

TEXARKANA INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2021

TEXARKANA INDEPENDENT SCHOOL DISTRICT

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Certificate of Board

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Texarkana Independent School District (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the 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 on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Texarkana Independent School District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note AA to the financial statements, in 2021, the District adopted new accounting guidance, *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 on pages v through xiv, budgetary comparison schedule – general fund on page 50, budgetary comparison schedule – child nutrition program on page 51, Schedule of the District's Proportionate Share of the Net Pension Liability (TRS) on pages 52-53, Schedule of the District's Contributions for Pensions on pages 54-55, Schedule of the District's Proportionate Share of the Net OPEB Liability (TRS) on page 56, and Schedule of the District's Contributions for Other Postemployment Benefits (OPEB) on page 57 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 Texarkana Independent School District's basic financial statements. The combining and individual nonmajor funds, custodial funds, and private purpose trust funds financial statements, and the Texas Education Agency required schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

Board of School Trustees
Texarkana Independent School District

The combining and individual nonmajor fund financial statements, TEA required schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 and individual nonmajor fund financial statements, TEA required schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 17, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

Texarkana, Texas
November 17, 2021

Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the Annual Financial and Compliance Report, we, the managers of Texarkana Independent School District, discuss and analyze the District's financial performance for the year ended June 30, 2021. Please read it in conjunction with the independent auditors' report on page ii and iv, and the District's Basic Financial Statements, which begin on page 1.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (on pages 1-3). These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (starting on page 4) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how goods or services of the District were sold to departments within the District or to other districts and how the sales revenues covered the expenses of the goods or services. The remaining statement (the fiduciary funds statement) provides financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the district.

The notes to the financial statements (starting on page 15) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The combining statements for nonmajor funds contain even more information about the District's individual funds. These are not required by TEA. The sections labeled TEA Required Schedules and Federal Awards Section contain data used by monitoring or regulatory agencies for assurance that the District is using funds supplied in compliance with the terms of grants.

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the District's overall financial condition and operations begins on page 1. Its primary purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the District's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting, which is the basis used by private sector companies.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The District's revenues are divided into those provided by outside parties who share the costs of some programs, such as grants provided by the U.S. Department of Education to assist children with disabilities or from disadvantaged backgrounds (program revenues), and revenues provided by the taxpayers or by TEA in equalization funding processes (general revenues). All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the District's net position and changes in it. The District's net position (the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources) provide one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider non-financial factors as well, such as changes in the District's average daily attendance or its property tax base and the condition of the District's facilities.

In the Statement of Net Position and the Statement of Activities, we divide the District into two kinds of activities:

- ◆ Governmental activities—Most of the District's basic services are reported here, including the instruction, counseling, co-curricular activities, food services, transportation, maintenance, community services, and general administration. Property taxes, tuition, fees, and state and federal grants finance most of these activities.
- ◆ Business-type activities—The District provides food catering for the District and various community events. The District also provides a district wide print shop. The activity surplus helps fund the District's instructional and maintenance costs.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 4 and provide detailed information about the most significant funds—not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received under Every Student Succeeds Act (ESSA) from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes (like campus activities). The District's two kinds of funds—governmental and proprietary—use different accounting approaches.

- ◆ Governmental funds—Most of the District's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

- ◆ The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.
- ◆ Proprietary funds—The District reports the activities for which it charges users (whether outside customers or other units of the District) in proprietary funds using the same accounting methods employed in the Statement of Net Position and the Statement of Activities. In fact, the District's enterprise funds (one category of proprietary funds) are the business-type activities reported in the government-wide statements but containing more detail and additional information, such as cash flows.

The District as Trustee

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for money raised by student activities and alumni scholarship programs. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Fund Net Position on pages 13-14. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the net position (Table I) and changes in net position (Table II) of the District's governmental and business-type activities.

In 2021 and 2020, the ending net position of our governmental activities was \$4,706,012 and \$4,963,263 respectively.

In 2021 and 2020, the ending net position of our business-type activities was \$1,296,868 and \$1,283,561 respectively. This amount is relatively insignificant to the overall operations of the District, but it represents efforts to find other sources of revenue that will help alleviate a portion of the taxpayer's burden.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

**Table I
Texarkana Independent School District**

**NET POSITION
(In Thousands)**

	Governmental Activities		Business-type Activities		Totals		% Change
	2020	2021	2020	2021	2020	2021	
Current and other assets	\$ 49,441	\$ 48,670	\$ 1,263	\$ 1,288	\$ 50,704	\$ 49,958	-1.47%
Capital assets	99,239	95,530	22	13	99,261	95,543	-3.75%
Total assets	<u>148,680</u>	<u>144,200</u>	<u>1,285</u>	<u>1,301</u>	<u>149,965</u>	<u>145,501</u>	<u>-2.98%</u>
Deferred Outflows of Resources	18,593	16,072	-	-	18,593	16,072	-13.56%
Long-term liabilities	125,583	113,356	-	-	125,583	113,356	-9.74%
Other liabilities	20,045	20,507	2	4	20,047	20,511	2.31%
Total liabilities	<u>145,628</u>	<u>133,863</u>	<u>2</u>	<u>4</u>	<u>145,630</u>	<u>133,867</u>	<u>-8.08%</u>
Deferred Inflows of Resources	16,682	21,703	-	-	16,682	21,703	30.10%
Net Position:							
Invested in capital assets net of related debt	27,783	30,099	-	-	27,783	30,099	8.34%
Restricted	11,233	11,036	-	-	11,233	11,036	-1.75%
Unrestricted	<u>(34,052)</u>	<u>(36,429)</u>	<u>1,283</u>	<u>1,297</u>	<u>(30,089)</u>	<u>(35,132)</u>	<u>16.76%</u>
Total net position	<u>\$ 4,963</u>	<u>\$ 4,706</u>	<u>\$ 1,283</u>	<u>\$ 1,297</u>	<u>\$ 6,246</u>	<u>\$ 6,003</u>	<u>-3.89%</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

**Table II
Texarkana Independent School District**

**Changes In Net Position
(In Thousands)**

	Governmental Activities		Business-type Activities		Totals		% Change
	2020	2021	2020	2021	2020	2021	
Revenues :							
Program Revenues:							
Charges for Services	\$ 1,900	1,199	\$ 322	\$ 209	\$ 2,222	\$ 1,408	-36.63%
Operating grants and contributions	21,723	19,062			21,723	19,062	-12.25%
General Revenues:							
Maintenance and operations taxes	22,774	22,829			22,774	22,829	0.24%
Debt service taxes	5,426	5,507			5,426	5,507	1.49%
State aid – formula grants	49,910	41,419			49,910	41,419	-17.01%
Grants not Restricted	5,796	6,051			5,796	6,051	4.40%
Investment Earnings	388	64			388	64	-83.51%
Miscellaneous	680	787			680	787	15.74%
Total Revenue	<u>108,598</u>	<u>96,918</u>	<u>322</u>	<u>209</u>	<u>108,920</u>	<u>97,127</u>	<u>-10.83%</u>
Expenses:							
Instruction, curriculum and media services	67,372	59,435			67,372	59,435	-11.78%
Instructional and school leadership	6,364	5,983			6,364	5,983	-5.99%
Student support services	3,691	3,851			3,691	3,851	4.33%
Child nutrition	6,646	6,618			6,646	6,618	-0.42%
Co-curricular activities	3,510	2,996			3,510	2,996	-14.64%
General administration	4,040	3,854			4,040	3,854	-4.60%
Plant maintenance, security & data processing	9,409	9,130			9,409	9,130	-2.97%
Community services	899	876			899	876	-2.56%
Debt services	3,151	3,374			3,151	3,374	7.08%
Payments to Fiscal Agent and Intergovernmental Charges	631	641			631	641	1.58%
Other business-type activities	411	416	252	196	663	612	-7.69%
Total Expenses	<u>106,124</u>	<u>97,175</u>	<u>252</u>	<u>196</u>	<u>106,376</u>	<u>97,371</u>	<u>-8.47%</u>
Increase (decrease) in net position	2,474	(257)	70	13	2,544	(244)	-109.59%
Net position at beginning of year	2,489	4,963	1,213	1,284	3,702	6,247	68.75%
Net position at end of year	<u>\$ 4,963</u>	<u>\$ 4,706</u>	<u>\$ 1,283</u>	<u>\$ 1,297</u>	<u>\$ 6,246</u>	<u>\$ 6,003</u>	<u>-3.89%</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Some of the major highlights of the 2020-21 school year included the following:

- The District's General Fund Balance remained relatively consistent at \$17,262,636 as a result of financial operations for the 2020-21 school year. The District experienced maybe one of the most volatile years in recent times. The COVID-19 pandemic resulted in statewide school closings, decreased attendance percentages all the while juggling educating children remotely and addressing their social and emotional needs during a pandemic. Texarkana ISD normally runs at a 94% attendance rate, but during the 2020-2021 school year it saw an average of 91% attendance. This caused a downfall in state funding, but also created an overall savings from a decrease in operational expenditures.
- During the 2020-2021 school year the district continued its agreement with eSchool Texas, LLC. This agreement allows the district to offer a virtual environment for learning to students across the state of Texas. Enrollment for the district decreased for the 2020-2021 school year to 506 students. State Funding for the majority of these students has been remitted to eSchool Texas, LLC to operate the campus. The proportion of funds earned by Texarkana ISD were transferred within the year to the Capital Projects Fund for future construction projects, as approved by the Board.
- In December 2020, the school board voted to pay off \$2.4 million dollars of debt before it was due. This additional debt payment was made from excess funds accumulated in the Debt Service Fund. This redemption was of the unlimited Tax School Building Bonds, Series 2007.
- During 2020-21, the District spent approximately \$1,400,000 on deferred maintenance projects. Several of these projects consisted of HVAC repair/replacement, painting of campuses, major roofing repairs and parking lot renovations. Some of these projects were still in progress on June 30, 2021.
- The state's school financial accountability rating system, known as the School Financial Integrity Rating System of Texas (FIRST), ensures that Texas public schools are held accountable for the quality of their financial management practices and that they improve those practices. The system is designed to encourage Texas public schools to better manage their financial resources to provide the maximum allocation possible for direct instructional purposes. Texarkana ISD received an "A-Superior Rating" rating and status for the fiscal year ending 2020-2021.
- Texarkana ISD was awarded a total of \$29,825,801 in ESSER funds from the CRRSA and ARP acts approved by the United States Congress. The CRRSA ESSER II grant allowed for pre-award costs that could be utilized in the 2020-2021 school year in the amount of \$1,725,678. These funds alleviated costs incurred during the peak pandemic year. The remaining funds are to be expended in the following grant years, which date up to 2024. The district has a Use of Funds Plan that addresses the costs that these grant monies will purposefully be used for.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

- Texarkana ISD was awarded two separate reimbursement programs to assist with COVID-19 expenditures with grant periods during the 2020-2021 school year:

Prior Purchase Reimbursement Program (PPRP) in the amount of \$290,475
Coronavirus Relief Fund, provided through TDEM, in the amount of \$25,413

- On July 17, 2020, Governor Abbott, Lt. Governor Patrick, Speaker Bonnen, Senate Finance, and House Appropriations Committee Charis announced eLearning funding for Texas students. The State of Texas allocated \$200 million in Coronavirus Aid, Relief, and Economic Security (CARES) Act funding to the Texas Education Agency (TEA) for the purchase of eLearning devices and home internet solutions to enable remote learning during the COVID-19 pandemic for Texas students that lack connectivity. The majority of the funding was allocated to LEAs through matching funds for purchases of hotspots (with data plans) and devices through a statewide bulk purchasing event. LEAs were eligible for fund matching of 50% of the expenditures incurred through the statewide bulk purchasing event. The level of funding was contingent on the number of economically disadvantaged students in the LEA. Texarkana ISD was able to purchase a total of 700 hotspots to be disbursed to students that were engaging in remote learning. The amount for these hotspots totaled \$157,150, with Texarkana ISD's portion only being \$78,575.
- On February 13, 2021, Winter Storm Uri made landfall in Texarkana ISD's region, which was a state-wide winter storm. In a state that is not acclimated to those type of conditions, our infrastructure was not prepared, causing massive outages and unsafe traveling conditions. Texarkana ISD, along with most districts statewide, had to close its doors for the week of February 15, 2021, thru February 19, 2021. Governor Abbott declared a state of emergency for the state of Texas, and waived the entire week for attendance purposes. This created a benefit for all Texas schools, due to having a zero effect on funding and a decrease in overall expenditures for the missed week.

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented in the balance sheet on page 4) reported a combined fund balance of \$28.3 million. Fund Balance in the General Fund remained consistent at \$17.3 million. Other significant changes in fund balances should also be noted. Capital Projects Fund-Fund Balance as of June 30, 2021, was \$4,752,888. This fund balance decreased for projects that were completed during the year. Projects that were not completed during the fiscal year are properly reflected in Construction in Progress. The Capital Projects Fund-Fund Balance will significantly reduce as projects are completed, creating new assets for the District.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Over the course of the year, the Board of Trustees revised the District's budget as operating changes became apparent. These budget amendments were in the ordinary course of operations and should be considered as such. The changes of any significance fall into these categories:

- Additional funds that became available through federal, state, and grant resources
- Adjustments for changes in state and local revenues
- Year-end accruals
- Changes requested by district principals within their campus operations, normally movement between functional levels.

The District's General Fund balance of \$17.3 million reported on page 4 differs from the General Fund's budgeted fund balance of \$17.5 million reported in the budgetary comparison schedule on page 50.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2021, the District had \$186 million invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance.

Debt

At the end of 2020-2021 school year, the District had \$65.9 million in bonds and notes outstanding, versus \$72.3 million last year. The District's general obligation bond rating has been the highest possible, due to Permanent School Fund Guarantees by the State of Texas.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Table III
 Texarkana Independent School District
 DISTRICT'S CAPITAL ASSETS
 (In Thousands)

	Governmental Activities		Business-Type Activities		Total		Total % Change 2020-21
	2020	2021	2020	2021	2020	2021	
Land	\$ 5,838	\$ 5,838	\$ -	\$ -	\$ 5,838	\$ 5,838	0.00%
Buildings and improvements	165,940	166,794	9	9	165,949	166,803	0.51%
Furniture and equipment	12,062	12,408	269	269	12,331	12,677	2.81%
Construction in progress	62	643	-	-	62	643	937.10%
Totals at historical cost	<u>183,902</u>	<u>185,683</u>	<u>278</u>	<u>278</u>	<u>184,180</u>	<u>185,961</u>	<u>0.97%</u>
Less accumulated depreciation for:							
Buildings and improvements	(74,408)	(79,493)	(8)	(8)	(74,416)	(79,501)	6.83%
Furniture and equipment	(10,255)	(10,661)	(248)	(257)	(10,503)	(10,918)	3.95%
Total accumulated depreciation	<u>(84,663)</u>	<u>(90,154)</u>	<u>(256)</u>	<u>(265)</u>	<u>(84,919)</u>	<u>(90,419)</u>	<u>6.48%</u>
Net capital assets	<u>\$ 99,239</u>	<u>\$ 95,529</u>	<u>\$ 22</u>	<u>\$ 13</u>	<u>\$ 99,261</u>	<u>\$ 95,542</u>	<u>-3.75%</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

More detailed information about the District's long-term liabilities is presented in Notes C, E, and Q to the financial statements.

NEXT YEAR'S BUDGETS AND RATES

The District's elected and appointed officials considered many factors when setting the fiscal-year 2021-2022 budget and tax rate. During the preparation of the 2021-22 budget addressing the learning loss of the children during the pandemic was top priority. Leaders knew that the prolonged period of remote learning and the time the children have missed in the classroom has widened the gap of learning loss among students. The 2021-22 budget was built with priorities given to targeting learning loss, along with addressing the social and emotional needs of these students all the while ensuring that staff and students have proper safety equipment and supplies to minimize exposure to COVID-19.

The Texarkana ISD Board of Trustees voted to reduce the tax rate for the 3rd year in a row. The no-new revenue tax rate of \$1.3067 per \$100 valuation for the district was approved. This rate consists of an M&O tax rate of \$1.0514 and I&S tax rate of \$0.255.

Changes in the state funding formula continue to affect district operations. These factors were taken into account when adopting the General Fund budget for 2021-2022 school year. Amounts available for appropriation in the General Fund budget are \$71.1 million. The revenue from local sources, majority property taxes, account for approximately 34.85% of available General fund revenues. State Foundation Revenue accounts for approximately 62.71% of the General Fund Revenues in the current year. The District will use its revenues to finance programs we offer and to meet state unfunded mandate requirements.

If these estimates are realized, the District's budgetary General Fund-Fund balance is expected to be near break-even by the close of 2022.

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 show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office, at Texarkana Independent School District, 4241 Summerhill Rd., Texarkana, Texas.

Basic Financial Statements

Government-wide Financial Statements

TEXARKANA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

EXHIBIT A-1

Data	1	2	3	4
Control	Primary Government			Component Unit
Codes	Governmental	Business	Total	Nonmajor
	Activities	Type		Component
		Activities		Unit
ASSETS				
1110	\$ 7,086,296	\$ 1,275,527	\$ 8,361,823	\$ 116,563
1120	18,773,714	-	18,773,714	367,205
1210	2,018,531	-	2,018,531	-
1230	(638,190)	-	(638,190)	-
1240	21,070,437	-	21,070,437	-
1250	1,598	-	1,598	-
1267	98	-	98	-
1290	105,872	-	105,872	-
1300	251,653	12,654	264,307	-
Capital Assets:				
1510	5,838,168	-	5,838,168	-
1520	87,301,254	742	87,301,996	-
1530	1,747,668	12,169	1,759,837	-
1580	642,708	-	642,708	-
1800	-	-	-	172,900
1910	-	-	-	103,563
1000	144,199,807	1,301,092	145,500,899	760,231
DEFERRED OUTFLOWS OF RESOURCES				
1701	1,424,183	-	1,424,183	-
1705	8,647,528	-	8,647,528	-
1706	6,000,666	-	6,000,666	-
1700	16,072,377	-	16,072,377	-
LIABILITIES				
2110	10,318,207	4,099	10,322,306	98,650
2140	982,320	-	982,320	-
2150	324,607	-	324,607	-
2160	5,874,141	-	5,874,141	-
2180	2,436,901	125	2,437,026	-
2300	570,949	-	570,949	-
Noncurrent Liabilities:				
2501	4,662,095	-	4,662,095	-
Due in More than One Year:				
2502	61,211,011	-	61,211,011	-
2540	23,224,192	-	23,224,192	-
2545	24,259,134	-	24,259,134	-
2000	133,863,557	4,224	133,867,781	98,650
DEFERRED INFLOWS OF RESOURCES				
2605	3,938,711	-	3,938,711	-
2606	17,763,904	-	17,763,904	-
2600	21,702,615	-	21,702,615	-
NET POSITION				
3200	30,098,555	-	30,098,555	-
3820	3,249,009	-	3,249,009	-
3850	2,615,494	-	2,615,494	-
3860	4,752,888	-	4,752,888	-
3870	418,895	-	418,895	-
3890	-	-	-	276,463
3900	(36,428,829)	1,296,868	(35,131,961)	385,118
3000	\$ 4,706,012	\$ 1,296,868	\$ 6,002,880	\$ 661,581

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

TEXARKANA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Data Control Codes	1	Program Revenues		
		3	4	
	Expenses	Charges for Services	Operating Grants and Contributions	
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
11	Instruction	\$ 56,608,422	\$ 293,327	\$ 8,395,827
12	Instructional Resources and Media Services	495,098	-	91,146
13	Curriculum and Instructional Staff Development	2,331,868	-	323,184
21	Instructional Leadership	148,405	-	15,910
23	School Leadership	5,834,979	-	504,133
31	Guidance, Counseling, and Evaluation Services	2,522,308	-	858,938
32	Social Work Services	80,079	-	5,057
33	Health Services	948,468	-	171,879
34	Student (Pupil) Transportation	300,292	-	13,754
35	Food Services	6,617,625	64,799	7,237,299
36	Extracurricular Activities	2,995,901	410,527	121,884
41	General Administration	3,853,595	-	181,687
51	Facilities Maintenance and Operations	8,230,655	52,888	620,454
52	Security and Monitoring Services	777,365	-	38,579
53	Data Processing Services	122,061	-	-
61	Community Services	875,866	377,356	481,926
72	Debt Service - Interest on Long-Term Debt	3,364,039	-	-
73	Debt Service - Bond Issuance Cost and Fees	10,300	-	-
93	Pavments Related to Shared Services Arrangements	641,329	-	-
99	Other Intergovernmental Charges	416,234	-	-
	[TG] Total Governmental Activities:	97,174,889	1,198,897	19,061,657
BUSINESS-TYPE ACTIVITIES:				
01	Food Service Catering	102,209	60,768	-
02	Print Shop Activity	69,306	130,945	-
03	Public Relations Activity Fund	19,679	17,776	-
04	Texarkana College Food Service	2,108	-	-
06	St James Day School Food Service	2,880	-	-
	[TB] Total Business-Type Activities:	196,182	209,489	-
	[TP] TOTAL PRIMARY GOVERNMENT:	\$ 97,371,071	\$ 1,408,386	\$ 19,061,657
Component Unit:				
1C	Nonmajor Component Unit	\$ 120,936	\$ -	\$ -
	[TC] TOTAL COMPONENT UNITS:	\$ 120,936	\$ -	\$ -

Data Control Codes	General Revenues:
	Taxes:
MT	Property Taxes, Levied for General Purposes
DT	Property Taxes, Levied for Debt Service
SF	State Aid - Formula Grants
GC	Grants and Contributions not Restricted
IE	Investment Earnings
MI	Miscellaneous Local and Intermediate Revenue
TR	Total General Revenues
CN	Change in Net Position
NB	Net Position - Beginning
NE	Net Position - Ending

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

Net (Expense) Revenue and Changes in Net Position			
6	7	8	9
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Component Unit
\$ (47,919,268)	\$ -	\$ (47,919,268)	\$ -
(403,952)	-	(403,952)	-
(2,008,684)	-	(2,008,684)	-
(132,495)	-	(132,495)	-
(5,330,846)	-	(5,330,846)	-
(1,663,370)	-	(1,663,370)	-
(75,022)	-	(75,022)	-
(776,589)	-	(776,589)	-
(286,538)	-	(286,538)	-
684,473	-	684,473	-
(2,463,490)	-	(2,463,490)	-
(3,671,908)	-	(3,671,908)	-
(7,557,313)	-	(7,557,313)	-
(738,786)	-	(738,786)	-
(122,061)	-	(122,061)	-
(16,584)	-	(16,584)	-
(3,364,039)	-	(3,364,039)	-
(10,300)	-	(10,300)	-
(641,329)	-	(641,329)	-
(416,234)	-	(416,234)	-
<u>(76,914,335)</u>	<u>-</u>	<u>(76,914,335)</u>	<u>-</u>
-	(41,441)	(41,441)	-
-	61,639	61,639	-
-	(1,903)	(1,903)	-
-	(2,108)	(2,108)	-
-	(2,880)	(2,880)	-
<u>-</u>	<u>13,307</u>	<u>13,307</u>	<u>-</u>
<u>(76,914,335)</u>	<u>13,307</u>	<u>(76,901,028)</u>	<u>-</u>
-	-	-	(120,936)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(120,936)</u>
22,829,194	-	22,829,194	-
5,506,848	-	5,506,848	-
41,418,708	-	41,418,708	-
6,051,350	-	6,051,350	-
63,904	-	63,904	28,427
787,092	-	787,092	163,653
<u>76,657,096</u>	<u>-</u>	<u>76,657,096</u>	<u>192,080</u>
(257,239)	13,307	(243,932)	71,144
<u>4,963,251</u>	<u>1,283,561</u>	<u>6,246,812</u>	<u>590,437</u>
<u>\$ 4,706,012</u>	<u>\$ 1,296,868</u>	<u>\$ 6,002,880</u>	<u>\$ 661,581</u>

Governmental Fund Financial Statements

TEXARKANA INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

Data Control Codes	10 General Fund	20 Child Nutrition	50 Debt Service Fund
ASSETS			
1110 Cash and Cash Equivalents	\$ 25,021	\$ 2,698,928	\$ 183,539
1120 Investments - Current	16,887,015	-	1,857,531
1210 Property Taxes - Current	1,664,078	-	354,453
1230 Allowance for Uncollectible Taxes	(540,219)	-	(97,971)
1240 Due from Other Governments	16,792,165	510,761	180,559
1250 Accrued Interest	1,598	-	-
1260 Due from Other Funds	3,989,071	-	290,474
1290 Other Receivables	105,872	-	-
1300 Inventories	26,801	224,852	-
1000 Total Assets	<u>\$ 38,951,402</u>	<u>\$ 3,434,541</u>	<u>\$ 2,768,585</u>
LIABILITIES			
2110 Accounts Payable	\$ 10,087,513	\$ 18,442	\$ -
2150 Payroll Deductions and Withholdings Payable	265,443	15,113	-
2160 Accrued Wages Payable	5,160,521	151,977	-
2170 Due to Other Funds	3,045,197	-	-
2180 Due to Other Governments	2,436,901	-	-
2300 Unearned Revenue	693,191	-	153,091
2000 Total Liabilities	<u>21,688,766</u>	<u>185,532</u>	<u>153,091</u>
FUND BALANCES			
Nonspendable Fund Balance:			
3410 Inventories	26,801	224,852	-
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	2,024,157	-
3480 Retirement of Long-Term Debt	-	-	2,615,494
Committed Fund Balance:			
3510 Construction	8,000,000	1,000,000	-
Assigned Fund Balance:			
3590 Other Assigned Fund Balance	-	-	-
3600 Unassigned Fund Balance	9,235,835	-	-
3000 Total Fund Balances	<u>17,262,636</u>	<u>3,249,009</u>	<u>2,615,494</u>
4000 Total Liabilities and Fund Balances	<u>\$ 38,951,402</u>	<u>\$ 3,434,541</u>	<u>\$ 2,768,585</u>

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

60 Capital Projects	Other Funds	Total Governmental Funds
\$ 3,509,750	\$ 669,058	\$ 7,086,296
29,168	-	18,773,714
-	-	2,018,531
-	-	(638,190)
-	3,586,952	21,070,437
-	-	1,598
1,408,250	-	5,687,795
-	-	105,872
-	-	251,653
<u>\$ 4,947,168</u>	<u>\$ 4,256,010</u>	<u>\$ 54,357,706</u>
\$ 194,280	\$ 17,972	\$ 10,318,207
-	44,051	324,607
-	561,643	5,874,141
-	2,642,500	5,687,697
-	-	2,436,901
-	570,949	1,417,231
<u>194,280</u>	<u>3,837,115</u>	<u>26,058,784</u>
-	-	251,653
-	-	2,024,157
-	-	2,615,494
4,752,888	-	13,752,888
-	418,895	418,895
-	-	9,235,835
<u>4,752,888</u>	<u>418,895</u>	<u>28,298,922</u>
<u>\$ 4,947,168</u>	<u>\$ 4,256,010</u>	<u>\$ 54,357,706</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2021

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$	28,298,922
1 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$183,901,674 and the accumulated depreciation was (\$84,662,785). In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position.		27,782,616
2 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2021 capital outlays and debt principal payments is to increase net position.		8,015,000
3 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. At the beginning of the year, the net position related to TRS was a Deferred Resource Outflow in the amount of \$11,323,003, a Deferred Resource Inflow in the amount of \$3,975,899 and a net pension liability in the amount of \$23,882,454. The impact of this on Net Position is (16,535,350). Changes from the current year reporting of the TRS plan resulted in a decrease in net position in the amount of (\$1,980,025). The combination of the beginning of the year amounts and the changes during the year resulted in a difference between the ending fund balance and the ending net position in the amount of (\$18,515,375) .		(18,515,375)
4 The District participates in the TRS-Care plan for retirees through TRS. The District's share of the TRS plan resulted in a net OPEB liability of \$24,259,134, a deferred outflow of \$17,763,904 and a deferred inflow of \$6,000,666. This resulted in a difference between the ending fund balance and the ending net position of (36,022,372).		(36,022,372)
5 The 2021 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(5,699,061)
6 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.		846,282
19 Net Position of Governmental Activities	\$	4,706,012

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

TEXARKANA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

Data Control Codes	10 General Fund	20 Child Nutrition	50 Debt Service Fund
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 24,709,956	\$ 80,391	\$ 5,717,714
5800 State Program Revenues	48,827,838	72,960	599,596
5900 Federal Program Revenues	1,546,116	7,348,388	-
5020 Total Revenues	<u>75,083,910</u>	<u>7,501,739</u>	<u>6,317,310</u>
EXPENDITURES:			
Current:			
0011 Instruction	44,997,823	-	-
0012 Instructional Resources and Media Services	380,305	-	-
0013 Curriculum and Instructional Staff Development	2,044,640	-	-
0021 Instructional Leadership	136,118	-	-
0023 School Leadership	5,543,751	-	-
0031 Guidance, Counseling, and Evaluation Services	1,683,782	-	-
0032 Social Work Services	77,072	-	-
0033 Health Services	546,858	-	-
0034 Student (Pupil) Transportation	221,452	-	-
0035 Food Services	-	6,036,501	-
0036 Extracurricular Activities	2,637,203	-	-
0041 General Administration	3,530,019	-	-
0051 Facilities Maintenance and Operations	8,269,517	228,931	-
0052 Security and Monitoring Services	747,956	-	-
0053 Data Processing Services	122,061	-	-
0061 Community Services	39,089	-	-
Debt Service:			
0071 Principal on Long-Term Debt	-	-	5,528,064
0072 Interest on Long-Term Debt	-	-	3,861,005
0073 Bond Issuance Cost and Fees	-	-	10,300
Capital Outlay:			
0081 Facilities Acquisition and Construction	-	-	-
Intergovernmental:			
0093 Payments to Fiscal Agent/Member Districts of SSA	641,329	-	-
0099 Other Intergovernmental Charges	416,234	-	-
6030 Total Expenditures	<u>72,035,209</u>	<u>6,265,432</u>	<u>9,399,369</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,048,701</u>	<u>1,236,307</u>	<u>(3,082,059)</u>
OTHER FINANCING SOURCES (USES):			
7912 Sale of Real and Personal Property	11,104	-	-
7915 Transfers In	-	-	1,642,560
8911 Transfers Out (Use)	(2,642,560)	-	-
7080 Total Other Financing Sources (Uses)	<u>(2,631,456)</u>	<u>-</u>	<u>1,642,560</u>
1200 Net Change in Fund Balances	417,245	1,236,307	(1,439,499)
0100 Fund Balance - July 1 (Beginning)	17,268,213	2,012,702	4,054,993
1300 Prior Period Adjustment	(422,822)	-	-
3000 Fund Balance - June 30 (Ending)	<u>\$ 17,262,636</u>	<u>\$ 3,249,009</u>	<u>\$ 2,615,494</u>

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

	60 Capital Projects	Other Funds	Total Governmental Funds
\$	259	\$ 671,986	\$ 31,180,306
	-	964,885	50,465,279
	-	6,423,500	15,318,004
	259	8,060,371	96,963,589
	-	5,641,591	50,639,414
	-	71,361	451,666
	-	220,990	2,265,630
	-	6,388	142,506
	-	101,109	5,644,860
	-	733,923	2,417,705
	-	-	77,072
	-	129,732	676,590
	-	-	221,452
	-	-	6,036,501
	-	306,355	2,943,558
	-	506	3,530,525
	-	39,869	8,538,317
	-	-	747,956
	-	-	122,061
	-	812,474	851,563
	-	-	5,528,064
	-	-	3,861,005
	-	-	10,300
	1,412,186	-	1,412,186
	-	-	641,329
	-	-	416,234
	1,412,186	8,064,298	97,176,494
	(1,411,927)	(3,927)	(212,905)
	-	-	11,104
	1,000,000	-	2,642,560
	-	-	(2,642,560)
	1,000,000	-	11,104
	(411,927)	(3,927)	(201,801)
	5,164,815	-	28,500,723
	-	422,822	-
\$	4,752,888	\$ 418,895	\$ 28,298,922

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$ (201,801)
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2021 capital outlays and debt principal payments is to increase net position.	8,015,000
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.	(5,699,061)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net position.	(795,771)
Current year changes due to GASB 68 increased revenues in the amount of \$1,561,182 but also increased expenditures in the amount of \$3,541,207. The net effect on the change in the ending net position was a decrease in the amount of \$1,980,025.	(1,980,025)
Current year changes due to GASB 75 increased revenues in the amount of (814,437) but also increased expenditures in the amount of \$1,218,856. The net effect on the change in the ending net position was an increase in the amount of (404,419).	404,419
Change in Net Position of Governmental Activities	\$ (257,239)

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

Proprietary Fund Financial Statements

TEXARKANA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business-Type Activities
	Total Enterprise Funds
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 1,275,527
Inventories	12,654
Total Current Assets	1,288,181
Noncurrent Assets:	
Capital Assets:	
Buildings and Improvements	9,200
Depreciation on Buildings	(8,458)
Furniture and Equipment	269,005
Depreciation on Furniture and Equipment	(256,836)
Total Noncurrent Assets	12,911
Total Assets	1,301,092
LIABILITIES	
Current Liabilities:	
Accounts Payable	4,099
Due to Other Governments	125
Total Liabilities	4,224
NET POSITION	
Unrestricted Net Position	1,296,868
Total Net Position	\$ 1,296,868

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

TEXARKANA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities
	Total Enterprise Funds
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 207,951
State Program Revenues	1,538
Total Operating Revenues	209,489
OPERATING EXPENSES:	
Payroll Costs	19,812
Professional and Contracted Services	28,445
Supplies and Materials	136,989
Other Operating Costs	1,411
Depreciation Expense	9,525
Total Operating Expenses	196,182
Operating Income	13,307
Total Net Position - July 1 (Beginning)	1,283,561
Total Net Position - June 30 (Ending)	\$ 1,296,868

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

TEXARKANA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT D-3

	Business-Type Activities
	Total Enterprise Funds
<u>Cash Flows from Operating Activities:</u>	
Cash Received from User Charges	\$ 226,032
Cash Payments to Employees for Services	(19,812)
Cash Payments for Suppliers	(164,415)
	41,805
Net Cash Provided by Operating Activities	41,805
Net Increase in Cash and Cash Equivalents	41,805
Cash and Cash Equivalents at Beginning of Year	1,233,722
Cash and Cash Equivalents at End of Year	\$ 1,275,527
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Income:	\$ 13,307
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	9,525
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Inventories	16,543
Increase (decrease) in Accounts Payable	2,430
Net Cash Provided by Operating Activities	\$ 41,805

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

Fiduciary Fund Financial Statements

TEXARKANA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021

EXHIBIT E-1

	Private Purpose Trust Funds	Total Custodial Funds
ASSETS		
Cash and Cash Equivalents	\$ 394,641	\$ 630,579
Total Assets	<u>394,641</u>	<u>\$ 630,579</u>
LIABILITIES		
Accounts Payable	-	386
Due to Other Funds	-	98
Due to Student Groups	-	(98)
Total Liabilities	<u>-</u>	<u>386</u>
NET POSITION		
Unrestricted Net Position	<u>394,641</u>	<u>630,193</u>
Total Net Position	<u>\$ 394,641</u>	<u>\$ 630,193</u>

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

TEXARKANA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Private Purpose Trust Funds	Total Custodial Funds
ADDITIONS:		
Enterprising Services Revenue	\$ 136,769	\$ 385,079
Earnings from Temporary Deposits	113	-
Contributions, Gifts and Donations	4,900	-
Total Additions	<u>141,782</u>	<u>385,079</u>
DEDUCTIONS:		
Payroll Costs	-	121,113
Professional and Contracted Services	-	18,450
Supplies and Materials	66,312	158,183
Other Deductions	1,535	58,195
Total Deductions	<u>67,847</u>	<u>355,941</u>
Change in Fiduciary Net Position	73,935	29,138
Total Net Position - July 1 (Beginning)	130,488	-
Prior Period Adjustment	<u>190,218</u>	<u>601,055</u>
Total Net Position - June 30 (Ending)	<u>\$ 394,641</u>	<u>\$ 630,193</u>

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

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

A. Summary of Significant Accounting Policies

Texarkana Independent School District (the "District") is a public education agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles in the United States of America (U.S. GAAP) promulgated by the Governmental Accounting Standards Board (GASB) and complies with the requirements of the appropriate version of the Texas Education Agency's *Financial Accountability System Resource Guide* (FASRG) and the requirements of contracts and grants of agencies from whom it receives funds.

1. Reporting Entity

The Board of Trustees (the "Board") is elected by the public, has the authority to make decisions, appoint administrators and managers, can significantly influence operations and has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board ("GASB") in its Statement No. 14, "The Financial Reporting Entity". There is one component unit included within the reporting entity.

Discretely Presented Component Unit

Texarkana Public Schools Foundation, Inc. (the Foundation), a not-for-profit organization operated by an independent board of directors, is organized to provide assistance, development and maintenance of charitable, educational, or scientific programs or activities for the District. The Foundation is included as a component unit in the District's government-wide financial statements. As a not-for-profit organization, the Foundation is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and is not classified as a private foundation. The Foundation issues separate financial statements which are available for review at the District's business office.

2. Government-Wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Texarkana Independent School District nonfiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes, State foundation funds, grants and other intergovernmental revenues. *Business-type activities* include operations that rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

A. Summary of Significant Accounting Policies (Continued)

2. Government-Wide and Fund Financial Statements (Continued)

The Statement of Activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the District. Examples include tuition paid by students not residing in the district, school lunch charges, etc. The "grants and contributions" column includes amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. Examples include grants under the Every Student Succeeds Act (ESSA). If revenue is not program revenue, it is general revenue used to support all of the District's functions. Taxes are always general revenues.

Interfund activities between governmental funds and proprietary funds appear as due to/due from on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position. All interfund transactions are eliminated on the government-wide statements. Interfund activities between governmental funds and enterprise funds remain on the government-wide statements and appear on the government-wide Statement of Net Position as internal balances and on the Statement of Activities as interfund transfers. Interfund activities between governmental funds and fiduciary funds remain as due to/due from on the government-wide Statement of Activities. All interfund balances and activity is a result of interfund clearing of transactions through a common bank account or reclassification of costs between funds.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories - governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The District considers some governmental funds major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are non-operating.

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

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

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

A. Summary of Significant Accounting Policies (Continued)

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

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues available if they are collectible within 60 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.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

The Proprietary Fund Types and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into invested in capital assets net of related debt, restricted net positions, and unrestricted net position.

4. Fund Accounting

The District reports the following major governmental funds:

- a. **The General Fund** – The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- b. **Child Nutrition Special Revenue Fund** – The District accounts for resources restricted or designated for, a specific purpose by the District or grantor in a special revenue fund. Most Federal and some State financial assistance are accounted for in the special revenue funds.
- c. **Debt Service Funds** – The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.
- d. **Capital Projects Funds** – The proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund.

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

A. Summary of Significant Accounting Policies (Continued)

4. Fund Accounting (Continued)

Additionally, the District reports the following fund types:

Governmental Funds:

- a. **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 are accounted for in the Special Revenue Funds. Unused balances are subject to being returned to the grantor at the close of the specified project period.
- b. **Permanent Funds** – The District accounts for donations for which the donor has stipulated that the principal may not be expended and where the income may only be used for purposes that support the District's programs. The District has no Permanent Funds.

Proprietary Funds:

- a. **Enterprise Funds** – The District's activities for which outside users are charged a fee roughly equal to the cost of providing the goods or services of those activities are accounted for in an enterprise fund. The District's Enterprise Funds are the Food Service, Public Relations, School Improvement, Police Department, Texas A&M Food, Print Shop, Texarkana College, and St. James Food Service Funds. All operations of the enterprise funds are classified as operating activities.

Fiduciary Funds:

- a. **Private Purpose Trust Funds** – The District accounts for donations for which the donor has stipulated that both the principal and the income may be used for purposes that benefit parties outside the District as private purpose trust funds. The District's Private Purpose Trust Funds are campus VIP funds and scholarship funds.
- b. **Custodial Funds** – The District accounts for resources held for others in a custodial capacity in custodial funds. The District's Custodial Funds are student activity funds.

5. Other Accounting Policies

- a. For purposes of the statement of cash flows for proprietary and similar fund-types, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.
- b. The consumption method is used to account for inventories of food products, school supplies and athletic equipment. Under this method, these items are carried in an inventory account of the respective fund at cost, using the first-in, first-out method of accounting, and are subsequently charged to expenditures when consumed. In the General Fund, inventories are offset by a fund balance reserve indicating that they are unavailable as current expendable financial resources. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of Human Services and recorded as inventory and deferred revenue when received. When requisitioned, inventory and deferred revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount.

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

A. Summary of Significant Accounting Policies (Continued)

5. Other Accounting Policies (Continued)

- c. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognized bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported in functional expenses.

- d. Although the District’s policy allows some employees to accumulate earned but unused vacation and sick pay benefits, there is no recorded liability since these benefits will not require a cash outlay.
- e. Capital assets, which include land, buildings, furniture and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings, furniture and other equipment of the District are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building Improvements	15
Vehicles	5
Office Equipment	5
Computer Equipment	5

- f. When the District incurs an expense for which it may use either restricted or unassigned assets, restricted assets are utilized first unless there are unassigned assets which must be returned if unused.
- g. The Data Control Codes refer to the account code structure prescribed by TEA in the *Financial Accountability System Resource Guide*. Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to insure accuracy in building a statewide data base for policy development and funding plans.

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

6. Budgetary Data

Formal budgetary accounting is employed for all required Governmental Fund Types, as outlined in FASRG, and is prepared on the modified accrual basis of accounting consistent with generally accepted accounting principles. The budget is prepared and controlled at the function level within each organization to which responsibility for controlling operations is assigned.

The official school budget is prepared for adoption for required Governmental Fund Types prior to June 30, of the preceding fiscal year for the subsequent fiscal year beginning July 1. The budget is formally adopted by the Board of Trustees at a public meeting held at least ten days after public notice has been given. The approved budget is filed with the Texas Education Agency through the Public Education Information Management System (PEIMS).

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Debt Service Fund and the Food Service Special Revenue Fund. The remaining special revenue funds and the Capital Projects Fund adopt project-length budgets which do not correspond to the District's fiscal year. Each annual budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles. The budget was amended throughout the year by the Board of Trustees. Such amendments are before the fact and are reflected in the official minutes of the Board. During the year, several amendments were necessary.

A reconciliation of fund balances at June 30, 2021, for both budgeted and unbudgeted special revenue funds is as follows:

Budgeted Funds - Child Nutrition Special Revenue Fund	\$	3,249,009
Unbudgeted Funds		-
All Special Revenue Funds	<u>\$</u>	<u>3,249,009</u>

7. Encumbrance Accounting

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at June 30, and encumbrances outstanding at that time are to be either cancelled or appropriately provided for in the subsequent year's budget. As of June 30, 2021, the District had no outstanding encumbrances.

8. Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenditures. Actual results could differ from those estimates.

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

9. Fund Equity

Unassigned fund equity for governmental funds indicates available amounts for the budgeting of future operations. The committed fund equity for governmental funds indicates committed funds that have been earmarked by Board Resolution for specific purposes and are therefore not available for general expenditures to be appropriated in the following period unless amended by future board action. Restricted fund balance is that portion of fund equity which is not available for appropriation or which has been legally separated for specific purposes. As of June 30, 2021, the nonspendable fund balance include \$26,801 for inventories in the general fund and \$224,852 for inventories in the child nutrition program in the Special Revenue Fund. The Debt Service Fund has restricted a total of \$2,615,494 for retirement of funded indebtedness as of June 30, 2021. The Child Nutrition Fund has restricted fund balance in the amount of \$2,024,157, for future food service operations. Amounts totaling \$8,000,000, \$4,752,888, and \$1,000,000 have been committed for authorized construction programs in the General Fund, Capital Projects Fund, and Food Service Fund, respectively. The remaining non-major funds have other assigned fund balance of \$418,895 for the campus activity funds.

10. Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2021, the District purchased commercial insurance to cover general liabilities. There were no significant reductions to coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

11. TRS-Care Plan

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS-Care Plan has been determined using the flow of economic resource 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.

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's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

B. Reconciliation of Government-Wide and Fund Financial Statements

1. Explanation of Certain Differences Between The Governmental Fund Balance Sheet and The Government-Wide Statement of Net Position

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net position for governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in the governmental funds. In addition, long-term liabilities, including bonds payable, notes payable, and accrued interest, are not due and payable in the current period and are not reported as liabilities in the funds. The details of capital assets and long-term debt at the beginning of the year were as follows:

<u>Capital Assets</u> <u>At the Beginning of the Year</u>	<u>Historic Cost</u>	<u>Accumulated</u> <u>Depreciation</u>	<u>Net Value at the</u> <u>Beginning of the Year</u>	<u>Change in</u> <u>Net Position</u>
Land	\$ 5,838,168	\$ -	\$ 5,838,168	
Buildings	165,940,052	74,407,573	91,532,479	
Furniture and Equipment	12,061,599	10,255,212	1,806,387	
Construction in Progress	61,855	-	61,855	
				<u>\$ 99,238,889</u>
<u>Long-term Liabilities</u> <u>At the Beginning of the Year</u>			<u>Payable at the</u> <u>Beginning of the Year</u>	
Bonds Payable and Accretion on Capital Appreciation Bonds			\$ (46,883,909)	
Notes Payable			(13,377,114)	
Accrued Interest on Notes and Bonds			(746,180)	
Premium and Discount on Issuance of Bonds			(12,069,346)	
Deferred Gain/Loss on Refunding			1,620,276	
				<u>\$ (71,456,273)</u>
Change in Net Position				
Net Adjustment to Net Position				<u><u>\$ 27,782,616</u></u>

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

B. Reconciliation of Government-Wide and Fund Financial Statements

1. Explanation of Certain Differences Between The Governmental Fund Balance Sheet and The Government-Wide Statement of Net Position (Continued)

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net position for governmental activities as reported in the government-wide statement of net position.

Two elements of that reconciliation explain that the District's proportionate share of the net pension liability, net OPEB liability, deferred outflows, and deferred inflows of resources as required by GASB 68 and GASB 75 were as follows:

	Adjustment to Net Position	Adjustment to Changes in Net Position	Ending Impact on Net Position
Net Pension Liability	\$ (23,882,454)	\$ 658,262	\$ (23,224,192)
Deferred Inflow	(3,975,899)	37,188	(3,938,711)
Deferred Outflow	11,323,003	(2,675,475)	8,647,528
Net Adjustment to Net Position	<u>\$ (16,535,350)</u>	<u>\$ (1,980,025)</u>	<u>\$ (18,515,375)</u>

	Adjustment to Net Position	Adjustment to Changes in Net Position	Ending Impact on Net Position
Net OPEB Liability	\$ (29,370,707)	\$ 5,111,573	\$ (24,259,134)
Deferred Inflow	(12,706,205)	(5,057,699)	(17,763,904)
Deferred Outflow	5,650,121	350,545	6,000,666
Net Adjustment to Net Position	<u>\$ (36,426,791)</u>	<u>\$ 404,419</u>	<u>\$ (36,022,372)</u>

2. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the Government-Wide Statement of Activities

Exhibit C-4 provides a reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures, and changes in fund balances and the changes in net assets of governmental activities as reported on the government-wide statement of activities. One element of that reconciliation explains that current year capital outlay and debt principal payments are expenditures in the fund financial statements, but should be shown as increases in capital assets and decreases in long-term debt in the government-wide statements. The adjustment affects both the net position balance and the change in net position. The details of this adjustment are as follows:

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

B. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

2. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the Government-Wide Statement of Activities (Continued)

<u>Current Year Capital Outlay</u>	<u>Amount</u>	<u>Adjustments to Changes in Net Position</u>	<u>Adjustments to Net Position</u>
Land	\$ -		
Buildings & Improvements	853,854		
Furniture & Equipment	563,281		
Construction in Progress (Net Change)	<u>580,853</u>		
Total Capital Outlay	<u>\$ 1,997,988</u>	<u>\$ 1,997,988</u>	<u>\$ 1,997,988</u>
 <u>Debt and Principal Activity</u>			
Bond Principal Payments	\$ 4,307,461		
Loan Principal Payments	<u>1,222,186</u>		
Total Principal Activity	<u>\$ 5,529,647</u>	<u>\$ 5,529,647</u>	<u>\$ 5,529,647</u>
 <u>Other Items</u>			
Disposal of Assets	\$ (8,017)		
Change in Accrued Interest Payable	(236,141)		
Change in Bond Premium and Accretion:			
Deferred Amount on Refunding Bonds	(196,093)		
Accretion on Cap Appreciation (Net)	340,419		
Amortization of Premium on Bonds (Net)	<u>587,199</u>		
Total Other Items	<u>\$ 487,367</u>	<u>\$ 487,367</u>	<u>\$ 487,367</u>
Total Adjustment to Net Position		<u>\$ 8,015,000</u>	<u>\$ 8,015,000</u>

Another element of the reconciliation on Exhibit C-2 is described as various other reclassifications and eliminations necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. The adjustment is the result of several items. The details for this element are as follows:

<u>Adjustments to Revenue and Deferred Revenue</u>	<u>Amount</u>	<u>Adjustments to Change in Net Position</u>	<u>Adjustments to Net Position</u>
Taxes Collected from Prior Year Levies	(1,350,528)	\$ (1,350,528)	\$ -
Uncollected Taxes (assumed collectible)	313,415	313,415	313,415
PY Uncollected Taxes (assumed collectible)	532,866	532,866	532,866
PY Tax Collections	(291,525)	(291,525)	-
Total Changes		<u>\$ (795,771)</u>	<u>\$ 846,282</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

C. Bonds

Bonded indebtedness of the District is reflected in the General Long-Term Debt Account Group, and current requirements for principal and interest expenditures are accounted for in the Debt Service Fund. Proceeds of long-term issues are reflected as "Other Resources" in the operating statement of the recipient fund. All bonds authorized in prior years have been issued.

On August 8, 2007, the District issued Unlimited School Building Bonds, Series 2007. Total issue was \$26,082,000 with a yield of 4.95%. During the year ended June 30, 2015, these bonds were partially defeased with the Unlimited Tax School Building & Refunding bonds – Series 2015. The Unlimited School Building Bonds, Series 2007 were paid off by the District as of June 30, 2021.

On November 18, 2010, the District issued Unlimited Tax Refunding Bonds, Series 2010 to refund \$5,070,000 of the Unlimited Tax School Building Bonds, Series 2002. The refunding bonds issued provided the District with a net present value cash flow savings of \$644,690. As of June 30, 2021, \$995,000 of the bonds are outstanding.

On November 18, 2014, the District issued Unlimited Tax Refunding Bonds, Series 2014 to refund \$7,799,500 of the Unlimited Tax Refunding Bonds, Series 2005. The refunding bonds issued provided the District with a net present value cash flow savings of \$1,021,137 and an economic gain of \$970,302. These bonds were paid off by the District as of June 30, 2021.

On March 18, 2015, the District issued Unlimited Tax School Building & Refunding Bonds, Series 2015 to refund \$15,781,155 of the Unlimited Tax School Building Bonds, Series 2007. The total issue was \$42,930,000, \$27,150,000 for School Building and \$15,780,000 for refunding. The refunding bonds issued provided the District with a net present value cash flow savings of \$3,460,000 and an economic gain of \$2,804,431. As of June 30, 2021, \$33,730,000 of the bonds are outstanding.

A summary of changes in general long-term debt for the year ended June 30, 2021, is as follows:

Description	Interest Rate Payable	Original Issued	Outstanding 6/30/2020	Issued	Retired	Outstanding 6/30/2021
Unlimited Tax School Building Bonds - Series 2007	4.95%	26,082,000	\$ 917,461	\$ -	\$ 917,461	\$ -
Unlimited Tax Refunding Bonds - Series 2010	2.00% - 4.00%	5,070,000	1,535,000	-	540,000	995,000
Unlimited Tax Refunding Bonds - Series 2014	1.50% - 3.00%	7,590,000	1,065,000	-	1,065,000	-
Unlimited Tax School Building & Refunding Bonds - Series 2015	2.00% - 5.00%	42,930,000	35,515,000	-	1,785,000	33,730,000
Totals			<u>\$ 39,032,461</u>	<u>\$ -</u>	<u>\$ 4,307,461</u>	<u>\$ 34,725,000</u>

Debt Service requirements are as follows:

Years Ending June 30,	Principal	Interest	Total
2022	\$ 2,735,000	\$ 2,558,713	\$ 5,293,713
2023	2,610,000	2,684,688	5,294,688
2024	2,510,000	2,783,688	5,293,688
2025	2,420,000	2,871,288	5,291,288
2026	2,335,000	2,963,400	5,298,400
2027-2031	7,230,000	12,280,739	19,510,739
2032-2036	8,595,000	2,905,000	11,500,000
2037-2039	6,290,000	639,250	6,929,250
Total Bonded Debt	<u>\$ 34,725,000</u>	<u>\$ 29,686,766</u>	<u>\$ 64,411,766</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

C. Bonds (Continued)

There was \$3,440,548 in bond interest expense paid for during the year.

D. Capital Asset Activity

Capital Asset Activity for the District for the year ended June 30, 2021, was as follows:

	Primary Government			
	Balance 6/30/2020	Additions	Reductions	
Governmental Activities:				
Land	\$ 5,838,168	\$ -	\$ -	\$ 5,838,168
Building and Improvements	165,940,052	853,854	-	166,793,906
Furniture and Equipment	12,061,599	563,281	(216,401)	12,408,479
Construction in Progress	61,855	642,708	(61,855)	642,708
Totals at Historical Cost	<u>183,901,674</u>	<u>2,059,843</u>	<u>(278,256)</u>	<u>185,683,261</u>
Less Accumulated Depreciation				
Buildings and Improvements	74,407,573	5,085,079	-	79,492,651
Furniture and Equipment	10,255,212	613,982	(208,384)	10,660,810
Total Accumulated Depreciation	<u>84,662,785</u>	<u>5,699,061</u>	<u>(208,384)</u>	<u>90,153,461</u>
Governmental Activities Capital Assets, Net	<u>\$ 99,238,889</u>	<u>\$ (3,639,218)</u>	<u>\$ (69,872)</u>	<u>\$ 95,529,800</u>
	Balance			Balance
	6/30/2020	Additions	Reductions	6/30/2021
Business-type Activities:				
Building and Improvements	\$ 9,200	\$ -	\$ -	\$ 9,200
Furniture and Equipment	269,005	-	-	269,005
Totals at Historical Cost	<u>278,205</u>	<u>-</u>	<u>-</u>	<u>278,205</u>
Less Accumulated Depreciation				
Buildings and Improvements	8,161	297	-	8,458
Furniture and Equipment	247,608	9,228	-	256,836
Total Accumulated Depreciation	<u>255,769</u>	<u>9,525</u>	<u>-</u>	<u>265,294</u>
Business-type Activities Capital Assets, Net	<u>\$ 22,436</u>	<u>\$ (9,525)</u>	<u>\$ -</u>	<u>\$ 12,911</u>

Depreciation expense was charged to governmental and business-type functions as follows:

	Governmental	Business-Type
Instruction	\$ 4,649,774	\$ -
Intructional Resource & Media Services	33,257	-
Curriculum & Instrutional Staff Development	3,582	-
Health Services	254,254	-
Student Transportation	74,189	-
Food Services	423,494	9,525
General Administration	208,834	-
Plant Maintenance and Operations	35,816	-
Security and Monitoring Services	15,861	-
Total Governmental Depreciation	<u>\$ 5,699,061</u>	<u>\$ 9,525</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

E. Changes in Long-term Liabilities

Long-term activity for the year ending June 30, 2021 was as follows:

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds and Notes Payable					
General Obligation Bonds	\$ 39,032,461	\$ -	\$ 4,307,461	\$ 34,725,000	\$ 2,735,000
Accretion on Capital					
Appreciation Bonds	7,851,448	1,695,568	2,035,987	7,511,029	18,190
Bond Premium	12,069,345	-	587,199	11,482,146	650,727
Maintenance Notes	13,377,115	-	1,222,186	12,154,929	1,258,178
Total Governmental Activities					
Long-term Liabilities	<u>\$ 72,330,369</u>	<u>\$ 1,695,568</u>	<u>\$ 8,152,833</u>	<u>\$ 65,873,104</u>	<u>\$ 4,662,095</u>

F. General Fund Federal Source Revenues

Indirect cost revenues were determined by applying approved indirect cost rates to actual applicable expenditures of federally-funded grant programs.

Program or Source	Federal Assistance Listing Number	Amount	Total Grant or Entitlement
Medicaid - School Health and Related Services (SHARS)	N/A	\$ 1,010,094	\$ 1,010,094
Medicaid Administrative Claims	93.778	19,403	19,403
E-Rate	N/A	94,375	94,375
COVID- 19 Coronavirus Relief Fund	21.019	25,413	25,413
Indirect Costs:			
ESSA, Title I, Part A	84.010A	88,808	88,808
IDEA-B, Formula	84.027	43,340	43,340
IDEA-B, Preschool	84.173	1,235	1,235
ESSA, Title II Part A	84.367A	12,898	12,898
Title III, Part A, Immigrant, ELA	84.365A	2,985	2,985
Perkins V: Strengthening CTE For 21st Century	84.048	3,669	3,669
Title IV, Part A, Subpart I	84.424A	5,520	5,520
TTIPS, Cycle 5, Year 4	84.377A	7,002	7,002
COVID- 19 ESSER I	84.425D	16,467	16,467
COVID- 19 CRRSA ESSER II	84.425D	214,907	214,907
Total		<u>\$ 1,546,116</u>	<u>\$ 1,546,116</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

G. Property Taxes

Property taxes are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The District levies its taxes on October 1 in conformity with Subtitle E, Texas Property Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. The assessed value of the property tax roll on January 1, 2020, upon which the levy for the 2020-2021 fiscal year was based, was \$2,272,157,652. Delinquent taxes are subject to both penalty and interest charges plus delinquent collection fees for attorney costs.

The tax rates assessed for the year ended June 30, 2021, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.0547 and \$.2550 per \$100 valuation, for a total of \$1.3097 per \$100 valuation.

Total tax collections for the year ended June 30, 2021, were 99% of the current year adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based on historical experience in collecting 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. As of June 30, 2021, property taxes receivable, net of estimated uncollectible taxes, totaled \$1,123,859 and \$256,482 for the General and Debt Service Funds, respectively.

H. Pension Plan Obligations

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

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

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

H. Pension Plan Obligations (Continued)

Pension Plan Fiduciary Net Position – Detailed information about the Teacher Retirement System’s fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report is available at https://www.trs.texas.gov/Pages/about_archive_cafr.aspx (select About TRS, then Publications, then Financial Reports) or write to TRS at 1000 Red River Street, Austin, TX 78701-2698. The information provided in the Notes to the Financial Statements in the 2020 Comprehensive Annual Financial Report for TRS provides the following information regarding the Pension Plan Fiduciary net position as of August 31, 2020.

<u>Net Pension Liability</u>	<u>Total</u>
Total Pension Liability	\$ 218,974,205,084
Less: Plan Fiduciary Net Position	<u>(165,416,245,243)</u>
Net Pension Liability	<u><u>\$ 53,557,959,841</u></u>
 Net Position as percentage of Total Pension Liability	 75.54%

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

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.

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.

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

H. Pension Plan Obligations (Continued)

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.

	<u>Contribution Rates</u>	
	<u>2020</u>	<u>2021</u>
Member	7.70%	7.70%
Non-Employer Contributing Entity (State)	6.80%	7.50%
Employers	6.80%	7.50%
Texarkana 2021 Employer Contributions	\$	1,794,309
Texarkana 2021 Member Contributions	\$	4,008,648
Texarkana 2020 NECE On-Behalf Contributions	\$	2,867,247

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

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

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

- All public schools much 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 TRS, the employer shall pay an amount equal to the member contribution and the state contribution as an employment after retirement surcharge.

Roll Forward – A change was made in the measurement date of the total pension liability for the 2019 measurement year. The actuarial valuation was performed as of August 31, 2019. Update procedures were used to roll forward the total pension liability to August 31, 2020. This is the third year using the roll forward procedures.

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

H. Pension Plan Obligations (Continued)

The total pension liability is determined by an annual actuarial valuation. The actuarial methods and assumptions were selected by the Board of Trustees based upon analysis and recommendations by the System’s actuary. The Board of Trustees has sole authority to determine the actuarial assumptions used for the Plan. The actuarial methods and assumptions were primarily based on a study of actual experience for the three-year period ending August 31, 2017, and were adopted in July 2018.

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

Actuarial Assumptions – The total pension liability in the August 31, 2020, actuarial valuation was determined using the following actuarial assumption:

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term Expected Rate	7.25%
Municipal Bond Rate	2.33%
Last year ending August 31 in Projection Period (100 years)	2119
Inflation	2.30%
Salary Increases Including Inflation	3.05% to 9.05% including inflation
Ad hoc Post Employment Benefit Changes	None

The actuarial assumption used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2019.

Discount Rate – The single discount rate used to measure the total pension liability was 7.25%. The single discount rate was based on the expected rate of return on the plan investments of 7.25%. The projection of cash flows used to determine the 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 legislative session. It is assumed that future employer and state contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and State contributions for active and rehired retirees.

Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all 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%. 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.

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

H. Pension Plan Obligations (Continued)

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2020, are summarized below:

Asset Class	Target Allocation* %	Long-Term Expected Geometric Real Rate of Return**	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.00%	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)
Absolute Return (Including Credit Sensitive Investments)	-	1.80	-
Stable Value Hedge Funds	5.00	1.90	0.11
Real Return			
Real Estate	15.00	4.60	1.02
Energy, Natural Resources and Infrastructure	6.00	6.00	0.42
Commodities	-	0.80	-
Risk Parity			
Risk Parity	8.00	3.00	0.30
Asset Allocation Leverage			
Cash	2.00	(1.50)	(0.03)
Asset Allocation Leverage	(6.00)	(1.30)	0.08
Inflation Expectation			2.00
Volatility Drag***			(0.67)
Expected Return	100.00%		7.33%

* Target allocations are based on the FY2020 Policy Model.

** Capital Market Assumptions come from Aon Hewitt (as of 08/31/2020).

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

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

H. Pension Plan Obligations (Continued)

Discount Rate Sensitivity Analysis – The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the 2020 Net Pension Liability.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
TISD's proportionate share of the net pension liability:	\$35,811,289	\$23,224,192	\$12,997,452

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2021, the District reported a liability of \$23,224,192 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's Proportionate share of the collective net pension liability	\$ 23,224,192
State's proportionate share that is associated with the District	<u>37,218,405</u>
Total	<u><u>\$ 60,442,597</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 August 31, 2019 rolled forward to August 31, 2020. 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, through August 31, 2020.

At August 31, 2020, the employer's proportion of the collective net pension liability was 0.043362728% which was an increase of 0.002579976% from its proportion measured as of August 31, 2019.

Changes Since the Prior Actuarial Valuation – There have been no changes in the actuarial assumptions and methods since the prior valuation.

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

H. Pension Plan Obligations (Continued)

Changes of Benefit Terms:

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

For the year ended June 30, 2021, the District recognized pension expense of \$8,609,054 and revenue of \$4,476,548 for support provided by the state in the Government Wide Statement of Activities.

At June 30, 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 42,406	\$ 648,126
Changes in actuarial assumptions	5,388,839	2,291,297
Difference between projected and actual investment earnings	470,154	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,246,826	999,288
Contributions paid to TRS subsequent to the measurement date	1,499,303	-
Total	\$ 8,647,528	\$ 3,938,711

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

Year ended June 30:	Pension Expense Amount
2022	\$ 965,368
2023	1,185,599
2024	1,148,481
2025	327,932
2026	-359,469
Thereafter	-58,397

I. Deposits and Investments

District Policies and Legal and Contractual Provisions Governing Deposits

Custodial Credit Risk for Deposits – State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with FDIC insurance or pledged securities, as approved by the School Depository Act, with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be pledged in the name of the governmental entity and held by the entity or its agent. At June 30, 2021, the District and the component unit's deposits were covered by FDIC insurance or pledged securities held by the depository's agent for the benefit of the District.

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

I. Deposits and Investments (Continued)

District Policies and Legal and Contractual Provisions Governing Investments

Compliance with the Public Funds Investment Act

The *Public Funds Investment Act* (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investments pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to the investment practices as provided by the Act. Texarkana Independent School District is in substantial compliance with the requirements of the Act and with local policies.

FASB Accounting Standards Codification Subtopic 820-10 requires that investments in financial and nonfinancial assets be reported in a hierarchy which includes the following three different levels:

Level I: Assets are based on quoted prices or unadjusted quoted prices in active markets for identical assets or liabilities that the District has the ability to access at the District's year end.

Level II: Assets are based on other than quoted prices or adjusted quoted prices of similar assets or liabilities in markets that are not active.

Level III: Assets are based on unobservable inputs and which shall reflect the District's own assumptions about the asset or liabilities.

The fair value hierarchy gives the highest priority to Level I assets and the lowest priority to Level III assets. As of June 30, 2021, Texarkana Independent School District and its component unit had the following investments:

	<u>Governmental & Agency Funds</u>		<u>Component Unit</u>	
	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Carrying Value</u>
Level II Investments				
First Public Investment Pool	\$ 13,956,890	\$ 13,956,890	\$ -	\$ -
Bank Held Investments	4,816,825	4,816,825	367,205	367,205
Total Level II Investments	<u>18,773,714</u>	<u>18,773,714</u>	<u>367,205</u>	<u>367,205</u>
Investments measured at NAV	-	-	103,563	103,563
Total Investments	<u>\$ 18,773,714</u>	<u>\$ 18,773,714</u>	<u>\$ 470,768</u>	<u>\$ 470,768</u>

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

I. Deposits and Investments (Continued)

The bank held investments listed above include the following:

	District	Component Unit
Certificates of Deposit	\$ 4,816,825	\$ 367,205
Money Market Accounts	-	-
Total Bank Held Investments	\$ 4,816,825	\$ 367,205

Additional policies and contractual provisions governing deposits and investments for Texarkana Independent School District are specified below:

Credit Risk-To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations the District limits investments in obligations of the United States or its agencies, certificates of deposit, repurchase agreements, banker’s acceptances, commercial paper, money market mutual funds, guaranteed investment contracts, and public funds investment pools.

Custodial Credit Risk for Investments-To limit the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in possession of an outside party the District requires counterparties to register the securities in the name of the District and hand them over to the District or its designated agent. This includes securities in securities lending transactions. All of the securities are in the District’s name and held by the depository’s agent.

Concentration of Credit Risk-To limit the risk of loss attributed to the magnitude of a government’s investment in a single issuer, the District limits investments to less than 5% of its total investments. The District further limits investments in a single issuer when they would cause investment risks to be significantly greater in the governmental and business-type activities, individual major funds, aggregate non-major funds and fiduciary fund types than they are in the primary government. Usually this limitation is 20%.

Interest Rate Risk-To limit the risk that changes in interest rates will adversely affect the fair value of investments, the District requires any internally created pool fund group shall have a maximum dollar weighted maturity of 180 days. The maximum allowable stated maturity of any other individual investment owned by the District shall not exceed one year from the time of purchase. The Board may specifically authorize a longer maturity for a given investment, within legal limits. The District’s investment portfolio shall have sufficient liquidity to meet anticipated cash flow requirements.

Lone Star - The Lone Star Investment Pool (Lone Star) is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Texas Government Code, Chapter 791, and the Public Funds Investment Act, Texas Government Code, Chapter 2256. Lone Star is managed by an 11-member Board of Trustees and pursuant to the Investment Agreement, the Board is authorized and directed to adopt and maintain bylaws consistent with the bylaws of the Texas School Cash Management Program. Pursuant to Section 2256.016(g) of the Public Funds Investment Act, Lone Star has established an Advisory Board. The purpose of the Advisory Board is to gather and exchange information from participants and non-participants relating to Lone Star’s operations. The Board has entered into an agreement with the Texas Association of School Boards (TASB), a Texas nonprofit corporation, pursuant to which TASB serves as administrator of the Lone Star’s operations. Standard & Poor’s rates money market funds and has rated Lone Star as AAA. The net asset value of the District’s investment in Lone Star approximates fair value.

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

J. Investment in Beneficial Interest in the Arkansas Community Foundation

In a prior year, the component unit (Foundation) transferred funds to the Arkansas Community Foundation (ACF), which is a permanently restricted endowment fund for which only the earnings on the investments can be distributed at the discretion of the ACF.

The beneficial interests in the ACF are recorded at the net asset value of the underlying assets which include but are not limited to common stocks, mutual funds, government bonds, corporate bonds, mortgage backed securities, fixed income funds, partnerships and cash. The net asset value is used as a practical expedient to estimate fair value.

This practical expedient would not be used if it is determined to be probable that the fund will sell the investment for an amount different from the net asset value. The Foundation's assets measured at the net asset value are not classified within the fair value hierarchy. See Note I.

The following table summarizes investments for which fair value is measured using the net asset value per share as a practical expedient as of June 30, 2021:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Arkansas Community Foundation	\$ 103,563	N/A	N/A	N/A

K. Depository Contract Law

Under Texas state law, a bank serving as the school depository must have a bond or in lieu thereof, deposited or pledged securities with the District or an independent third party agent, an amount equal to the highest daily balance of all deposits the District may have during the term of the depository contract, less any applicable FDIC insurance.

At June 30, 2021, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts) was \$9,853,908 and the bank balance was \$10,864,854. At year end, the District's cash deposits were covered by FDIC insurance or by pledged collateral held by the District's agent banks.

L. Due from Other Governments

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of June 30, 2021, are summarized on the following page.

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

L. Due from Other Governments (Continued)

All federal grants shown below are passed through the TEA and are reported on the combined financial statements as Due from Other Governments.

	<u>State Entitlements</u>	<u>Federal & State Grants</u>	<u>Taxing Authority</u>	<u>Total</u>
General Fund	\$ 15,060,173	\$ 798,288	\$ 933,704	\$ 16,792,165
Special Revenue Fund	-	4,097,713	-	4,097,713
Debt Service	180,559	-	-	180,559
Total	<u>\$ 15,240,732</u>	<u>\$ 4,896,001</u>	<u>\$ 933,704</u>	<u>\$ 21,070,437</u>

M. Interfund Receivables and Payables

Interfund balances at June 30, 2021, consisted of the following individual fund receivables and payables for the Governmental, Business Type and Trust and Agency Funds:

	<u>Receivable</u>	<u>Payable</u>
General Fund		
General Fund	\$ 1,346,473	\$ 1,346,473
Debt Service Fund	-	290,474
Capital Projects Fund	-	1,408,250
Special Revenue Funds	2,642,500	-
Trust & Agency Fund	98	-
Total General Fund	<u>3,989,071</u>	<u>3,045,197</u>
Special Revenue Funds		
General Fund	-	2,642,500
Total Special Revenue Funds	<u>-</u>	<u>2,642,500</u>
Debt Service Fund		
General Fund	290,474	-
Total Debt Service Fund	<u>290,474</u>	<u>-</u>
Capital Projects Fund		
General Fund	1,408,250	-
Total Capital Projects Fund	<u>1,408,250</u>	<u>-</u>
Trust and Agency		
General Fund	-	98
Total Trust and Agency	<u>-</u>	<u>98</u>
Grand Totals	<u><u>\$ 5,687,795</u></u>	<u><u>\$ 5,687,795</u></u>

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

N. Concentration of Credit Risks

The District's receivables consist primarily of amounts due from the State of Texas, the Federal Government and taxpayers within the District's taxing jurisdiction.

O. Accumulated Unpaid Vacation and Sick Leave Benefits

Upon retirement of certain employees, the District pays up to 30 days of local accumulated leave time at a maximum rate of \$50 per day. Due to the indeterminate nature of the obligation, no accrual is included in the general purpose financial statements.

P. Health Care Coverage

As disclosed above, as of October 1, 2002, the District began participating in the State Insurance Program. In accordance with the new plan provisions, the District paid \$242 in premiums on behalf of each employee. The remaining premiums were paid by the employees based upon the coverage elections.

Q. Loans

In 2010, the District obtained a loan for \$6,512,905 under the Texas Education Code, Section 45.108 which is payable from maintenance tax collections. This note retired \$3,212,905 of outstanding loans.

In 2011, the District obtained a loan for \$7,797,730 under the Texas Education Code, Section 45.108 which is payable from maintenance tax collections. This note retired \$7,100,517 of outstanding loans.

In 2018, the District obtained a loan for \$4,925,000 under the Texas Education Code, Section 45.108 which is payable from maintenance tax collections.

In 2019, the District obtained two loans for \$1,000,000 each under the Texas Education Code, Section 45.108 which is payable from maintenance tax collections.

A summary of the long-term loan activity for the year ended June 30, 2021, is as follows:

<u>Year</u> <u>Approved</u>	<u>Loan</u> <u>Purpose</u>	<u>Interest</u> <u>Rate</u>	<u>Total</u> <u>Loans</u> <u>Authorized</u>	<u>Amt</u> <u>Outstanding</u> <u>6/30/2020</u>	<u>Borrowed</u>	<u>Retired</u>	<u>Amt</u> <u>Outstanding</u> <u>6/30/2021</u>
Payable from Debt Service Fund							
2019	Maintenance	2.50%	\$ 1,000,000	\$ 950,000	\$ -	\$ 40,000	910,000
2019	Maintenance	2.00%	1,000,000	920,000	-	55,000	865,000
2018	Maintenance	2.84%	4,925,000	4,825,000	-	160,000	4,665,000
2011	Maintenance	2.96%	7,797,730	4,076,973	-	532,990	3,543,983
2010	Maintenance	2.95%	6,512,905	2,605,141	-	434,196	2,170,945
				<u>\$ 13,377,114</u>	<u>\$ -</u>	<u>\$ 1,222,186</u>	<u>\$ 12,154,929</u>

Interest expense for 2021 was \$418,457.

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

Q. Loans (Continued)

Debt service requirements are as follows:

Year Ended June 30,	Debt Service		Total
	Principal	Interest	
2022	1,258,178	380,225	1,638,403
2023	1,299,651	339,745	1,639,396
2024	1,341,450	298,021	1,639,471
2025	1,384,087	254,144	1,638,231
2026	1,427,052	210,237	1,637,289
2027-2031	4,824,511	455,254	5,279,765
2032-2036	475,000	78,525	553,525
2037-2038	145,000	8,800	153,800
	<u>\$ 12,154,929</u>	<u>\$ 2,024,951</u>	<u>\$ 14,179,880</u>

R. Litigation

At June 30, 2021, the District is not a defendant in any lawsuit. Accordingly, no liability has been reported in the financial statements.

S. Workers' Compensation

On September 1, 2011, Texarkana ISD opted out of the self-funded workers' compensation program with other member school districts. The District's new coverage is with TASB Risk Management Fund for a fixed rate of \$239,295 from July 1, 2020 thru July 1, 2021. The District is still responsible for past liabilities with Claims Administrative Services. The accrued liability for Claims Administrative Services self-insurance of \$15,760 includes incurred but not reported claims. This liability reported in the fund as of June 30, 2021 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicated that it is probable that a liability has been incurred as of the date of the financial statements, and the amount of loss can be due to changes in legal doctrines, and damage awards. This process used in computing the liability does not result necessarily in an exact amount. The liability booked was the discounted estimate of the actuary at the mean funding level.

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

S. Workers' Compensation (Continued)

Changes in the workers' compensation claims liability in fiscal years ended June 30, 2021 and 2020 are represented below:

	2021	2020
Beginning of Fiscal Year Liability	\$ 23,532	\$ 32,335
Current Year Claims and Changes	(7,042)	(7,173)
Claims Payments	(729)	(1,630)
End of Fiscal Year Liability	\$ 15,760	\$ 23,532

T. Deferred Inflows of Resources and Unearned Revenues

Deferred revenue of the individual funds of the District at June 30, 2021, consisted of the following:

	General Fund	Special Revenue	Debt Service	Total
Net Tax Revenue	\$ 693,191	\$ -	\$ 153,091	\$ 846,282
Textbook Allotment (IMA)	-	103,122	-	103,122
SPED Fiscal Support	-	83,046	-	83,046
Tigers Children's Clinic	-	47,409	-	47,409
Public School CCS	-	306,960	-	306,960
Head Start	-	1,114	-	1,114
Temple Foundation	-	29,298	-	29,298
	\$ 693,191	\$ 570,949	\$ 153,091	\$ 1,417,231

U. Medicare Prescription Drug, Improvement, and Modernization Act

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 Schools 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 have been recorded as equal revenues and expenditures in the amount of \$229,430, \$243,959, and \$176,248 for 2021, 2020, and 2019, respectively.

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

V. Revenues from Local and Intermediate Sources

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

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Property Taxes	\$ 23,464,051	-	\$ 5,494,395	-	\$ 28,958,446
Investment Income	61,409	1,687	2,236	259	65,591
Penalties & Interest	219,312	-	221,083	-	440,395
Tuition & Fees	51,827	368,856	-	-	420,683
Virtual School	250,000	-	-	-	250,000
Rent	52,888	-	-	-	52,888
Food Service	-	64,799	-	-	64,799
Athletic	105,181	-	-	-	105,181
Student Activity	2,921	302,428	-	-	305,349
Intermediate	45,050	-	-	-	45,050
Insurance Recovery	3,690	-	-	-	3,690
Other	453,627	14,607	-	-	468,234
	<u>\$ 24,709,956</u>	<u>\$ 752,377</u>	<u>\$ 5,717,714</u>	<u>\$ 259</u>	<u>\$ 31,180,306</u>

W. 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 that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

OPEB Plan Fiduciary Net Position. Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report is available at https://www.trs.texas.gov/Pages/about_archive_caftr.aspx (select About TRS, then Publications, then Financial Reports) or write to TRS at 1000 Red River Street, Austin, TX 78701-2698.

Components of the net OPEB liability of the TRS-Care plan as of August 31, 2020, are as follows:

<u>Net OPEB Liability</u>	<u>Total</u>
Total OPEB Liability	\$ 40,010,833,815
Less: Plan Fiduciary Net Position	<u>(1,996,317,932)</u>
Net OPEB Liability	<u>\$ 38,014,515,883</u>
Net Position as percentage of Total OPEB Liability	4.99%

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

W. Defined Other Post-Employment Benefit Plans (Continued)

Benefits Provided. TRS-Care provides a basic health insurance coverage (TRS-Care 1), at no cost to all 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 pay premiums to participate in the high deductible health plans. Eligible Medicare retirees and their dependents may pay premiums to participate in the Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees 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. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for a retiree with and without Medicare coverage. These new premium rates for retirees with Medicare Part A and Part B became effective January 1, 2019.

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

TRS-Care Monthly Premium Rates
Effective Jan. 1, 2020 - Dec. 31, 2020

	Medicare	Non-Medicare
Retiree or Surviving Spouse	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree or Surviving Spouse and Children	468	408
Retiree and Family	1,020	999

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

Texas Insurance Code, section 1575.202 establishes the state’s contribution rate, which is 1.25% of the employee’s salary. Section 1575.203 establishes the active employee’s rate which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent 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 table on the following page shows contributions to the TRS-Care plan by type of contributor.

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

W. Defined Other Post-Employment Benefit Plans (Continued)

	<u>Contribution Rates</u>	
	<u>2020</u>	<u>2021</u>
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%

District's 2021 FY Employer Contributions	\$	469,143
District's 2021 FY Member Contributions	\$	338,394
District's 2020 NECE On-Behalf Contributions	\$	651,771

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

A supplemental appropriation was authorized by Senate Bill 1264 of the 86th Texas Legislature to provide \$2,208,137 for fiscal year 2020 and \$3,312,206 for fiscal year 2021, for consumer protections against medical and health care billing by certain out-of-network providers. Funding will be in fiscal year 2021.

Actuarial Assumptions. The total OPEB liability in the August 31, 2019 actuarial valuation was rolled forward to August 31, 2020. The actuarial valuation was determined using the following actuarial assumptions:

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 of 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 following assumptions used for members of TRS are identical to the assumptions employed in the August 31, 2020 TRS annual pension actuarial valuation:

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

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

W. Defined Other Post-Employment Benefit Plans (Continued)

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%
Single Discount Rate	2.33% as of August 31, 2020
Aging Factors	Based on Plan Specific Experience
Election Rates	Normal Retirement: 65% participation prior to age 65 and 40% after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Salary Increases	3.05% - 9.05%, including inflation
Ad-hoc Post Employment Benefit Changes	None

Discount Rate. A single discount rate of 2.33% was used to measure the total OPEB liability. This was a decrease of 0.30 percent in the discount rate since the previous year. The Discount Rate can be found in the 2020 TRS CAFR on page 76. Because the plan is a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate.

Sensitivity of the Net OPEB Liability:

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.33%) in measuring the Net OPEB Liability.

	1% Decrease (1.33%)	Current Single Discount Rate (2.33%)	1% Increase (3.33%)
District's proportionate share of the net OPEB liability	\$ 29,110,905	\$ 24,259,134	\$ 20,426,931

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 19,816,604	\$ 24,259,134	\$ 30,175,956

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

W. Defined Other Post-Employment Benefit Plans (Continued)

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

At June 30, 2021, the District reported a liability of \$24,259,134 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	\$ 24,259,134
State's proportionate share that is associated with the District	32,598,461
Total	\$ 56,857,595

The net OPEB liability was measured as of 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 the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2019, through August 31, 2020.

At August 31, 2020, the employer's proportion of the collective net OPEB liability was 0.063815449%, which is an increase of 0.001709405% from its proportion measured as of August 31, 2019.

Changes Since the Prior Actuarial Valuation:

The following assumptions, methods and plan changes which are specific to TRS-CARE were updated from the prior year's report:

- 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 OBEP 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 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. The change lowed the Total OPEB Liability.

Changes of Benefit Terms:

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$1,521,701; in addition, the District recorded a reduction of \$226,351 in on-behalf revenues for its share of the net negative OPEB expense recorded by the State of Texas as the non-employer contributing entity.

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

W. Defined Other Post-Employment Benefit Plans (Continued)

At June 30, 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 economic experience	\$ 1,270,199	\$ 11,102,220
Changes in actuarial assumptions	1,496,284	6,661,684
Difference between projected and actual investment earnings	7,883	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	2,834,456	-
Contributions paid to TRS subsequent to the measurement date	391,844	-
Total	\$ 6,000,666	\$ 17,763,904

The net amounts of the employer's balances of deferred outflows and inflows (not including the deferred contribution paid subsequent to the measurement date) of resources related to OPEBs will be recognized in OPEB expense as follows:

Year ended June 30:	Pension Expense Amount
2022	\$ -2,091,259
2023	-2,092,313
2024	-2,092,915
2025	-2,092,750
2026	-1,444,783
Thereafter	-2,341,062

X. Interfund Transfers

Interfund transfers for the year ended June 30, 2021 are as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund:	\$ -	\$ 2,642,560
General Fund	-	2,642,560
Capital Project Funds:	1,000,000	-
Capital Project Funds	1,000,000	-
Debt Service Fund:	1,642,560	-
Debt Service Fund	1,642,560	-
	<u>\$ 2,642,560</u>	<u>\$ 2,642,560</u>

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

Y. Virtual School

During the 2020-2021 school year, the District continued operating the virtual school. The Online Program Management Agreement is with eSchool Texas, LLC. This agreement allows the District to offer a virtual environment for learning to students all across the state of Texas. Enrollment for this campus decreased approximately 1,000 students during the 2020-2021 school year. According to the agreement, the majority of the District's state funding earned for these students were paid to eSchool Texas, LLC to operate the campus.

Z. Elementary and Secondary School Emergency Relief Fund (ESSER)

In response to the COVID-19 pandemic, the United States Congress passed a Coronavirus Aid, Relief, and Economic Security Act (CARES Act), an aids package designed to help the economy as it suffers from the effects of the COVID-19 pandemic. Part of the CARES Act was the Elementary and Secondary School Emergency Relief (ESSER) funding which could be used by school districts to cover expenses incurred on or after March 13, 2020. The District was able to apply for this grant through TEA starting in June of 2020. Entitlement for this grant was determined by the District's proportionate share of the state's Title I, Part A grant received for the year ended June 30, 2020. The District was able to apply for the second round of funding, ESSER II, beginning in 2020. TISD was awarded total federal funding of \$9,188,881 including indirect costs of \$214,907. Of this amount, \$1,801,247 was expended in the current year. The remainder will be used for future years.

AA. Implementation of New Accounting Standard and Restatement

In 2021, the District implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities* accounting standard. This statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The implementation of this standard required that the School District present a Statement of Changes in Fiduciary Net Position for Custodial Funds for 2021. The implementation of this standard resulted in the District reclassifying previously reported trust and agency fund liabilities as trust and custodial fund net position. Additionally, upon assessing the activities, the district reclassified campus activity funds from the previously reported general funds to special revenue funds.

The District restated fund balance and net position for the funds indicated below to appropriately reflect the July 1, 2020 balance as follows:

	Fund Balance June 30, 2020 As Previously Stated	Restatement Implementation of GASB 84	Fund Balance July 1, 2020 As Restated
General Fund	\$17,268,213	\$(422,822)	\$16,845,391
Special Revenue Funds	\$-	\$422,822	\$422,822
	Net Position June 30, 2020 As Previously Stated	Restatement Implementation of GASB 84	Net Position July 1, 2020 As Restated
Trust Funds	\$-	\$190,218	\$190,218
Custodial Funds	\$-	\$601,055	\$601,055

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

BB. Subsequent Events

Management has evaluated subsequent events through November 17, 2021, the date the financial statements were available for issue.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread throughout the United States. The COVID-19 pandemic has negatively impacted the global economy and created significant volatility and disruption in people's lives. The pandemic has impacted the District both directly and indirectly. Although there is a presumption that there will be further effects on the financial performance of the District, there already has been an increase in federal funding (See Note Z). Any other effects on the operations of the school district are immeasurable at the date that the financial statements were available for distribution.

CC. Contingent Liability

The District has maintained insurance coverage through the Texas Association of Public Schools Property and Liability Fund (TAPS) for a number of years. This cost-sharing risk pool arrangement did not have sufficient funds to meet its obligations for the 2015-2016 year resulting in an assessment of members. Since that assessment, TAPS has filed for bankruptcy protection which may result in an additional assessment of members to fund in any further losses. Any additional assessment of members, if any, cannot be reasonably estimated, but the District is of the opinion that it would not significantly impact operations.

Required Supplementary Information

TEXARKANA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 24,606,161	\$ 25,090,531	\$ 24,709,956	\$ (380,575)
5800	State Program Revenues	44,837,301	48,456,017	48,827,838	371,821
5900	Federal Program Revenues	545,000	545,000	1,546,116	1,001,116
5020	Total Revenues	69,988,462	74,091,548	75,083,910	992,362
EXPENDITURES:					
Current:					
0011	Instruction	41,688,180	45,338,683	44,997,823	340,860
0012	Instructional Resources and Media Services	410,447	411,947	380,305	31,642
0013	Curriculum and Instructional Staff Development	2,239,818	2,175,260	2,044,640	130,620
0021	Instructional Leadership	131,795	139,295	136,118	3,177
0023	School Leadership	5,609,767	5,584,602	5,543,751	40,851
0031	Guidance, Counseling, and Evaluation Services	1,692,406	1,706,031	1,683,782	22,249
0032	Social Work Services	64,209	80,209	77,072	3,137
0033	Health Services	428,860	607,576	546,858	60,718
0034	Student (Pupil) Transportation	199,897	251,397	221,452	29,945
0036	Extracurricular Activities	2,721,770	2,886,340	2,637,203	249,137
0041	General Administration	3,690,955	3,760,955	3,530,019	230,936
0051	Facilities Maintenance and Operations	8,582,469	8,310,669	8,269,517	41,152
0052	Security and Monitoring Services	750,884	769,079	747,956	21,123
0053	Data Processing Services	151,170	131,170	122,061	9,109
0061	Community Services	55,500	45,500	39,089	6,411
Intergovernmental:					
0093	Payments to Fiscal Agent/Member Districts of SSA	680,000	650,000	641,329	8,671
0099	Other Intergovernmental Charges	400,000	420,000	416,234	3,766
6030	Total Expenditures	69,498,127	73,268,713	72,035,209	1,233,504
1100	Excess of Revenues Over Expenditures	490,335	822,835	3,048,701	2,225,866
OTHER FINANCING SOURCES (USES):					
7912	Sale of Real and Personal Property	-	-	11,104	11,104
7915	Transfers In	40,250	419,250	-	(419,250)
8911	Transfers Out (Use)	1,289,474	(1,700,000)	(2,642,560)	(942,560)
7080	Total Other Financing Sources (Uses)	1,329,724	(1,280,750)	(2,631,456)	(1,350,706)
1200	Net Change in Fund Balances	1,820,059	(457,915)	417,245	875,160
0100	Fund Balance - July 1 (Beginning)	16,715,825	17,951,030	17,268,213	(682,817)
1300	Prior Period Adjustment	-	-	(422,822)	(422,822)
3000	Fund Balance - June 30 (Ending)	\$ 18,535,884	\$ 17,493,115	\$ 17,262,636	\$ (230,479)

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
 FOR THE YEAR ENDED JUNE 30, 2021

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 900,000	\$ 900,000	\$ 80,391	\$ (819,609)
5800 State Program Revenues	100,000	100,000	72,960	(27,040)
5900 Federal Program Revenues	5,500,000	5,500,000	7,348,388	1,848,388
5020 Total Revenues	6,500,000	6,500,000	7,501,739	1,001,739
EXPENDITURES:				
Current:				
0035 Food Services	6,082,311	6,082,311	6,036,501	45,810
0051 Facilities Maintenance and Operations	300,000	300,000	228,931	71,069
6030 Total Expenditures	6,382,311	6,382,311	6,265,432	116,879
1200 Net Change in Fund Balances	117,689	117,689	1,236,307	1,118,618
0100 Fund Balance - July 1 (Beginning)	2,657,022	2,012,702	2,012,702	-
3000 Fund Balance - June 30 (Ending)	\$ 2,774,711	\$ 2,130,391	\$ 3,249,009	\$ 1,118,618

TEXARKANA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2021

	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018
District's Proportion of the Net Pension Liability (Asset)	0.043362728%	0.045942704%	0.043882251%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 23,224,192	\$ 23,882,454	\$ 24,153,856
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	37,218,405	32,678,873	35,726,107
Total	<u>\$ 60,442,597</u>	<u>\$ 56,561,327</u>	<u>\$ 59,879,963</u>
District's Covered Payroll	\$ 52,764,746	\$ 47,700,440	\$ 45,511,968
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	44.01%	50.07%	53.07%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.54%	75.24%	73.74%

Note: GASB Codification, Vol. 2, P20.183 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2020 for year 2021, August 31, 2019 for year 2020, August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, August 31, 2015 for year 2016 and August 31, 2014 for year 2015.

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

<u>FY 2018</u> <u>Plan Year 2017</u>	<u>FY 2017</u> <u>Plan Year 2016</u>	<u>FY 2016</u> <u>Plan Year 2015</u>	<u>FY 2015</u> <u>Plan Year 2014</u>
0.043607001%	0.042579704%	0.0451433%	0.0302714%
\$ 13,943,170	\$ 16,090,237	\$ 15,957,556	\$ 8,085,909
21,455,491	24,671,300	24,042,933	20,777,771
<u>\$ 35,398,661</u>	<u>\$ 40,761,537</u>	<u>\$ 40,000,489</u>	<u>\$ 28,863,680</u>
\$ 44,631,358	\$ 41,757,954	\$ 41,337,593	\$ 39,650,152
31.24%	38.53%	38.60%	20.39%
82.17%	78.00%	78.43%	83.25%

TEXARKANA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2021

	2021	2020	2019
Contractually Required Contribution	\$ 1,794,309	\$ 1,877,521	\$ 1,646,864
Contribution in Relation to the Contractually Required Contribution	(1,794,309)	(1,877,521)	(1,646,864)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 52,060,707	\$ 52,487,767	\$ 47,132,909
Contributions as a Percentage of Covered Payroll	3.45%	3.58%	3.49%

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

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

	2018	2017	2016	2015
\$	1,501,629	\$ 1,435,637	\$ 1,353,476	\$ 1,238,865
	(1,501,629)	(1,435,637)	(1,353,476)	(1,238,865)
\$	-	\$ -	\$ -	\$ -
\$	45,155,158	\$ 44,394,809	\$ 41,530,144	\$ 40,954,566
	3.33%	3.23%	3.26%	3.02%

TEXARKANA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2021

	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.063815449%	0.062106044%	0.060147532%	0.057887354%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 24,259,134	\$ 29,370,707	\$ 30,032,213	\$ 25,173,039
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	32,598,461	39,027,103	36,330,124	33,091,458
Total	<u>\$ 56,857,595</u>	<u>\$ 68,397,810</u>	<u>\$ 66,362,337</u>	<u>\$ 58,264,497</u>
District's Covered Payroll	\$ 52,764,746	\$ 47,700,440	\$ 45,511,968	\$ 44,631,358
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	45.98%	61.57%	65.99%	56.40%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	4.99%	2.66%	1.57%	0.91%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. Therefore the amounts reported for FY 2021 are for the measurement date of August 31, 2020. The amounts for FY 2020 are for the measurement date of August 31, 2019. The amounts for FY 2019 are for the measurement date August 31, 2018. The amounts for FY 2018 are based on the August 31, 2017 measurement date.

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

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
 TEACHER RETIREMENT SYSTEM OF TEXAS
 FOR FISCAL YEAR 2021

	2021	2020	2019	2018
Contractually Required Contribution	\$ 469,143	\$ 486,354	\$ 441,526	\$ 392,108
Contribution in Relation to the Contractually Required Contribution	(469,143)	(486,354)	(441,526)	(392,108)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 52,060,707	\$ 52,487,767	\$ 47,132,909	\$ 45,155,158
Contributions as a Percentage of Covered Payroll	0.90%	0.93%	0.94%	0.87%

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

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

Notes to Required Supplementary Information

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

A. Notes to Schedules for TRS Pension

Changes of Benefit Terms:

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

Changes of Assumptions:

There have been no changes in the actuarial assumptions and methods since the prior valuation.

B. Notes to Schedules for the TRS OPEB Plan

Changes of Benefit Terms:

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

Changes of Assumptions:

The following assumptions, methods and plan changes which are specific to TRS-CARE were updated from the prior year's report:

- 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 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. The change lowered the Total OPEB Liability.

Other Supplementary Information

Non-major Governmental Funds

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

Data Control Codes	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
ASSETS			
1110 Cash and Cash Equivalents	\$ -	\$ -	\$ -
1240 Due from Other Governments	<u>757,360</u>	<u>474,417</u>	<u>5,648</u>
1000 Total Assets	<u>\$ 757,360</u>	<u>\$ 474,417</u>	<u>\$ 5,648</u>
LIABILITIES			
2110 Accounts Payable	\$ -	\$ 500	\$ -
2150 Payroll Deductions and Withholdings Payable	29,809	9,911	65
2160 Accrued Wages Payable	302,044	84,854	2,709
2170 Due to Other Funds	425,507	379,152	2,874
2300 Unearned Revenue	-	-	-
2000 Total Liabilities	<u>757,360</u>	<u>474,417</u>	<u>5,648</u>
FUND BALANCES			
Assigned Fund Balance:			
3590 Other Assigned Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ 757,360</u>	<u>\$ 474,417</u>	<u>\$ 5,648</u>

244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang Acquisition	266 ESSER I	276 Title I - SIP Academy Grant	281 ESSER II	289 Title IV Part A Subpart I	315 SSA IDEA, Part B Discretionary
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
51,690	115,302	33,171	-	104,337	1,510,771	73,444	17,214
<u>\$ 51,690</u>	<u>\$ 115,302</u>	<u>\$ 33,171</u>	<u>\$ -</u>	<u>\$ 104,337</u>	<u>\$ 1,510,771</u>	<u>\$ 73,444</u>	<u>\$ 17,214</u>
\$ 2,780	\$ -	\$ 2,485	\$ -	\$ 970	\$ -	\$ -	\$ -
-	2,627	-	-	-	-	2,088	-
-	50,250	-	-	72,652	-	17,089	-
48,910	62,425	30,686	-	30,715	1,510,771	54,267	17,214
-	-	-	-	-	-	-	-
<u>51,690</u>	<u>115,302</u>	<u>33,171</u>	<u>-</u>	<u>104,337</u>	<u>1,510,771</u>	<u>73,444</u>	<u>17,214</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 51,690</u>	<u>\$ 115,302</u>	<u>\$ 33,171</u>	<u>\$ -</u>	<u>\$ 104,337</u>	<u>\$ 1,510,771</u>	<u>\$ 73,444</u>	<u>\$ 17,214</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

Data Control Codes	386 Regional Day School for the Deaf	397 Advanced Placement Incentives	410 State Instructional Materials	412 Public School Child Care Services
ASSETS				
1110 Cash and Cash Equivalents	\$ -	\$ -	\$ 39,992	\$ 38,885
1240 Due from Other Governments	102,963	-	63,130	277,505
1000 Total Assets	<u>\$ 102,963</u>	<u>\$ -</u>	<u>\$ 103,122</u>	<u>\$ 316,390</u>
LIABILITIES				
2110 Accounts Payable	\$ -	\$ -	\$ -	\$ 818
2150 Payroll Deductions and Withholdings Payable	(651)	-	-	202
2160 Accrued Wages Payable	23,635	-	-	8,410
2170 Due to Other Funds	79,979	-	-	-
2300 Unearned Revenue	-	-	103,122	306,960
2000 Total Liabilities	<u>102,963</u>	<u>-</u>	<u>103,122</u>	<u>316,390</u>
FUND BALANCES				
Assigned Fund Balance:				
3590 Other Assigned Fund Balance	-	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ 102,963</u>	<u>\$ -</u>	<u>\$ 103,122</u>	<u>\$ 316,390</u>

419 Head Start Ready To Read	420 Temple Foundation Grant	425 School Safety & Security Grant	426 SPED Fiscal Support Grant	428 Tiger Children's Clinic	429 Autism/ Dyslexia Grants	461 Waggoner Creek Activity Fund	462 Goree Activity Fund
\$ 6,937	\$ 29,867	\$ -	\$ 83,046	\$ 47,409	\$ -	\$ 23,821	\$ 6,330
-	-	-	-	-	-	-	-
<u>\$ 6,937</u>	<u>\$ 29,867</u>	<u>\$ -</u>	<u>\$ 83,046</u>	<u>\$ 47,409</u>	<u>\$ -</u>	<u>\$ 23,821</u>	<u>\$ 6,330</u>
\$ 5,823	\$ 569	\$ -	\$ -	\$ -	\$ -	\$ 384	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,114	29,298	-	83,046	47,409	-	-	-
<u>6,937</u>	<u>29,867</u>	<u>-</u>	<u>83,046</u>	<u>47,409</u>	<u>-</u>	<u>384</u>	<u>-</u>
-	-	-	-	-	-	23,437	6,330
-	-	-	-	-	-	<u>23,437</u>	<u>6,330</u>
<u>\$ 6,937</u>	<u>\$ 29,867</u>	<u>\$ -</u>	<u>\$ 83,046</u>	<u>\$ 47,409</u>	<u>\$ -</u>	<u>\$ 23,821</u>	<u>\$ 6,330</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

Data Control Codes	463	464	465	466
	Morriss Activity Fund	THS Activity Fund	TMS Activity Fund	Highland Park Activity Fund
ASSETS				
1110 Cash and Cash Equivalents	\$ 19,352	\$ 121,141	\$ 14,375	\$ 1,414
1240 Due from Other Governments	-	-	-	-
1000 Total Assets	<u>\$ 19,352</u>	<u>\$ 121,141</u>	<u>\$ 14,375</u>	<u>\$ 1,414</u>
LIABILITIES				
2110 Accounts Payable	\$ -	\$ -	\$ -	\$ -
2150 Payroll Deductions and Withholdings Payable	-	-	-	-
2160 Accrued Wages Payable	-	-	-	-
2170 Due to Other Funds	-	-	-	-
2300 Unearned Revenue	-	-	-	-
2000 Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Assigned Fund Balance:				
3590 Other Assigned Fund Balance	<u>19,352</u>	<u>121,141</u>	<u>14,375</u>	<u>1,414</u>
3000 Total Fund Balances	<u>19,352</u>	<u>121,141</u>	<u>14,375</u>	<u>1,414</u>
4000 Total Liabilities and Fund Balances	<u>\$ 19,352</u>	<u>\$ 121,141</u>	<u>\$ 14,375</u>	<u>\$ 1,414</u>

467 Theron Jones ELC Activity Fund	468 Westlawn Activity Fund	469 Nash Activity Fund	470 Spring Lake Park Activity Fund	471 Wake Village Activity Fund	472 Dunbar ELC Activity Fund	473 Athletic Activity Fund	474 Options Activity Fund
\$ 63,738	\$ 6,982	\$ 18,770	\$ 12,709	\$ 45,149	\$ 8,193	\$ 74,162	\$ 1,480
-	-	-	-	-	-	-	-
<u>\$ 63,738</u>	<u>\$ 6,982</u>	<u>\$ 18,770</u>	<u>\$ 12,709</u>	<u>\$ 45,149</u>	<u>\$ 8,193</u>	<u>\$ 74,162</u>	<u>\$ 1,480</u>
\$ 232	\$ 44	\$ -	\$ 168	\$ 132	\$ 117	\$ 2,950	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>232</u>	<u>44</u>	<u>-</u>	<u>168</u>	<u>132</u>	<u>117</u>	<u>2,950</u>	<u>-</u>
63,506	6,938	18,770	12,541	45,017	8,076	71,212	1,480
<u>63,506</u>	<u>6,938</u>	<u>18,770</u>	<u>12,541</u>	<u>45,017</u>	<u>8,076</u>	<u>71,212</u>	<u>1,480</u>
<u>\$ 63,738</u>	<u>\$ 6,982</u>	<u>\$ 18,770</u>	<u>\$ 12,709</u>	<u>\$ 45,149</u>	<u>\$ 8,193</u>	<u>\$ 74,162</u>	<u>\$ 1,480</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

Data Control Codes	475 PIE Activity Fund	Total Nonmajor Governmental Funds
ASSETS		
1110 Cash and Cash Equivalents	\$ 5,306	\$ 669,058
1240 Due from Other Governments	-	3,586,952
1000 Total Assets	<u>\$ 5,306</u>	<u>\$ 4,256,010</u>
LIABILITIES		
2110 Accounts Payable	\$ -	\$ 17,972
2150 Payroll Deductions and Withholdings Payable	-	44,051
2160 Accrued Wages Payable	-	561,643
2170 Due to Other Funds	-	2,642,500
2300 Unearned Revenue	-	570,949
2000 Total Liabilities	<u>-</u>	<u>3,837,115</u>
FUND BALANCES		
Assigned Fund Balance:		
3590 Other Assigned Fund Balance	<u>5,306</u>	<u>418,895</u>
3000 Total Fund Balances	<u>5,306</u>	<u>418,895</u>
4000 Total Liabilities and Fund Balances	<u>\$ 5,306</u>	<u>\$ 4,256,010</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

Data Control Codes	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
REVENUES:			
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-
5900 Federal Program Revenues	2,488,596	1,053,723	30,608
5020 Total Revenues	<u>2,488,596</u>	<u>1,053,723</u>	<u>30,608</u>
EXPENDITURES:			
Current:			
0011 Instruction	2,036,819	402,407	-
0012 Instructional Resources and Media Services	50,096	-	-
0013 Curriculum and Instructional Staff Development	156,002	-	-
0021 Instructional Leadership	-	-	-
0023 School Leadership	101,109	-	-
0031 Guidance, Counseling, and Evaluation Services	-	650,810	30,608
0033 Health Services	-	-	-
0036 Extracurricular Activities	-	-	-
0041 General Administration	-	506	-
0051 Facilities Maintenance and Operations	-	-	-
0061 Community Services	144,570	-	-
6030 Total Expenditures	<u>2,488,596</u>	<u>1,053,723</u>	<u>30,608</u>
1200 Net Change in Fund Balance	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-
1300 Prior Period Adjustment	-	-	-
3000 Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	266 ESSER I	276 Title I - SIP Academy Grant	281 ESSER II	289 Title IV Part A Subpart I	315 SSA IDEA, Part B Discretionary
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
87,194	316,522	72,113	6,515	170,157	1,801,247	164,973	17,214
87,194	316,522	72,113	6,515	170,157	1,801,247	164,973	17,214
87,194	316,522	72,113	6,515	169,704	1,554,200	164,973	17,214
-	-	-	-	-	21,265	-	-
-	-	-	-	-	56,181	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	453	-	-	-
-	-	-	-	-	129,732	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	39,869	-	-
-	-	-	-	-	-	-	-
87,194	316,522	72,113	6,515	170,157	1,801,247	164,973	17,214
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

Data Control Codes	386 Regional Day School for the Deaf	397 Advanced Placement Incentives	410 State Instructional Materials	412 Public School Child Care Services
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ 367,470
5800 State Program Revenues	102,963	2,250	345,866	33,535
5900 Federal Program Revenues	-	-	-	214,638
5020 Total Revenues	<u>102,963</u>	<u>2,250</u>	<u>345,866</u>	<u>615,643</u>
EXPENDITURES:				
Current:				
0011 Instruction	102,963	-	345,866	-
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	2,250	-	-
0033 Health Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0061 Community Services	-	-	-	615,643
6030 Total Expenditures	<u>102,963</u>	<u>2,250</u>	<u>345,866</u>	<u>615,643</u>
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
1300 Prior Period Adjustment	-	-	-	-
3000 Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

419 Head Start Ready To Read	420 Temple Foundation Grant	425 School Safety & Security Grant	426 SPED Fiscal Support Grant	428 Tiger Children's Clinic	429 Autism/ Dyslexia Grants	461 Waggoner Creek Activity Fund	462 Goree Activity Fund
\$ -	\$ 702	\$ -	\$ -	\$ 1,386	\$ -	\$ 24,008	\$ -
50,875	-	112,502	119,033	-	197,861	-	-
-	-	-	-	-	-	-	-
50,875	702	112,502	119,033	1,386	197,861	24,008	-
-	702	112,502	69,231	-	182,666	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	8,807	-	-
-	-	-	-	-	6,388	-	-
-	-	-	-	-	-	-	-
-	-	-	49,802	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	25,724	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
50,875	-	-	-	1,386	-	-	-
50,875	702	112,502	119,033	1,386	197,861	25,724	-
-	-	-	-	-	-	(1,716)	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	25,153	6,330
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,437	\$ 6,330

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

Data Control Codes	463	464	465	466
	Morriss Activity Fund	THS Activity Fund	TMS Activity Fund	Highland Park Activity Fund
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 2,522	\$ 37,324	\$ 3,488	\$ 4,252
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	<u>2,522</u>	<u>37,324</u>	<u>3,488</u>	<u>4,252</u>
EXPENDITURES:				
Current:				
0011 Instruction	-	-	-	-
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	-	-	-
0033 Health Services	-	-	-	-
0036 Extracurricular Activities	11,157	42,686	10,204	4,041
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0061 Community Services	-	-	-	-
6030 Total Expenditures	<u>11,157</u>	<u>42,686</u>	<u>10,204</u>	<u>4,041</u>
1200 Net Change in Fund Balance	(8,635)	(5,362)	(6,716)	211
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
1300 Prior Period Adjustment	27,987	126,503	21,091	1,203
3000 Fund Balance - June 30 (Ending)	<u>\$ 19,352</u>	<u>\$ 121,141</u>	<u>\$ 14,375</u>	<u>\$ 1,414</u>

467	468	469	470	471	472	473	474
Theron Jones ELC Activity Fund	Westlawn Activity Fund	Nash Activity Fund	Spring Lake Park Activity Fund	Wake Village Activity Fund	Dunbar ELC Activity Fund	Athletic Activity Fund	Options Activity Fund
\$ 19,361	\$ 9,846	\$ 41,993	\$ 7,983	\$ 12,115	\$ 5,216	\$ 127,872	\$ 298
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
19,361	9,846	41,993	7,983	12,115	5,216	127,872	298
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
23,477	5,366	33,404	12,587	13,989	5,596	107,163	1,215
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
23,477	5,366	33,404	12,587	13,989	5,596	107,163	1,215
(4,116)	4,480	8,589	(4,604)	(1,874)	(380)	20,709	(917)
-	-	-	-	-	-	-	-
67,622	2,458	10,181	17,145	46,891	8,456	50,503	2,397
\$ 63,506	\$ 6,938	\$ 18,770	\$ 12,541	\$ 45,017	\$ 8,076	\$ 71,212	\$ 1,480

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

Data Control Codes	475 PIE Activity Fund	Total Nonmajor Governmental Funds
REVENUES:		
5700 Total Local and Intermediate Sources	\$ 6,150	\$ 671,986
5800 State Program Revenues	-	964,885
5900 Federal Program Revenues	-	6,423,500
5020 Total Revenues	<u>6,150</u>	<u>8,060,371</u>
EXPENDITURES:		
Current:		
0011 Instruction	-	5,641,591
0012 Instructional Resources and Media Services	-	71,361
0013 Curriculum and Instructional Staff Development	-	220,990
0021 Instructional Leadership	-	6,388
0023 School Leadership	-	101,109
0031 Guidance, Counseling, and Evaluation Services	-	733,923
0033 Health Services	-	129,732
0036 Extracurricular Activities	9,746	306,355
0041 General Administration	-	506
0051 Facilities Maintenance and Operations	-	39,869
0061 Community Services	-	812,474
6030 Total Expenditures	<u>9,746</u>	<u>8,064,298</u>
1200 Net Change in Fund Balance	(3,596)	(3,927)
0100 Fund Balance - July 1 (Beginning)	-	-
1300 Prior Period Adjustment	8,902	422,822
3000 Fund Balance - June 30 (Ending)	<u>\$ 5,306</u>	<u>\$ 418,895</u>

Non-major Enterprise Funds

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 JUNE 30, 2021

	711 Food Service Activity	713 Print Shop Activity
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 366,623	\$ 605,075
Inventories	12,414	-
Total Current Assets	<u>379,037</u>	<u>605,075</u>
Noncurrent Assets:		
Capital Assets:		
Buildings and Improvements	9,200	-
Depreciation on Buildings	(8,458)	-
Furniture and Equipment	194,825	68,195
Depreciation on Furniture and Equipment	<u>(194,825)</u>	<u>(56,026)</u>
Total Noncurrent Assets	<u>742</u>	<u>12,169</u>
Total Assets	<u>379,779</u>	<u>617,244</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	546	3,553
Due to Other Governments	-	-
Total Liabilities	<u>546</u>	<u>3,553</u>
NET POSITION		
Unrestricted Net Position	<u>379,233</u>	<u>613,691</u>
Total Net Position	<u>\$ 379,233</u>	<u>\$ 613,691</u>

714 Public Relations Activity	715 School Improvement Activity	716 Police Department Activity	720 Texas A&M Food Service Activity	730 TC Food Service Activity	740 St. James Food Service Activity	Total Nonmajor Enterprise Funds
\$ 2,009	\$ 570	\$ 464	\$ 287,508	\$ 13,278	\$ -	\$ 1,275,527
240	-	-	-	-	-	12,654
<u>2,249</u>	<u>570</u>	<u>464</u>	<u>287,508</u>	<u>13,278</u>	<u>-</u>	<u>1,288,181</u>
-	-	-	-	-	-	9,200
-	-	-	-	-	-	(8,458)
5,985	-	-	-	-	-	269,005
<u>(5,985)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(256,836)</u>
-	-	-	-	-	-	12,911
<u>2,249</u>	<u>570</u>	<u>464</u>	<u>287,508</u>	<u>13,278</u>	<u>-</u>	<u>1,301,092</u>
-	-	-	-	-	-	4,099
<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115</u>	<u>-</u>	<u>125</u>
<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115</u>	<u>-</u>	<u>4,224</u>
<u>2,239</u>	<u>570</u>	<u>464</u>	<u>287,508</u>	<u>13,163</u>	<u>-</u>	<u>1,296,868</u>
<u>\$ 2,239</u>	<u>\$ 570</u>	<u>\$ 464</u>	<u>\$ 287,508</u>	<u>\$ 13,163</u>	<u>\$ -</u>	<u>\$ 1,296,868</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	711 Food Service Activity	713 Print Shop Activity
OPERATING REVENUES:		
Local and Intermediate Sources	\$ 59,230	\$ 130,945
State Program Revenues	<u>1,538</u>	<u>-</u>
Total Operating Revenues	<u>60,768</u>	<u>130,945</u>
OPERATING EXPENSES:		
Payroll Costs	19,812	-
Professional and Contracted Services	-	28,445
Supplies and Materials	80,905	31,417
Other Operating Costs	1,195	216
Depreciation Expense	<u>297</u>	<u>9,228</u>
Total Operating Expenses	<u>102,209</u>	<u>69,306</u>
Operating Income (Loss)	(41,441)	61,639
Total Net Position - July 1 (Beginning)	<u>420,674</u>	<u>552,052</u>
Total Net Position - June 30 (Ending)	<u><u>\$ 379,233</u></u>	<u><u>\$ 613,691</u></u>

714 Public Relations Activity	715 School Improvement Activity	716 Police Department Activity	720 Texas A&M Food Service Activity	730 TC Food Service Activity	740 St. James Food Service Activity	Total Nonmajor Enterprise Funds
\$ 17,776	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 207,951
-	-	-	-	-	-	1,538
<u>17,776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>209,489</u>
-	-	-	-	-	-	19,812
-	-	-	-	-	-	28,445
19,679	-	-	-	2,108	2,880	136,989
-	-	-	-	-	-	1,411
-	-	-	-	-	-	9,525
<u>19,679</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,108</u>	<u>2,880</u>	<u>196,182</u>
(1,903)	-	-	-	(2,108)	(2,880)	13,307
<u>4,142</u>	<u>570</u>	<u>464</u>	<u>287,508</u>	<u>15,271</u>	<u>2,880</u>	<u>1,283,561</u>
<u>\$ 2,239</u>	<u>\$ 570</u>	<u>\$ 464</u>	<u>\$ 287,508</u>	<u>\$ 13,163</u>	<u>\$ -</u>	<u>\$ 1,296,868</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	711 Food Service Activity	713 Print Shop Activity
<u>Cash Flows from Operating Activities:</u>		
Cash Received from User Charges	\$ 77,311	\$ 130,945
Cash Payments to Employees for Services	(19,812)	-
Cash Payments for Suppliers	(81,907)	(57,841)
Net Cash Provided by (Used for) Operating Activities	<u>(24,408)</u>	<u>73,104</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(24,408)	73,104
Cash and Cash Equivalents at Beginning of Year	<u>391,031</u>	<u>531,971</u>
Cash and Cash Equivalents at End of Year	<u>\$ 366,623</u>	<u>\$ 605,075</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>		
<u>Provided By (Used For) Operating Activities:</u>		
Operating Income (Loss):	\$ (41,441)	\$ 61,639
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used For) Operating Activities:		
Depreciation	297	9,228
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Inventories	16,543	-
Increase (decrease) in Accounts Payable	<u>193</u>	<u>2,237</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (24,408)</u>	<u>\$ 73,104</u>

714 Public Relations Activity	715 School Improvement Activity	716 Police Department Activity	720 Texas A&M Food Service Activity	730 TC Food Service Activity	740 St. James Food Service Activity	Total Nonmajor Enterprise Funds
\$ 17,776	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 226,032
-	-	-	-	-	-	(19,812)
(19,679)	-	-	-	(2,108)	(2,880)	(164,415)
(1,903)	-	-	-	(2,108)	(2,880)	41,805
(1,903)	-	-	-	(2,108)	(2,880)	41,805
3,912	570	464	287,508	15,386	2,880	1,233,722
<u>\$ 2,009</u>	<u>\$ 570</u>	<u>\$ 464</u>	<u>\$ 287,508</u>	<u>\$ 13,278</u>	<u>\$ -</u>	<u>\$ 1,275,527</u>
\$ (1,903)	\$ -	\$ -	\$ -	\$ (2,108)	\$ (2,880)	\$ 13,307
-	-	-	-	-	-	9,525
-	-	-	-	-	-	16,543
-	-	-	-	-	-	2,430
<u>\$ (1,903)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,108)</u>	<u>\$ (2,880)</u>	<u>\$ 41,805</u>

Custodial Funds

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 JUNE 30, 2021

	830 Dual Credit THS	874 Distinguished Alumni Fund	876 Texas High Club	877 TH New Horizon Scholarship
ASSETS				
Cash and Cash Equivalents	\$ 300,402	\$ 12,656	\$ 249,399	\$ -
Total Assets	<u>300,402</u>	<u>12,656</u>	<u>249,399</u>	<u>-</u>
LIABILITIES				
Accounts Payable	-	-	386	-
Due to Other Funds	-	-	-	98
Due to Student Groups	-	-	-	(98)
Total Liabilities	<u>-</u>	<u>-</u>	<u>386</u>	<u>-</u>
NET POSITION				
Unrestricted Net Position	<u>300,402</u>	<u>12,656</u>	<u>249,013</u>	<u>-</u>
Total Net Position	<u><u>\$ 300,402</u></u>	<u><u>\$ 12,656</u></u>	<u><u>\$ 249,013</u></u>	<u><u>\$ -</u></u>

879	
Texas Middle School Club	Total Custodial Funds
\$ 68,122	\$ 630,579
<u>68,122</u>	<u>630,579</u>
-	386
-	98
-	<u>(98)</u>
<u>-</u>	<u>386</u>
68,122	630,193
<u>\$ 68,122</u>	<u>\$ 630,193</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 FOR FISCAL YEAR 2021

	830	874	876	877
	Dual Credit	Distinguished	Texas High	TH New
	THS	Alumni	Club	Horizon
		Fund		Scholarship
ADDITIONS:				
Enterprising Services Revenue	\$ 206,907	\$ -	\$ 135,668	\$ -
Total Additions	<u>206,907</u>	<u>-</u>	<u>135,668</u>	<u>-</u>
DEDUCTIONS:				
Payroll Costs	121,113	-	-	-
Professional and Contracted Services	18,450	-	-	-
Supplies and Materials	18,855	-	94,788	-
Other Deductions	9,743	-	39,820	-
Total Deductions	<u>168,161</u>	<u>-</u>	<u>134,608</u>	<u>-</u>
 Change in Net Position	 38,746	 -	 1,060	 -
 Net Position - July 1 (Beginning)	 -	 -	 -	 -
Prior Period Adjustment	261,656	12,656	247,953	-
Net Position - June 30 (Ending)	<u>\$ 300,402</u>	<u>\$ 12,656</u>	<u>\$ 249,013</u>	<u>\$ -</u>

879 Texas Middle School Club	Total Total Custodial Funds
\$ 42,504	\$ 385,079
<u>42,504</u>	<u>385,079</u>
-	121,113
-	18,450
44,540	158,183
8,632	58,195
<u>53,172</u>	<u>355,941</u>
(10,668)	29,138
-	-
<u>78,790</u>	<u>601,055</u>
<u>\$ 68,122</u>	<u>\$ 630,193</u>

Private Purpose Trust Funds

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 JUNE 30, 2021

	802 Texas High School VIP Fund	804 Texas Middle School VIP Fund	805 Highland Park VIP Fund	807 Theron Jones VIP Activity
ASSETS				
Cash and Cash Equivalents	\$ 50,941	\$ 17,258	\$ 483	\$ 6,250
Total Assets	<u>50,941</u>	<u>17,258</u>	<u>483</u>	<u>6,250</u>
NET POSITION				
Unrestricted Net Position	<u>50,941</u>	<u>17,258</u>	<u>483</u>	<u>6,250</u>
Total Net Position	<u><u>\$ 50,941</u></u>	<u><u>\$ 17,258</u></u>	<u><u>\$ 483</u></u>	<u><u>\$ 6,250</u></u>

809 Nash VIP Fund	811 Spring Lake Park VIP Fund	813 Wake Village VIP Fund	815 Dunbar VIP Fund	816 Morris Elementary VIP Fund	817 Waggoner Creek VIP Fund	829 Scholarship Fund	Total Private Purpose Trust Funds
\$ 2,520	\$ 1,956	\$ 17,548	\$ 1,094	\$ 156,546	\$ 6,079	\$ 133,966	\$ 394,641
<u>2,520</u>	<u>1,956</u>	<u>17,548</u>	<u>1,094</u>	<u>156,546</u>	<u>6,079</u>	<u>133,966</u>	<u>394,641</u>
2,520	1,956	17,548	1,094	156,546	6,079	133,966	394,641
<u>\$ 2,520</u>	<u>\$ 1,956</u>	<u>\$ 17,548</u>	<u>\$ 1,094</u>	<u>\$ 156,546</u>	<u>\$ 6,079</u>	<u>\$ 133,966</u>	<u>\$ 394,641</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	802 Texas High School VIP Fund	804 Texas Middle School VIP Fund	805 Highland Park VIP Fund	807 Theron Jones VIP Activity
ADDITIONS:				
Enterprising Services Revenue	\$ 8,190	\$ 5,168	\$ -	\$ -
Earnings from Temporary Deposits	-	-	-	-
Contributions, Gifts and Donations	-	-	-	-
Total Additions	<u>8,190</u>	<u>5,168</u>	<u>-</u>	<u>-</u>
DEDUCTIONS:				
Supplies and Materials	12,000	5,034	-	-
Other Deductions	-	-	-	-
Total Deductions	<u>12,000</u>	<u>5,034</u>	<u>-</u>	<u>-</u>
Change in Net Position	(3,810)	134	-	-
Net Position - July 1 (Beginning)	-	-	-	-
Prior Period Adjustment	<u>54,751</u>	<u>17,124</u>	<u>483</u>	<u>6,250</u>
Net Position - June 30 (Ending)	<u>\$ 50,941</u>	<u>\$ 17,258</u>	<u>\$ 483</u>	<u>\$ 6,250</u>

809 Nash VIP Fund	811 Spring Lake Park VIP Fund	813 Wake Village VIP Fund	815 Dunbar VIP Fund	816 Morris Elementary VIP Fund	817 Waggoner Creek VIP Fund	829 Scholarship Fund	Total Private Purpose Trust Funds
\$ 8,207	\$ 1,809	\$ 12,424	\$ -	\$ 100,917	\$ 54	\$ -	\$ 136,769
-	-	-	-	-	-	113	113
-	-	-	-	-	-	4,900	4,900
<u>8,207</u>	<u>1,809</u>	<u>12,424</u>	<u>-</u>	<u>100,917</u>	<u>54</u>	<u>5,013</u>	<u>141,782</u>
8,176	4,475	13,056	-	20,205	3,366	-	66,312
-	-	-	-	-	-	1,535	1,535
<u>8,176</u>	<u>4,475</u>	<u>13,056</u>	<u>-</u>	<u>20,205</u>	<u>3,366</u>	<u>1,535</u>	<u>67,847</u>
31	(2,666)	(632)	-	80,712	(3,312)	3,478	73,935
-	-	-	-	-	-	130,488	130,488
<u>2,489</u>	<u>4,622</u>	<u>18,180</u>	<u>1,094</u>	<u>75,834</u>	<u>9,391</u>	<u>-</u>	<u>190,218</u>
<u>\$ 2,520</u>	<u>\$ 1,956</u>	<u>\$ 17,548</u>	<u>\$ 1,094</u>	<u>\$ 156,546</u>	<u>\$ 6,079</u>	<u>\$ 133,966</u>	<u>\$ 394,641</u>

Required TEA Schedules

TEXARKANA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED JUNE 30, 2021

Last 10 Years	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2012 and prior years	\$ 1.170000	\$ 0.169000	\$ 1,879,251,358
2013	1.170000	0.169000	1,881,877,414
2014	1.170000	0.169000	1,929,101,050
2015	1.170000	0.169000	1,948,780,352
2016	1.170000	0.255000	1,904,476,997
2017	1.170000	0.255000	1,974,870,987
2018	1.170000	0.250000	2,006,493,789
2019	1.170000	0.255000	2,063,870,404
2020	1.068300	0.255000	2,207,585,935
2021 (School year under audit)	1.054700	0.255000	2,272,157,652
1000 TOTALS			

(10) Beginning Balance 7/1/2020	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2021
\$ 299,743	\$ -	\$ 6,336	\$ 915	\$ (32,876)	\$ 259,616
65,638	-	3,653	528	(2,666)	58,791
69,264	-	4,689	677	(2,465)	61,433
86,957	-	8,679	1,254	(3,046)	73,978
93,704	-	9,117	1,987	(3,261)	79,339
123,733	-	22,352	4,872	(3,179)	93,330
166,681	-	36,178	7,885	(2,873)	119,745
242,603	-	61,920	13,495	(17,077)	150,111
1,670,617	-	889,304	212,274	(316,918)	252,121
-	28,996,246	22,289,972	5,389,156	(447,051)	870,067
<u>\$ 2,818,940</u>	<u>\$ 28,996,246</u>	<u>\$ 23,332,200</u>	<u>\$ 5,633,043</u>	<u>\$ (831,412)</u>	<u>\$ 2,018,531</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2021

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 5,334,277	\$ 5,334,277	\$ 5,717,714	\$ 383,437
5800 State Program Revenues	459,219	459,219	599,596	140,377
5020 Total Revenues	5,793,496	5,793,496	6,317,310	523,814
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Debt	3,080,915	5,580,915	5,528,064	52,851
0072 Interest on Long-Term Debt	3,861,005	3,861,005	3,861,005	-
0073 Bond Issuance Cost and Fees	10,300	10,300	10,300	-
6030 Total Expenditures	6,952,220	9,452,220	9,399,369	52,851
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,158,724)	(3,658,724)	(3,082,059)	576,665
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	(1,289,747)	1,289,474	1,642,560	353,086
1200 Net Change in Fund Balances	(2,448,471)	(2,369,250)	(1,439,499)	929,751
0100 Fund Balance - July 1 (Beginning)	2,900,361	2,900,361	4,054,993	1,154,632
3000 Fund Balance - June 30 (Ending)	\$ 451,890	\$ 531,111	\$ 2,615,494	\$ 2,084,383

Federal Awards Section



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

To the Board of School Trustees
Texarkana Independent School District
Texarkana, 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, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining information of Texarkana Independent School District (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 17, 2021.

Internal Control Over Financial Reporting

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

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

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

To the Board of School Trustees
Texarkana Independent School District

Compliance and Other Matters

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

Purpose of this Report

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



CERTIFIED PUBLIC ACCOUNTANTS

Texarkana, Texas
November 17, 2021

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

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

Report on Compliance for Each Major Federal Program

We have audited Texarkana Independent School District's (the District) compliance with the types of compliance requirements described in the *(OMB) Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of audit 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 the 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* 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 the 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 the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

To the Board of School Trustees
Texarkana Independent School District

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to on the previous page. In planning and performing our audit of compliance, we considered the 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 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 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 the 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 have not been 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Texarkana, Texas
November 17, 2021


CERTIFIED PUBLIC ACCOUNTANTS

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2021**

Section I - Summary of Audit Results

Financial Statements

Type of Report the Auditor Issued on Whether the Financial Statements Were Prepared in Accordance with GAAP	Unmodified
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Internal Control Over Financial Reporting:

Material Weakness(es) Identified	None Reported
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Significant Deficienc(ies) Identified	None Reported
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Noncompliance Material to the Financial Statements	None Reported
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Federal Awards

Internal Control over Major Programs:

Material Weakness(es) Identified	None Reported
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Significant Deficienc(ies) Identified	None Reported
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Type of Auditor’s Report Issued on Compliance for Major Federal Programs	Unmodified
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Findings Disclosed in the Audit which are Required to be Reported in Government Auditing Standards	None Reported
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Findings Disclosed in the Audit which are Required to be Reported in Accordance with 2 CFR 200.516(a)	None Reported
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Identification of Major Programs:

Elementary and Secondary School Emergency Relief (ESSER) Fund	AL #84.425D
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Child Nutrition Cluster:

School Breakfast Program	AL #10.553
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National School Lunch Program	AL #10.555
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After School Snack Program	AL #10.555
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Dollar Threshold Used to Distinguish between Type A and Type B Programs	\$750,000
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Texarkana Independent School District qualified as a low risk entity.	Yes
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**TEXARKANA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2021**

Section II - Financial Statement Findings

Details of findings relating to the financial statements which are required to be reported in accordance with *Government Auditing Standards* –

There were no reported findings or questioned costs related to the financial statements or *Government Auditing Standards*.

Section III - Federal Award Findings and Questioned Costs

Details of findings and questioned costs relating to Federal awards –

There were no reported findings or questioned costs related to the financial statements or federal awards.

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
JUNE 30, 2021**

<u>Program/Finding</u>	<u>Description</u>
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No findings were reported in the prior year.

TEXARKANA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
DEPARTMENT OF THE TREASURY			
<u>Passed Through TX Division of Emergency Mangement</u>			
COVID- 19 Coronavirus Relief Fund	21.019	2020-CF-21019	\$ 25,413
Total Passed Through TX Division of Emergency Mangement			<u>25,413</u>
TOTAL DEPARTMENT OF THE TREASURY			<u>25,413</u>
 U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	20610101019907	378,125
ESEA, Title I, Part A - Improving Basic Programs	84.010A	21610101019907	2,199,279
Total Assistance Listing Number 84.010A			<u>2,577,404</u>
*IDEA - Part B, Formula	84.027	206600010199076600	53,978
*IDEA - Part B, Formula	84.027	216600010199076600	1,043,085
*SSA - IDEA - Part B, Discretionary	84.027	216600110199076673	17,214
Total Assistance Listing Number 84.027			<u>1,114,277</u>
Total Special Education Cluster (IDEA)			<u>1,146,120</u>
Career and Technical - Basic Grant	84.048	21420006019907	90,863
*IDEA - Part B, Preschool	84.173	216610010199076610	31,843
Title III, Part A - English Language Acquisition	84.365A	20671001019907	16,734
Title III, Part A - English Language Acquisition	84.365A	21671001019907	35,816
Title III, Part A - Immigrant	84.365A	20671003019907	20,026
Title III, Part A - Immigrant	84.365A	21671003019907	2,522
Total Assistance Listing Number 84.365A			<u>75,098</u>
ESEA, Title II, Part A, Supporting Effective Inst	84.367A	21694501019907	319,420
2021-2022 Teacher Leadership Cycle 2	84.367A	216945797110034	10,000
Total Assistance Listing Number 84.367A			<u>329,420</u>
TTIPS Cycle 5, Year 3	84.377A	176107317110016	23,754
TTIPS Cycle 5, Year 4	84.377A	166107307110016	153,405
Total Assistance Listing Number 84.377A			<u>177,159</u>
Title IV, Part A, Subpart I	84.424A	20680101019907	49,282
Title IV, Part A, Subpart I	84.424A	21680101019907	121,211
Total Assistance Listing Number 84.424A			<u>170,493</u>
COVID- 19 ESSER I	84.425D	20521001019907	22,982
COVID- 19 CRRSA ESSER II	84.425D	21521001019907	1,725,678
COVID- 19 Prior Purchase Reimbursement Program	84.425D	S425D210042	290,476
Total Assistance Listing Number 84.425			<u>2,039,136</u>
Total Passed Through State Department of Education			<u>6,605,693</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>6,605,693</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through Texas Dept of Human Services</u>			
Medicaid Administrative Claiming Program - MAC	93.778	529-07-0157-00137	19,403
COVID- 19 Child Care Disaster Relief	93.489	019907	214,638
Total Passed Through Texas Dept of Human Services			234,041
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			234,041
 U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the State Department of Agriculture</u>			
*School Breakfast Program	10.553	806780706	1,640,939
*National School Lunch Program - Cash Assistance	10.555	806780706	4,607,485
*National School Lunch Prog. - Non-Cash Assistance	10.555	806780706	570,897
COVID- 19 Emergency Operational Cost Reimbursemen	10.555	806780706	510,761
Total Assistance Listing Number 10.555			5,689,143
Total Child Nutrition Cluster			7,330,082
Child & Adult Care Food Program	10.558	806780706	18,306
Total Passed Through the State Department of Agriculture			7,348,388
TOTAL U.S. DEPARTMENT OF AGRICULTURE			7,348,388
 TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 14,213,535

*Clustered Programs

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2021**

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Texarkana Independent School District (the District) and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of the general purpose financial statements.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant and accordingly when such funds are received, they are recorded as deferred revenues until earned.

The District participates in numerous state and federal grant programs governed by various rules and regulations of 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, if any, refunds of any money received may be required and the collectability of any related receivable at June 30, 2021, 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 contingency.

Medicaid Funds

During the year ending June 30, 2021, the District received Medicaid funds of \$1,010,094 which is not considered a federal award since it is direct cash assistance to individuals.

E-Rate Funding

During the year ending June 30, 2021, the District received a discount on phone and internet bills in the amount of \$94,375 in the general fund. These amounts are reflected as federal revenue in the current year.

Indirect Costs

Indirect costs totaling \$396,831 are in the General Fund. The restricted indirect cost rate for the 2020-2021 fiscal year, as approved by The Division of Federal and Fiscal Compliance and Reporting at the Texas Education Agency (TEA), was 4.208%. All Federal indirect costs are calculated using this restricted indirect rate with the exception of the indirect cost associated with the ESSER Grant, which is calculated using the direct unrestricted rate of 14.766%

Reconciliation of Federal Funds

Federal Funds Per K-1	\$ 14,213,535
Medicaid SHARS	1,010,094
E-Rate Funding	94,375
	\$ 15,318,004

The following COVID-19 funds are included in the SEFA in the current year but the expenditures were incurred in the previous year within the general fund:

COVID-19 Coronavirus Relief Funds	AL# 10.019	\$ 25,413
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TEXARKANA INDEPENDENT SCHOOL DISTRICT
STATE COMPENSATORY EDUCATION AND BILINGUAL EDUCATION PROGRAM EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2021

Section A: Compensatory Education Programs

AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
<hr/>		
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
<hr/>		
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	8986360
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AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year.	6180576
<hr/>		

Section B: Bilingual Education Programs

AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
<hr/>		
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
<hr/>		
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	385139
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AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25,35)	1436109
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SCHOOLS FIRST QUESTIONNAIRE

Texarkana Independent School District

Fiscal Year 2021

SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement?	No
SF3	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If there was a warrant hold not cleared in 30 days, then not timely.)	Yes
SF4	Was the school district issued a warrant hold? (Yes even if cleared within 30 days.)	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules in effect at the fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year end.	7511029