 2026.

**Debt Service Requirements**

Debt service requirements on long-term debt at August 31, 2021, are as follows:

Year Ended August 31,	Governmental Activities-Bonded Debt		
	Principal	Interest	Total Requirements
2022	4,155,000	1,928,789	6,083,789
2023	4,220,000	1,858,639	6,078,639
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
2027-2031	17,310,000	7,659,783	24,969,783
2032-2036	18,710,000	5,856,013	24,566,013
2037-2041	19,415,000	3,667,967	23,082,967
2042-2046	17,485,000	977,969	18,462,969
Totals	\$ 92,095,000	\$ 27,127,977	\$ 119,222,977

Subtract:

Future Accreted Interest on CABs ( 532,350)

Amount outstanding \$ 91,562,650

Year Ended August 31,	Governmental Activities-Note Payable		
	Principal	Interest	Total Requirements
2022	130,000	15,469	145,469
2023	135,000	12,819	147,819
2024	140,000	10,069	150,069
2025	145,000	6,584	151,584
2026	150,000	2,250	152,250
Totals	\$ 700,000	\$ 47,191	\$ 747,191

Year Ended August 31,	Governmental Activities-Loan Payable		
	Principal	Interest	Total Requirements
2022	208,196	20,121	228,317
2023	212,391	15,926	228,317
2024	216,671	11,646	228,317
2025	221,037	7,280	228,317
2026	<u>225,491</u>	<u>2,826</u>	<u>228,317</u>
Totals	<u>\$ 1,083,786</u>	<u>\$ 57,799</u>	<u>\$ 1,141,585</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 an event of default, outstanding amounts become immediately due.

### **Capital Leases**

The District has acquired certain capital assets through the use of lease purchase agreements. These lease agreements qualify as capital leases for accounting purposes and therefore, have been recorded as the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

Various equipment	\$	410,922
Less: accumulated depreciation	(	<u>164,050</u> )
Net value	\$	<u>246,872</u>

The future minimum lease obligations and the net present value of these lease minimum lease payments as of August 31, 2021, were as follows:

Year Ended August 31,	Governmental Activities
2022	\$ 93,439
2023	93,439
2024	<u>87,686</u>
Total minimum lease payments	<u>\$ 274,564</u>
Less: amount representing interest	( 20,720)
Present value of minimum lease payments	<u>\$ 253,844</u>

### **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 2021, 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](http://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.

In May 2019, the 86<sup>th</sup> Texas Legislature approved the TRS Pension Reform Bill (Senate Bill 12) that provides for gradual contribution increases from the state, participating employers and active employees to make the pension fund actuarially sound. This action causing the pension fund to be actuarially sound, allowed the legislature to approve funding for a 13th check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in either the matching amount of their monthly annuity or \$2,000, whichever was less.

**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	
	2020	2021
Member	7.70%	7.70%
Non-Employer Contributing Entity (State)	7.50%	7.50%
Employers	7.50%	7.50%
Current fiscal year employer contributions		\$ 1,537,468
Current fiscal year member contributions		3,191,201
2020 measurement year NECE on-behalf contributions		2,122,876

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 1.5 percent of the member's salary beginning in fiscal year 2020, 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, 2019 actuarial valuation was rolled forward to August 31, 2020 was determined using the following actuarial assumptions:

Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-Term Expected Investment Rate of Return	7.25%
Inflation	2.3%
Salary Increases Including Inflation	3.05% to 9.05%
Payroll Growth Rate	3.0%
Benefit Changes During the Year	None
Ad hoc Post Employment Benefit Changes	None

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2019. For a full description of these assumptions please see the actuarial valuation report dated November 14, 2019.

**Discount Rate.** A single discount rate of 7.25 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 7.25 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, 2020 (see page 53 of the TRS ACFR) are summarized below:

Asset Class	Target Allocation <sup>1</sup>	Long-Term Expected Geometric Real Rate of Return <sup>2</sup>	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.	18.00%	3.90%	0.99%
Non-U.S. Developed	13.00%	5.10%	0.92%
Emerging Markets	9.00%	5.60%	0.83%
Private Equity	14.00%	6.70%	1.41%
Stable Value			
Government Bonds	16.00%	-0.70%	-0.05%
Stable Value Hedge Funds	5.00%	1.90%	0.11%
Real Return			
Real Estate	15.00%	4.60%	1.02%
Energy, Natural Resources and Inf	6.00%	6.00%	0.42%
Risk Parity			
Risk Parity	8.00%	3.00%	0.30%
Leverage			
Cash	2.00%	-1.50%	-0.03%
Asset Allocation Leverage	-6.00%	-1.30%	0.08%
Inflation Expectation			2.00%
Volatility Drag <sup>3</sup>			-0.67%
<b>Expected Return</b>	<b>100%</b>		<b>7.33%</b>

<sup>1</sup> Target allocations are based on the FY2020 policy model.

<sup>2</sup> Capital Market Assumptions come from Aon Hewitt (as of 08/31/2020).

<sup>3</sup> 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 Net Pension Liability.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Proportionate share of net pension liability	\$ 31,410,933	\$ 20,370,491	\$ 11,400,374

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** At August 31, 2021, the District reported a liability of \$20,370,491 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	\$	20,370,491
State's proportionate share that is associated with the District		<u>27,556,064</u>
Total	\$	<u><u>47,926,555</u></u>

The net pension liability was measured as of August 31, 2019 and rolled forward to August 31, 2020 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, 2019 thru August 31, 2020.

At August 31, 2020, the employer's proportion of the collective net pension liability was 0.0380344792% which was a decrease of 0.0021861072% from its proportion measured as of August 31, 2019.

For the year ended August 31, 2021, the District's pension expense was \$6,633,301 and revenue of \$3,314,383 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 pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual actuarial experiences	\$ 37,195	\$ 568,486
Changes in actuarial assumptions	4,726,679	2,009,751
Differences between projected and actual investment earnings	412,383	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	1,422,556	925,227
Contributions paid to TRS subsequent to the measurement date	<u>1,537,468</u>	<u>-</u>
Total as of fiscal year-end	<u><u>\$ 8,136,281</u></u>	<u><u>\$ 3,503,464</u></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:

<u>For the Year Ended August 31,</u>	<u>Pension Expense</u>
2022	\$ 917,190
2023	1,108,057
2024	1,031,718
2025	362,130
2026	( 274,104)
Thereafter	( 49,642)

**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.** Detail information about the TRS-Care’s fiduciary net position is available in the separately issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://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-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	
	2020	2021
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		\$ 397,818
Current fiscal year member contributions		269,383
2020 measurement year NECE on-behalf contributions		525,036

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 \$230.8 million in fiscal year 2020 to maintain premiums and benefit levels in the 2020-2021 biennium.

**Actuarial Assumptions.** The actuarial valuation was performed as of August 31, 2019. Update procedures were used to roll forward the Total OPEB liability to August 31, 2020.

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. All the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation and salary increases, used in the OPEB valuation were identical to those used in the respective TRS pension valuation. 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, with full generational mortality using Scale BB. 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 most recently established public scale (U-MP).

**Additional Actuarial Methods and Assumptions**

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Discount Rate	2.33% as of August 31, 2020
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 9.00%
Election Rates	Normal Retirement: 65% participation prior to age 65 and 40% participation after age 65. 25% 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 2.33% was used to measure the total OPEB liability. There was a decrease of .30 percent in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

The source of the municipal bond rate is the Fidelity “20-year Municipal GO AA Index” as of August 31, 2020 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 (2.33%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (1.33%)	Discount Rate (2.33%)	1% Increase in Discount Rate (3.33%)
Proportionate share of net OPEB liability	\$ 23,450,375	\$ 19,542,016	\$ 16,454,974

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

At August 31, 2021, the District reported a liability of \$19,542,016 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	\$ 19,542,016
State's proportionate share that is associated with the District	<u>26,259,785</u>
Total	<u>\$ 45,801,801</u>

The Net OPEB Liability was measured as of August 31, 2019 and rolled forward to August 31, 2020 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, 2019 thru August 31, 2020.

At August 31, 2021 the employer's proportion of the collective Net OPEB Liability was 0.0514067213%, which was an increase of 0.0000295077% from its proportion measured as of August 31, 2020.

**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	\$ 15,963,324	\$ 19,542,016	\$ 24,308,329

**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 2.63 percent as of August 31, 2019 to 2.33 percent as of August 31, 2020. This change increased the Total OPEB Liability.
- The participation rate for post-65 retirees was lowered from 50 percent to 40 percent. This change lowered the Total OPEB Liability.
- The ultimate health care trend rate assumption was lowered from 4.50 percent to 4.25 percent as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change lowered the Total OPEB Liability.

For the year ended August 31, 2021, the District recognized OPEB expense of \$(226,099) and revenue of \$(182,338) 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	\$ 1,023,212	\$ 8,943,426
Changes in actuarial assumptions	1,205,336	5,366,339
Differences between projected and actual investment earnings	6,350	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	1,781,278	130,288
Contributions paid to TRS subsequent to the measurement date	<u>397,818</u>	<u>-</u>
Total as of fiscal year-end	<u>\$ 4,413,994</u>	<u>\$ 14,440,053</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
2022	\$( 1,780,962)
2023	( 1,781,811)
2024	( 1,782,297)
2025	( 1,782,164)
2026	( 1,260,188)
Thereafter	( 2,036,455)

### **G. Negative Operating Grants and Contributions – Statement of Activities**

Expense activity is required to be recorded by districts who are participants in cost-sharing pension and OPEB benefit plans with a special funding situation where non-employer contributing entities (NECE) also participate in contributions to the plans. TRS-retirement and TRS-care benefit plans are both cost-sharing plans with special funding situations. Therefore, on-behalf expense activity of the NECE must be recorded at the government-wide level of reporting on the Statement of Activities in accordance with GASB 68 and 75.

During the year under audit, the NECE expense was negative due to changes in actuarial assumptions within the TRS-care plan. The accrual for the proportionate share of that expense was a negative on-behalf revenue and negative on-behalf expense. This resulted in a decrease to revenue for operating grants and contributions on the Statement of Activities. According to guidance provided directly from GASB, this is the correct reporting.

Following are the effects on the Statement of Activities as a result of the negative on-behalf accruals recorded:

	Operating Grants and Contributions	Negative On-Behalf Accruals	Operating Grants and Contributions (excluding on- behalf accruals)
11-Instruction	\$ 8,338,249	\$( 123,522)	\$ 8,461,771
12-Instructional resources and media services	37,772	( 1,394)	39,166
13-Curriculum and staff development	344,809	( 713)	345,522
21-Instructional leadership	815,450	( 5,377)	820,827
23-School leadership	465,933	( 10,898)	476,831
31-Guidance, counseling, and evaluation services	458,083	( 6,639)	464,722
32-Social work services	97,115	-	97,115
33-Health services	364,474	( 2,216)	366,690
34-Student transportation	115,351	( 6,181)	121,532
35-Food service	3,654,903	-	3,654,903
36-Extracurricular activities	56,648	( 3,036)	59,684
41-General administration	39,336	( 2,423)	41,759
51-Facilities maintenance and operations	257,444	( 13,169)	270,613
52-Security and monitoring services	83,533	( 4,476)	88,009
53-Data processing services	221,424	( 2,283)	223,707
61-Community services	140,161	( 11)	140,172
72-Interest on long-term debt	<u>159,707</u>	<u>-</u>	<u>159,707</u>
	<u>\$ 15,650,392</u>	<u>\$( 182,338)</u>	<u>\$ 15,832,730</u>

## **H. Health Care Coverage**

During the year ended August 31, 2021, employees of the District were covered by a health insurance plan (the Plan). The District paid premiums of \$378 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, 2021, 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](http://www.trs.state.tx.us).

## **I. 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 \$202,137, \$179,742, and \$142,878 were recognized for the years ended August 31, 2021, 2020, and 2019, respectively, as equal revenues and expenditures.

## **J. 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.

**K. 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	\$ 17,761
Eustace ISD	17,761
Blooming Grove ISD	11,841
Rice ISD	38,482
Wortham ISD	23,682
Dawson ISD	2,960
Frost ISD	14,801
Fairfield ISD	5,920
Kerens	5,920
Ennis ISD	109,527
Malakoff ISD	44,403
Cross Roads ISD	17,761
Mount Calm ISD	11,841
Kemp ISD	26,642
Scurry Rosser	11,841
Groesbeck ISD	5,920
Mexia ISD	8,881
Corsicana ISD	115,446
LaPoyner ISD	8,881
Teague ISD	2,960
Blum ISD	5,920
Aquilla	2,960
Covington	5,920
Itasca	11,841
Whitney	26,642
Cayuga	2,960
Athens	41,443
Ferris	26,642
Mabank ISD	32,562
Total	<u>\$ 660,121</u>

**L. 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, 2021, 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.

Statement of Change in Liability	2021	2020
Unpaid (overpayment) claims at September 1	\$ 352,570	\$ 390,167
Net claims incurred or (adjusted) during the year	226,664	250,420
Payments of claims during the year	( 197,657)	( 288,017)
Unpaid claims at August 31	\$ 381,577	\$ 352,570

The above amount is reflected as a liability on the financial statements as of August 31, 2021.

**M. Prior Period Adjustment**

In the implementation of GASB Statement No. 84 relating to the presentation of fiduciary activities, the District adjusted the beginning net position of the custodial fund and the beginning fund balance of the non-major special revenue fund, Campus Activities. The beginning balance of the custodial fund was established to be \$139,018, being presented as a prior period adjustment in Exhibit E-2.

Some activities that were previously recorded to the custodial fund were determined to have significant administrative involvement by district faculty and recorded to a non-major governmental fund (campus activities fund), causing a prior period adjustment to fund balance of \$196,586 in Exhibit C-3.

A prior period of \$1,600,000 was made for the CABS on the Statement of Activities. With the \$196,586 added, the total prior period adjustment is \$1,796,586 on the Statement of Activities.

**N. New Accounting Standards**

The Governmental Accounting Standards Board (GASB) issued the following statements which become effective for fiscal year 2022 and 2024:

Statement No. 87, *Leases* – This Statement will improve the accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities previously classified as operating leases. It establishes a single model for lease accounting based on the principle that leases are financing the right to use an underlying asset. Under the Statement a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resource, enhancing the relevance and consistency of information about leasing activities.

Statement No. 96, *Subscription-Based Information Technology Arrangements* – This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. This Statement will become effective for the District in fiscal year 2024.

## CORSIANA INDEPENDENT SCHOOL DISTRICT

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

FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes		Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive or (Negative)
		Original	Final		
<b>REVENUES</b>					
5700	Local and intermediate sources	\$ 21,401,113	\$ 21,422,128	\$ 21,394,517	\$( 27,611)
5800	State program revenues	35,158,605	35,185,605	36,891,353	1,705,748
5900	Federal program revenues	660,000	995,578	719,913	( 275,665)
5020	Total revenues	<u>57,219,718</u>	<u>57,603,311</u>	<u>59,005,783</u>	<u>1,402,472</u>
<b>EXPENDITURES</b>					
Current:					
Instruction & Instructional Related Services:					
0011	Instruction	33,645,520	33,954,775	32,722,267	1,232,508
0012	Instructional resources and media services	626,646	475,746	465,880	9,866
0013	Curriculum and instructional staff development	358,460	397,460	389,732	7,728
	Total Instruction & Instr. Related Services	<u>34,630,626</u>	<u>34,827,981</u>	<u>33,577,879</u>	<u>1,250,102</u>
Instructional and School Leadership:					
0021	Instructional leadership	1,835,258	1,861,421	1,848,809	12,612
0023	School leadership	3,017,459	2,947,982	2,936,755	11,227
	Total Instructional & School Leadership	<u>4,852,717</u>	<u>4,809,403</u>	<u>4,785,564</u>	<u>23,839</u>
Support Services - Student (Pupil) :					
0031	Guidance, counseling and evaluation services	2,120,643	2,358,480	2,349,669	8,811
0033	Health services	614,698	584,699	576,908	7,791
0034	Student (pupil) transportation	1,523,363	1,871,463	1,849,008	22,455
0036	Extracurricular activities	1,300,802	1,444,587	1,422,023	22,564
	Total Support Services - Student (Pupil)	<u>5,559,506</u>	<u>6,259,229</u>	<u>6,197,608</u>	<u>61,621</u>
Administrative Support Services:					
0041	General administration	976,553	1,101,744	1,090,182	11,562
	Total Administrative Support Services	<u>976,553</u>	<u>1,101,744</u>	<u>1,090,182</u>	<u>11,562</u>
Support Services - Nonstudent Based :					
0051	Facilities maintenance and operations	6,003,920	6,262,920	6,238,427	24,493
0052	Security and monitoring services	1,009,196	1,050,938	1,040,840	10,098
0053	Data processing services	1,485,116	1,520,116	1,513,064	7,052
	Total Support Services - Nonstudent Based	<u>8,498,232</u>	<u>8,833,974</u>	<u>8,792,331</u>	<u>41,643</u>
Ancillary Services:					
0061	Community services	3,802	3,802	3,680	122
	Total Ancillary Services	<u>3,802</u>	<u>3,802</u>	<u>3,680</u>	<u>122</u>
Debt Service:					
0071	Principal on long term debt	402,590	409,141	409,139	2
0072	Interest on long term debt	61,635	55,635	55,634	1
	Total Debt Service	<u>464,225</u>	<u>464,776</u>	<u>464,773</u>	<u>3</u>
<b>EXPENDITURES (continued)</b>					
Capital Outlay:					
0081	Capital outlay	194,298	84,515	80,995	3,520
	Total Capital Outlay	<u>194,298</u>	<u>84,515</u>	<u>80,995</u>	<u>3,520</u>
Intergovernmental Charges:					
0093	Payments to fiscal agent/member dist.-SSA	68,000	304,000	303,726	274
0099	Other intergovernmental charges	456,100	451,100	447,586	3,514
	Total Intergovernmental Charges	<u>524,100</u>	<u>755,100</u>	<u>751,312</u>	<u>3,788</u>
6030	Total expenditures	<u>55,704,059</u>	<u>57,140,524</u>	<u>55,744,324</u>	<u>1,396,200</u>
1100	Excess (deficiency) of revenues over (over) expenditures	<u>1,515,659</u>	<u>462,787</u>	<u>3,261,459</u>	<u>2,798,672</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
8911	Transfers out	-	-	( 303,620)	303,620
7080	Total other financing sources (uses)	-	-	( 303,620)	303,620
1200	<b>NET CHANGE IN FUND BALANCES</b>	<u>1,515,659</u>	<u>462,787</u>	<u>2,957,839</u>	<u>3,102,292</u>
0100	<b>FUND BALANCES, BEGINNING</b>	<u>15,373,689</u>	<u>15,373,689</u>	<u>15,373,689</u>	<u>-</u>
3000	<b>FUND BALANCES, ENDING</b>	<u>\$ 16,889,348</u>	<u>\$ 15,836,476</u>	<u>\$ 18,331,528</u>	<u>\$ 2,495,052</u>

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**REQUIRED SUPPLEMENTARY INFORMATION**

**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, 2021

	Measurement Year Ended August 31,		
	2020	2019	2018
District's proportion of the net pension liability	0.038%	0.040%	0.037%
District's proportionate share of net pension liability (asset)	\$ 20,370,491	\$ 20,907,918	\$ 20,227,806
States proportionate share of the net pension liability (asset) associated with the District	<u>27,556,064</u>	<u>26,038,083</u>	<u>27,920,170</u>
Total	\$ <u>47,926,555</u>	\$ <u>46,946,001</u>	\$ <u>48,147,976</u>
District's covered payroll	\$ 41,899,185	\$ 39,724,278	\$ 36,906,850
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	48.62%	52.63%	54.81%
Plan fiduciary net position as a percentage of the total pension liability	75.54%	75.24%	73.74%

Note: Only seven 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,				
2017	2016	2015	2014	
0.037%	0.037%	0.038%	0.025%	
\$ 11,951,142	\$ 14,118,362	\$ 13,473,287	\$ 6,803,897	
<u>16,168,783</u>	<u>19,741,055</u>	<u>18,900,292</u>	<u>16,263,369</u>	
\$ <u>28,119,925</u>	\$ <u>33,859,417</u>	\$ <u>32,373,579</u>	\$ <u>23,067,266</u>	
\$ 35,623,769	\$ 34,895,153	\$ 33,206,310	\$ 31,532,487	
33.55%	40.46%	40.57%	21.58%	
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, 2021

	Fiscal Year Ended August 31,		
	2021	2020	2019
Contractually required contribution	\$ 1,537,468	\$ 1,569,127	\$ 1,382,895
Contribution in relation to the contractually required contribution	( 1,537,468)	( 1,569,127)	( 1,382,895)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
District's covered payroll	\$ 41,444,128	\$ 41,899,185	\$ 39,724,278
Contributions as a percentage of covered employee payroll	3.71%	3.75%	3.48%

Note: Only seven 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,			
2018	2017	2016	2015
\$ 1,250,268	\$ 1,225,010	\$ 1,190,043	\$ 661,641
<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>
\$ 36,906,850	\$ 35,623,769	\$ 34,895,153	\$ 33,206,310
3.39%	3.44%	3.41%	1.99%

## CORNICANA INDEPENDENT SCHOOL DISTRICT

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

FOR THE YEAR ENDED AUGUST 31, 2021

	Measurement Year Ended August 31,			
	2020	2019	2018	2017
District's proportion of the net OPEB liability (asset)	0.0514067213%	0.0513772136%	0.047733946%	0.048048752%
District's proportionate share of net OPEB liability (asset)	\$ 19,542,016	\$ 24,296,916	\$ 23,833,996	\$ 20,894,600
States proportionate share of the net OPEB liability (asset) associated with the District	<u>26,259,785</u>	<u>32,285,164</u>	<u>30,580,868</u>	<u>26,366,155</u>
Total	<u>\$ 45,801,801</u>	<u>\$ 56,582,080</u>	<u>\$ 54,414,864</u>	<u>\$ 47,260,755</u>
District's covered employee payroll	\$ 41,899,185	\$ 39,724,278	\$ 36,906,850	\$ 35,623,769
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered employee payroll	46.64%	61.16%	64.58%	58.65%
Plan fiduciary net position as a percentage of the total OPEB liability	4.99%	2.66%	1.57%	0.91%

Note: Only four 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."

**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, 2021

	Fiscal Year Ended August 31,			
	2021	2020	2019	2018
Contractually required contribution	\$ 397,818	\$ 390,216	\$ 356,312	\$ 325,641
Contribution in relation to the contractually required contribution	( 397,818)	( 390,216)	( 356,312)	( 325,641)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 41,444,128	\$ 41,899,185	\$ 39,724,278	\$ 36,906,850
Contributions as a percentage of covered employee payroll	0.96%	0.93%	0.90%	0.88%

Note: Only four 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."

## CORSICANA INDEPENDENT SCHOOL DISTRICT

### NOTES TO BUDGETARY INFORMATION

AUGUST 31, 2020

The Board of Trustees adopts an "appropriated budget" for the General Fund, Debt Service Fund, Capital Projects 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, Capital Projects 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.



## **COMBINING STATEMENTS**

**CORSICANA INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2021

Data Control Codes		Special Revenue Funds			
		211 ESEA I Improving Basic Programs	224 IDEA-B Formula Grant	240 National School Breakfast/Lunch Program	244 Career and Tech Basic Grant
<b>ASSETS</b>					
1110	Cash and cash equivalents	\$ -	\$ 12,441	\$ -	\$ -
1240	Due from other governments	628,060	32,658	322,179	17,511
1300	Inventories	-	-	127,761	-
1000	Total assets	<u>628,060</u>	<u>45,099</u>	<u>449,940</u>	<u>17,511</u>
<b>LIABILITIES</b>					
2110	Accounts payable	-	-	58,840	-
2160	Accrued wages payable	33,933	40,714	122,829	-
2170	Due to other funds	590,430	-	126,967	17,511
2200	Accrued expenditures	3,697	4,385	13,546	-
2300	Unearned revenues	-	-	-	-
2000	Total liabilities	<u>628,060</u>	<u>45,099</u>	<u>322,182</u>	<u>17,511</u>
<b>FUND BALANCES</b>					
Restricted:					
3450	Federal and state programs	-	-	127,758	-
3470	Capital acquisitions & contractual obligations	-	-	-	-
3490	Campus Activities	-	-	-	-
3600	Unassigned	-	-	-	-
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>127,758</u>	<u>-</u>
4000	Total liabilities and fund balances	<u>\$ 628,060</u>	<u>\$ 45,099</u>	<u>\$ 449,940</u>	<u>\$ 17,511</u>

Special Revenue Funds

255 ESEA II Training & Recruiting	263 English Language Acquisition and Enhancement	266 Elementary and Secondary School Emergency Relief	270 ESEA, Title V Part B, Subpart 2 Rural School	276 Instructional Continuity	277 Coronavirus Relief CARES Act	289 Title IV Part A Subpart 1	315 IDEA-B Discretionary
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
76,171	6,139	64,774	60,100	14,596	-	24,948	16,617
-	-	-	-	-	-	-	-
<u>76,171</u>	<u>6,139</u>	<u>64,774</u>	<u>60,100</u>	<u>14,596</u>	<u>-</u>	<u>24,948</u>	<u>16,617</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	5,257
76,171	6,139	64,774	60,100	14,596	-	22,959	10,928
-	-	-	-	-	-	-	432
-	-	-	-	-	-	1,989	-
<u>76,171</u>	<u>6,139</u>	<u>64,774</u>	<u>60,100</u>	<u>14,596</u>	<u>-</u>	<u>24,948</u>	<u>16,617</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>76,171</u>	\$ <u>6,139</u>	\$ <u>64,774</u>	\$ <u>60,100</u>	\$ <u>14,596</u>	\$ <u>-</u>	\$ <u>24,948</u>	\$ <u>16,617</u>

**CORSICANA INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2021

Data Control Codes		Special Revenue Funds			
		340 IDEA-C Early Intervention (Deaf)	410 State Textbook Fund	435 Regional Day School for the Deaf	461 Campus Activity Funds
<b>ASSETS</b>					
1110	Cash and cash equivalents	\$ 785	\$ -	\$ 56,488	\$ 192,402
1240	Due from other governments	-	-	-	-
1300	Inventories	-	-	-	-
1000	Total assets	<u>785</u>	<u>-</u>	<u>56,488</u>	<u>192,402</u>
<b>LIABILITIES</b>					
2110	Accounts payable	-	-	-	-
2160	Accrued wages payable	567	-	55,301	-
2170	Due to other funds	-	-	-	-
2200	Accrued expenditures	218	-	1,187	-
2300	Unearned revenues	-	-	-	-
2000	Total liabilities	<u>785</u>	<u>-</u>	<u>56,488</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted:					
3450	Federal and state programs	-	-	-	-
3470	Capital acquisitions & contractual obligations	-	-	-	-
3490	Campus Activities	-	-	-	192,402
3600	Unassigned	-	-	-	-
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>192,402</u>
4000	Total liabilities and fund balances	<u>\$ 785</u>	<u>\$ -</u>	<u>\$ 56,488</u>	<u>\$ 192,402</u>

Special Revenue Funds						
480	481	485	487	499	699	Total
Campus Grants	Donations	Education Foundation	Youth Leadership Camp	Locally Funded Special Revenue	Capital Projects Fund	Nonmajor Governmental Funds
\$ 9,314	\$ 85	\$ -	\$ 970	\$ 53,000	\$ 1,881,816	\$ 2,207,301
-	-	-	-	-	-	1,263,753
-	-	-	-	-	-	127,761
<u>9,314</u>	<u>85</u>	<u>-</u>	<u>970</u>	<u>53,000</u>	<u>1,881,816</u>	<u>3,598,815</u>
-	-	-	-	-	-	58,840
-	-	-	-	-	-	258,601
-	-	8,210	-	-	-	998,785
-	-	-	-	-	-	23,465
-	-	-	-	-	-	1,989
<u>-</u>	<u>-</u>	<u>8,210</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,341,680</u>
-	-	-	-	-	-	127,758
-	-	-	-	-	1,881,816	1,881,816
9,314	85	-	970	53,000	-	255,771
-	-	( 8,210)	-	-	-	( 8,210)
<u>9,314</u>	<u>85</u>	<u>( 8,210)</u>	<u>970</u>	<u>53,000</u>	<u>1,881,816</u>	<u>2,257,135</u>
<u>\$ 9,314</u>	<u>\$ 85</u>	<u>\$ -</u>	<u>\$ 970</u>	<u>\$ 53,000</u>	<u>\$ 1,881,816</u>	<u>\$ 3,598,815</u>

**CORSICANA INDEPENDENT SCHOOL DISTRICT**

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

FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes		Special Revenue Funds			
		211 ESEA I Improving Basic Programs	224 IDEA-B Formula Grant	240 National School Breakfast/Lunch Program	244 Career and Tech Basic Grant
<b>REVENUES</b>					
5700	Local and intermediate sources	\$ -	\$ -	\$ 40,579	\$ -
5800	State program revenues	-	-	16,955	-
5900	Federal program revenues	<u>1,942,578</u>	<u>1,173,752</u>	<u>3,637,948</u>	<u>69,388</u>
5020	Total revenues	<u>1,942,578</u>	<u>1,173,752</u>	<u>3,695,482</u>	<u>69,388</u>
<b>EXPENDITURES</b>					
Current:					
0011	Instruction	903,301	755,539	-	-
0012	Instructional resources and media services	11,755	-	-	-
0013	Curriculum and staff development	247,211	19,325	-	-
0021	Instructional leadership	431,162	119,072	-	126
0023	School leadership	172,467	157	-	69,262
0031	Guidance, counseling & evaluation services	6,403	279,659	-	-
0032	Social work services	30,328	-	-	-
0035	Food services	-	-	3,934,649	-
0036	Cocurricular/extracurricular activities	-	-	-	-
0061	Community services	<u>139,951</u>	<u>-</u>	<u>-</u>	<u>-</u>
6030	Total expenditures	<u>1,942,578</u>	<u>1,173,752</u>	<u>3,934,649</u>	<u>69,388</u>
1100	Excess (deficiency) of revenues over (under) (under) expenditures	<u>-</u>	<u>-</u>	<u>( 239,167)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
7915	Transfers in	<u>-</u>	<u>-</u>	<u>303,620</u>	<u>-</u>
	Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>303,620</u>	<u>-</u>
1200	<b>NET CHANGE IN FUND BALANCES</b>	-	-	64,453	-
0100	<b>FUND BALANCES, BEGINNING</b>	<u>-</u>	<u>-</u>	<u>63,305</u>	<u>-</u>
1300	<b>PRIOR PERIOD ADJUSTMENT</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 127,758</u>	<u>\$ -</u>

Special Revenue Funds							
255 ESEA II Training & Recruiting	263 English Language Acquisition and Enhancement	266 Elementary and Secondary School Emergency Relief	270 ESEA, Title V Part B, Subpart 2 Rural School	276 Instructional Continuity	277 Coronavirus Relief CARES Act	289 Title IV Part A Subpart 1	315 IDEA-B Discretionary
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
<u>192,060</u>	<u>106,583</u>	<u>1,155,616</u>	<u>108,183</u>	<u>14,596</u>	<u>45,000</u>	<u>124,729</u>	<u>60,219</u>
<u>192,060</u>	<u>106,583</u>	<u>1,155,616</u>	<u>108,183</u>	<u>14,596</u>	<u>45,000</u>	<u>124,729</u>	<u>60,219</u>
38,523	104,361	1,155,616	108,183	14,596	45,000	9,810	60,219
-	-	-	-	-	-	-	-
62,750	2,222	-	-	-	-	-	-
90,787	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	48,132	-
-	-	-	-	-	-	66,787	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>192,060</u>	<u>106,583</u>	<u>1,155,616</u>	<u>108,183</u>	<u>14,596</u>	<u>45,000</u>	<u>124,729</u>	<u>60,219</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, 2021

Data Control Codes		Special Revenue Funds			
		340 IDEA-C Early Intervention (Deaf)	410 State Textbook Fund	435 Regional Day School for the Deaf	461 Campus Activity Funds
<b>REVENUES</b>					
5700	Local and intermediate sources	\$ -	\$ -	\$ 290,285	\$ 233,237
5800	State program revenues	-	183,088	369,836	-
5900	Federal program revenues	<u>721</u>	<u>-</u>	<u>-</u>	<u>-</u>
5020	Total revenues	<u>721</u>	<u>183,088</u>	<u>660,121</u>	<u>233,237</u>
<b>EXPENDITURES</b>					
Current:					
0011	Instruction	721	183,088	629,518	-
0012	Instructional resources and media services	-	-	-	-
0013	Curriculum and staff development	-	-	1,357	-
0021	Instructional leadership	-	-	29,246	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling & evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0035	Food services	-	-	-	-
0036	Cocurricular/extracurricular activities	-	-	-	237,640
0061	Community services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
6030	Total expenditures	<u>721</u>	<u>183,088</u>	<u>660,121</u>	<u>237,640</u>
1100	Excess (deficiency) of revenues over (under) (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 4,403)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
7915	Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total other financing sources (use)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	<b>NET CHANGE IN FUND BALANCE:</b>	-	-	-	( 4,403)
0100	<b>FUND BALANCES, BEGINNING</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>219</u>
1300	<b>PRIOR PERIOD ADJUSTMENT</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>196,586</u>
3000	<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 192,402</u>



Special Revenue Funds						
480	481	485	487	499	699	Total
Campus Grants	Donations	Education Foundation	Youth Leadership Camp	Locally Funded Special Revenue	Capital Projects Fund	Nonmajor Governmental Funds
\$ -	\$ -	\$ 29,340	\$ -	\$ 53,000	\$ 2,065	\$ 648,506
-	-	-	-	-	-	569,879
-	-	-	-	-	-	8,631,373
-	-	29,340	-	53,000	2,065	9,849,758
29	-	-	-	-	-	4,008,504
-	-	-	-	-	-	11,755
-	-	-	-	-	-	332,865
-	-	-	-	-	-	670,393
-	-	-	-	-	-	241,886
-	-	-	-	-	-	334,194
-	-	-	-	-	-	97,115
-	-	-	-	-	-	3,934,649
-	-	17,163	-	-	-	254,803
-	-	-	-	-	-	139,951
29	-	17,163	-	-	-	10,026,115
( 29)	-	12,177	-	53,000	2,065	( 176,357)
-	-	-	-	-	-	303,620
-	-	-	-	-	-	14,914,090
( 29)	-	12,177	-	53,000	2,065	127,263
9,343	85	( 20,387)	970	-	1,879,751	1,933,286
-	-	-	-	-	-	196,586
\$ 9,314	\$ 85	\$ ( 8,210)	\$ 970	\$ 53,000	\$ 1,881,816	\$ 2,257,135

## CORSIANA INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
PRIVATE-PURPOSE TRUST FUNDS

AUGUST 31, 2021

Data Control Codes	826 Miscellaneous Scholarship Fund	827 Marx Athletic Scholarship	828 Collins Education Foundation	829 LePoris Breithaupt Scholarship	Total Private-Purpose Trust Funds
<b>ASSETS</b>					
1110 Cash and cash equivalents	\$ 1,625	\$ -	\$ -	\$ 28,125	\$ 29,750
1290 Other receivables	-	-	34,430	-	34,430
1810 Restricted cash and temporary investments	-	9,694	19,711,693	7,631	19,729,018
1000 Total assets	<u>1,625</u>	<u>9,694</u>	<u>19,746,123</u>	<u>35,756</u>	<u>19,793,198</u>
<b>LIABILITIES</b>					
2170 Due to other funds	-	2,000	-	-	2,000
2400 Payable from restricted assets	-	194	92,378	824	93,396
2000 Total liabilities	<u>-</u>	<u>2,194</u>	<u>92,378</u>	<u>824</u>	<u>95,396</u>
<b>NET POSITION:</b>					
3800 Held in trust	<u>1,625</u>	<u>7,500</u>	<u>19,653,745</u>	<u>34,932</u>	<u>19,697,802</u>
3000 Total net position	<u>\$ 1,625</u>	<u>\$ 7,500</u>	<u>\$ 19,653,745</u>	<u>\$ 34,932</u>	<u>\$ 19,697,802</u>

## CORNICANA INDEPENDENT SCHOOL DISTRICT

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

FOR THE YEAR ENDED AUGUST 31, 2021

	826 Miscellaneous Scholarship Fund	827 Marx Athletic Scholarship	828 Collins Education Fund	829 LePoris Breithaupt Scholarship	Total Private-Purpose Trust Funds
<b>ADDITIONS</b>					
Donations	\$ 1,000	\$ -	\$ -	\$ 100	\$ 1,100
Investment income	-	-	489,355	-	489,355
Net increase in fair value of investments	-	-	2,395,389	-	2,395,389
Mineral income	-	-	194,830	-	194,830
Total additions	<u>1,000</u>	<u>-</u>	<u>3,079,574</u>	<u>100</u>	<u>3,080,674</u>
<b>DEDUCTIONS</b>					
Scholarship awards	500	500	492,099	2,999	496,098
Professional services	-	-	94,029	-	94,029
Administrative expenses	-	-	63,773	-	63,773
Total deductions	<u>500</u>	<u>500</u>	<u>649,901</u>	<u>2,999</u>	<u>653,900</u>
Change in net position	500	( 500)	2,429,673	( 2,899)	2,426,774
<b>NET POSITION, BEGINNING</b>	<u>1,125</u>	<u>8,000</u>	<u>17,224,072</u>	<u>37,831</u>	<u>17,271,028</u>
<b>NET POSITION, ENDING</b>	<u>\$ 1,625</u>	<u>\$ 7,500</u>	<u>\$ 19,653,745</u>	<u>\$ 34,932</u>	<u>\$ 19,697,802</u>

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## **REQUIRED TEA SCHEDULES**

**CORSICANA INDEPENDENT SCHOOL DISTRICT**

SCHEDULE OF DELINQUENT TAXES RECEIVABLES

FOR THE YEAR ENDED AUGUST 31, 2021

Last Ten Years Ended August 31,	Tax Rates		3 Net Assessed/ Appraised Value for School Tax Purpose	10 Beginning Balance 9/1/2020
	1 Maintenance	2 Debt Service		
2012 and prior years	various	various	various	\$ 201,734
2013	1.04	0.2430	1,366,953,079	41,389
2014	1.04	0.2430	1,380,620,081	41,123
2015	1.04	0.2403	1,466,988,174	53,466
2016	1.04	0.2403	1,435,549,077	60,661
2017	1.04	0.3303	1,456,985,186	69,491
2018	1.04	0.3303	1,552,394,184	80,008
2019	1.04	0.3303	1,666,725,535	373,320
2020	0.97	0.3131	2,037,409,165	658,262
2021 (School year under audit)	0.97	0.3131	2,069,365,131	-
1000 Totals				\$ <u>1,579,454</u>

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 8/31/2021</u>
\$ -	\$ 13,125	\$ 3,068	\$ 996	\$ 186,537
-	3,568	834	210	37,197
-	4,085	954	413	36,497
-	5,164	1,193	( 925)	46,184
-	9,652	2,230	8,831	57,610
-	11,962	3,799	18,539	72,269
-	25,882	8,220	69,370	115,276
-	50,102	15,912	( 156,350)	150,956
-	66,623	21,505	( 317,439)	252,695
<u>26,552,024</u>	<u>20,252,194</u>	<u>6,291,089</u>	<u>541,724</u>	<u>550,465</u>
\$ <u>26,552,024</u>	\$ <u>20,442,357</u>	\$ <u>6,348,804</u>	\$ <u>165,369</u>	\$ <u>1,505,686</u>

## CORSICANA 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, 2021

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	
	Original	Final			
<b>REVENUES</b>					
5700	Local and intermediate sources	\$ 255,500	\$ 255,500	\$ 40,579	\$( 214,921)
5800	State program revenues	18,000	18,000	16,955	( 1,045)
5900	Federal program revenues	<u>3,446,000</u>	<u>3,446,000</u>	<u>3,637,948</u>	<u>191,948</u>
5020	Total revenues	<u>3,719,500</u>	<u>3,719,500</u>	<u>3,695,482</u>	<u>( 24,018)</u>
<b>EXPENDITURES</b>					
Current:					
Support Services - Student (Pupil):					
0035	Food services	4,009,203	4,019,203	3,934,649	84,554
0051	Facilities maintenance and operations	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total Support Services - Student (Pupil)	<u>4,019,203</u>	<u>4,019,203</u>	<u>3,934,649</u>	<u>84,554</u>
6030	Total expenditures	<u>4,019,203</u>	<u>4,019,203</u>	<u>3,934,649</u>	<u>84,554</u>
1100	Excess (deficiency) of revenues over (under) expenditures	( 299,703)	( 299,703)	( 239,167)	60,536
<b>OTHER FINANCING SOURCES (USES)</b>					
7915	Transfers in	<u>-</u>	<u>-</u>	<u>303,620</u>	<u>( 303,620)</u>
	Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>303,620</u>	<u>( 303,620)</u>
1200	<b>NET CHANGE IN FUND BALANCES</b>	<u>( 299,703)</u>	<u>( 299,703)</u>	<u>64,453</u>	<u>( 243,084)</u>
0100	<b>FUND BALANCES, BEGINNING</b>	<u>63,305</u>	<u>63,305</u>	<u>63,305</u>	<u>-</u>
3000	<b>FUND BALANCES, ENDING</b>	<u>\$( 236,398)</u>	<u>\$( 236,398)</u>	<u>\$ 127,758</u>	<u>\$ 364,156</u>



## CORSICANA INDEPENDENT SCHOOL DISTRICT

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

FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	
	Original	Final			
<b>REVENUES</b>					
5700	Local and intermediate sources	\$ 6,415,577	\$ 6,415,577	\$ 6,461,923	\$ 46,346
5800	State program revenues	<u>55,265</u>	<u>55,265</u>	<u>159,707</u>	<u>104,442</u>
5020	Total revenues	<u>6,470,842</u>	<u>6,470,842</u>	<u>6,621,630</u>	<u>150,788</u>
<b>EXPENDITURES</b>					
Debt Service:					
0071	Principal on long-term debt	2,680,961	2,680,961	4,085,000	( 1,404,039)
0072	Interest on long-term debt	1,994,614	3,398,654	1,994,614	1,404,040
0073	Bond issuance costs and fees	<u>13,000</u>	<u>13,000</u>	<u>11,844</u>	<u>1,156</u>
	Total Debt Service	<u>4,688,575</u>	<u>6,092,615</u>	<u>6,091,458</u>	<u>1,157</u>
6030	Total expenditures	<u>4,688,575</u>	<u>6,092,615</u>	<u>6,091,458</u>	<u>1,157</u>
1200	<b>NET CHANGE IN FUND BALANCES</b>	<u>1,782,267</u>	<u>378,227</u>	<u>530,172</u>	<u>151,945</u>
0100	<b>FUND BALANCES, BEGINNING</b>	<u>3,328,381</u>	<u>3,328,381</u>	<u>3,328,381</u>	<u>-</u>
3000	<b>FUND BALANCES, ENDING</b>	<u>\$ 5,110,648</u>	<u>\$ 3,706,608</u>	<u>\$ 3,858,553</u>	<u>\$ 151,945</u>

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**FEDERAL AWARDS 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, 2021, 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 December 6, 2021.

***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 may exist that have not been identified.

**OFFICE LOCATIONS**

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

### **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  
December 6, 2021

**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 of  
Corsicana Independent School District  
Corsicana, Texas

**Report on Compliance for Each Major Federal Program**

We have audited Corsicana Independent School District’s compliance with the types of compliance requirements described in the *Office of Management and Budget (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, 2021. Corsicana Independent School District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

**Management’s Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on compliance for each of Corsicana Independent School District’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Corsicana Independent School District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Corsicana Independent School District’s compliance.

### **Opinion on Each Major Federal Program**

In our opinion, Corsicana Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2021.

### **Report on Internal Control over Compliance**

Management of Corsicana Independent School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Corsicana Independent School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Corsicana Independent School District's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

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  
December 6, 2021



CORSICANA INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED AUGUST 31, 2021

(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
<b>U. S. DEPARTMENT OF AGRICULTURE</b>				
Passed through the Texas Education Agency:				
School Breakfast Program	10.553	71402101	<u>97,185</u>	-
Subtotal Assistance Listing Number 10.553			<u>97,185</u>	-
National School Lunch Program	10.555	71302101	<u>239,825</u>	-
Subtotal Assistance Listing Number 10.555			<u>239,825</u>	-
Total Passed through the Texas Education Agency			<u>337,010</u>	-
Passed through the Texas Department of Agriculture:				
Commodities - Non-cash assistance	10.555	175-903	197,287	-
COVID-19 - USDA Emergency Operational Cost (EOC) Reimbursement	10.555	00851	75,010	-
COVID-19 - Commodity Storage Delivery	10.555	00851	<u>18,479</u>	-
Subtotal Assistance Listing Number 10.555			<u>290,776</u>	-
COVID-19 - Summer Food Service Program	10.559	00851	<u>3,010,162</u>	-
Total Child Nutrition Cluster			<u>3,637,948</u>	-
<b>TOTAL U. S. DEPARTMENT OF AGRICULTURE</b>			<u>3,637,948</u>	-
<b>U. S. DEPARTMENT OF DEFENSE</b>				
Direct Award:				
JROTC	12.002	175'903	<u>61,206</u>	-
<b>TOTAL U. S. DEPARTMENT OF DEFENSE</b>			<u>61,206</u>	-
<b>U. S. DEPARTMENT OF TREASURY</b>				
Passed through Texas Division of Emergency Management:				
COVID-19 - Coronavirus Relief Fund	21.019	200003252	<u>335,578</u>	-
Total passed through Texas Division of Emergency Management			<u>335,578</u>	-
Passed through the Texas Education Agency:				
COVID-19 - RLOC Local Match Reimb Prog	21.019	52202002	<u>45,000</u>	-
Total passed through the Texas Education Agency			<u>45,000</u>	-
<b>TOTAL U. S. DEPARTMENT OF TREASURY</b>			<u>380,578</u>	-
<b>U. S. DEPARTMENT OF EDUCATION</b>				
ESEA Title I Part A - Improving Basic Programs	84.010A	20610101175903	203,201	-
ESEA Title I Part A - Improving Basic Programs	84.010A	21610101175903	1,703,488	-
TTL I 1003 School Improvement	84.010A	21610141175903	<u>35,889</u>	-
Subtotal Assistance Listing Number 84.010A			<u>1,942,578</u>	-
IDEA-B Formula	84.027A	206600011759036000	6	-
IDEA-B Formula	84.027A	216600011759036600	1,173,746	-
SSA IDEA-B Discretionary	84.027A	216600111759036673	<u>60,219</u>	-
Subtotal Assistance Listing Number 84.027A			<u>1,233,971</u>	-
Career and Technical - Basic Grant	84.048A	21420006175903	<u>69,388</u>	-
IDEA-C ECI	84.181A	213911011759033911	<u>721</u>	-
ESEA, Title V, Part B, Subpart 2 - Rural and Low Income School	84.358B	20696001175903	4,974	-
ESEA, Title V, Part B, Subpart 2 - Rural and Low Income School	84.358B	21696001175903	<u>103,209</u>	-
Subtotal Assistance Listing Number 84.358B			<u>108,183</u>	-
Title III Part A English Language Acquisition and Language Enhance	84.365A	20671001175903	6,139	-
Title III Part A English Language Acquisition and Language Enhance	84.365A	21671001175903	<u>100,444</u>	-
Subtotal Assistance Listing Number 84.365A			<u>106,583</u>	-
ESEA Title II Part A - Teacher & Principal Training & Recruiting	84.367A	20694501175903	28,310	-
ESEA Title II Part A - Teacher & Principal Training & Recruiting	84.367A	21694501175903	<u>163,750</u>	-
Subtotal Assistance Listing Number 84.367A			<u>192,060</u>	-
Title IV-A, LEP Summer School	84.369A	69551802	5,007	-
Title IV-A, LEP Summer School	84.369A	69551902	<u>3,354</u>	-
Subtotal Assistance Listing Number 84.369A			<u>8,361</u>	-

CORSICANA INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED AUGUST 31, 2021

(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
<b>U. S. DEPARTMENT OF EDUCATION</b>				
Instructional Continuity	84.377A	17610740175903	14,596	-
Title IV Part A Subpart 1	84.424A	21680101175903	116,368	-
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER)	84.425D	20521001175903	58,167	-
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER)	84.425D	52102035	1,097,449	-
COVID-19 - ARP Elementary and Secondary School Emergency Relief (ESSER) III	84.425U	21528001175903	<u>896,006</u>	<u>-</u>
Subtotal Assistance Listing Number 84.425			<u>2,051,622</u>	<u>-</u>
Total Passed through the Texas Education Agency			<u>5,844,431</u>	<u>-</u>
<b>TOTAL U. S. DEPARTMENT OF EDUCATION</b>			<u>5,844,431</u>	<u>-</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 9,924,163</u>	<u>\$ -</u>

**CORSICANA INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS

AUGUST 31, 2021

**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, 2021:

Federal revenues per the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds (Exhibit C-3)	\$ 11,462,579
Less:	
SHARS	( 323,129)
ESSER II (Awarded after 8/31/21)	( <u>1,215,287</u> )
Federal expenditures	\$ <u><u>9,924,163</u></u>

**CORSICANA INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED AUGUST 31, 2021**

**Summary of Auditor's Results**

**Financial Statements:**

Type of auditor's report issued	Unmodified
Internal control over financial reporting: Material weakness(es) identified?	None reported
Significant deficiency(ies) identified, that were not considered a material weakness	None reported
Material noncompliance to the financial statements noted?	None reported

**Federal Awards:**

Internal control over major programs: Material weakness(es) identified?	None reported
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 reported

**Identification of major programs:**

Assistance Listing Numbers:	Name of Federal Program or Cluster:
10.553, 10.555 and 10.559	Child Nutrition Cluster
84.010A	Title I, Part A
84.425D	COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) COVID-19 - American Rescue Plan Act (ARP) Elementary and Secondary School Emergency Relief (ESSER) III
84.425U	

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 reported

**Findings and Questioned Costs for Federal Awards**

None reported

**CORSICANA INDEPENDENT SCHOOL DISTRICT**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED AUGUST 31, 2021

None.

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