

TEXARKANA INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2022

TEXARKANA INDEPENDENT SCHOOL DISTRICT

Annual Financial Report Table of Contents Year Ended June 30, 2022

	Page(s)	Exhibit
Certificate of Board	i	
Independent Auditor's Report	ii-iv	
Management's Discussion and Analysis	v-xiv	
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	1	A-1
Statement of Activities	2-3	B-1
Governmental Fund Financial Statements:		
Balance Sheet	4-5	C-1
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	6	C-2
Statement of Revenues, Expenditures, and Changes in Fund Balances	7-8	C-3
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	9	C-4
Proprietary Fund Financial Statements:		
Statement of Net Position	10	D-1
Statement of Revenues, Expenses, and Changes in Fund Net Position	11	D-2
Statement of Cash Flows	12	D-3
Fiduciary Fund Financial Statements:		
Statement of Fiduciary Net Position	13	E-1
Statement of Changes in Fiduciary Fund Net Position	14	E-2
Notes to the Financial Statements	15-49	
Required Supplementary Information:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - General Fund	50	G-1
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - Child Nutrition Program	51	G-2
Schedule of the District's Proportionate Share of the Net Pension Liability - Teacher Retirement System of Texas	52-53	G-6
Schedule of District's Contributions for Pensions - Teacher Retirement System of Texas	54-55	G-7
Schedule of the District's Proportionate Share of the Net OPEB Liability - Teacher Retirement System of Texas	56-57	G-8
Schedule of District's Contributions for Other Postemployment Benefits (OPEB) - Teacher Retirement System of Texas	58-59	G-9

TEXARKANA INDEPENDENT SCHOOL DISTRICT

Annual Financial Report
Table of Contents (Continued)
Year Ended June 30, 2022

Notes to Required Supplementary Information	60	
Other Supplementary Information:		
Non-major Governmental Funds:		
Combining Balance Sheet	61-65	H-1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	66-70	H-2
Non-major Enterprise Funds:		
Combining Statement of Net Position	71-72	H-6
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	73-74	H-7
Combining Statement of Cash Flows	75-76	H-8
Custodial Funds:		
Combining Statement of Fiduciary Net Position	77-78	H-9
Combining Statement of Changes in Fiduciary Net Position	79-80	H-10
Private Purpose Trust Funds:		
Combining Statement of Fiduciary Net Position	81-82	H-11
Combining Statement of Changes in Fiduciary Net Position	83-84	H-12
Required TEA Schedules:		
Schedule of Delinquent Taxes Receivable	85-86	J-1
Schedule of Revenues, Expenditures, and Changes in Fund Balance	87	J-3
Budget and Actual - Debt Service Fund		
Use of Funds Report – Select State Allotment Programs	88	J-4
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 <i>Government Auditing Standards</i>	89-90	
Independent Auditor’s Report on Compliance for Each Major Program; Report On Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	91-93	
Schedule of Findings and Questioned Costs	94-96	
Corrective Action Plan	97	
Schedule of Prior Year Audit Findings	98	
Schedule of Expenditures of Federal Awards	99-100	K-1
Notes to Schedule of Expenditures of Federal Awards	101	

Certificate of Board

Certificate of Board

<u>Texarkana Independent School District</u>	<u>Bowie</u>	<u>019-907</u>
Name of School District	County	County-District-Region No.

We, the undersigned, certify that the attached annual financial report of the above named school district was reviewed and /X/ approved - // disapproved for the year ended June 30, 2022, at a meeting of the board of school trustees of such school district on the 16th day of November, 2022.
(Check One)

Bill Kimbro
Signature of Board Secretary

Gerald Brooks
Signature of Board President

If the board of trustees disapproves of the auditors' report, the reason(s) for disapproving it is/are: (attach list if necessary)

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages v through xiv, budgetary comparison schedule – general fund on page 50, budgetary comparison schedule – child nutrition 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 (TRS) on pages 54-55, Schedule of the District’s Proportionate Share of the Net OPEB Liability (TRS) on pages 56-57, and Schedule of the District’s Contributions for Other Postemployment Benefits (OPEB) (TRS) on pages 58-59 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Required Supplementary Information (Continued)

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying nonmajor governmental, nonmajor enterprise, custodial funds, private purpose trust funds, and TEA required schedules are presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements 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 4, 2022, 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 4, 2022

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, 2022. 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 2022 and 2021, the ending net position of our governmental activities was \$12,193,209 and \$4,706,014 respectively.

In 2022 and 2021, the ending net position of our business-type activities was \$1,322,964 and \$1,296,868 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
	2021	2022	2021	2022	2021	2022	
Current and other assets	\$ 48,670	\$ 54,217	\$ 1,288	\$ 1,322	\$ 49,958	\$ 55,539	11.17%
Capital assets	95,530	96,310	13	5	95,543	96,315	0.81%
Total assets	<u>144,200</u>	<u>150,527</u>	<u>1,301</u>	<u>1,327</u>	<u>145,501</u>	<u>151,854</u>	<u>4.37%</u>
Deferred Outflows of Resources	16,072	14,025	-	-	16,072	14,025	-12.74%
Long-term liabilities	113,356	95,847	-	-	113,356	95,847	-15.45%
Other liabilities	20,507	26,117	4	4	20,511	26,121	27.35%
Total liabilities	<u>133,863</u>	<u>121,964</u>	<u>4</u>	<u>4</u>	<u>133,867</u>	<u>121,968</u>	<u>-8.89%</u>
Deferred Inflows of Resources	21,703	30,396	-	-	21,703	30,396	40.05%
Net Position:							
Invested in capital assets net of related debt	30,099	35,031	-	-	30,099	35,031	16.39%
Restricted	11,036	11,409	-	-	11,036	11,409	3.38%
Unrestricted	<u>(36,429)</u>	<u>(34,247)</u>	<u>1,297</u>	<u>1,323</u>	<u>(35,132)</u>	<u>(32,924)</u>	<u>-6.28%</u>
Total net position	<u>\$ 4,706</u>	<u>\$ 12,193</u>	<u>\$ 1,297</u>	<u>\$ 1,323</u>	<u>\$ 6,003</u>	<u>\$ 13,516</u>	<u>125.15%</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
	2021	2022	2021	2022	2021	2022	
Revenues :							
Program Revenues:							
Charges for Services	\$ 1,199	1,273	\$ 210	\$ 251	\$ 1,409	\$ 1,524	8.16%
Operating grants and contributions	19,062	24,389			19,062	24,389	27.95%
General Revenues:							
Maintenance and operations taxes	22,829	23,174			22,829	23,174	1.51%
Debt service taxes	5,507	5,609			5,507	5,609	1.85%
State aid – formula grants	41,419	39,144			41,419	39,144	-5.49%
Grants not Restricted	6,051	7,009			6,051	7,009	
Investment Earnings	64	108			64	108	68.75%
Miscellaneous	787	879			787	879	11.69%
Total Revenue	<u>96,918</u>	<u>101,585</u>	<u>210</u>	<u>251</u>	<u>97,128</u>	<u>101,836</u>	<u>4.85%</u>
Expenses:							
Instruction, curriculum and media services	59,435	55,862			59,435	55,862	-6.01%
Instructional and school leadership	5,984	5,792			5,984	5,792	-3.21%
Student support services	3,851	3,986			3,851	3,986	3.51%
Child nutrition	6,618	6,616			6,618	6,616	-0.03%
Co-curricular activities	2,996	3,203			2,996	3,203	6.91%
General administration	3,854	4,305			3,854	4,305	11.70%
Plant maintenance, security & data processing	9,130	9,833			9,130	9,833	7.70%
Community services	876	838			876	838	-4.34%
Debt services	3,374	2,578			3,374	2,578	-23.59%
Payments to Fiscal Agent and Intergovernmental Charges	641	689			641	689	7.49%
Other business-type activities	416	433	196	225	612	658	7.52%
Total Expenses	<u>97,175</u>	<u>94,135</u>	<u>196</u>	<u>225</u>	<u>97,371</u>	<u>94,360</u>	<u>-3.09%</u>
Increase (decrease) in net position	(257)	7,452	14	26	(243)	7,478	-3177.37%
Net position at beginning of year	4,963	4,706	1,283	1,297	6,246	6,003	-3.89%
Prior Period Adjustment	-	35			-	35	100.00%
Net position at end of year	<u>\$ 4,706</u>	<u>\$ 12,193</u>	<u>\$ 1,297</u>	<u>\$ 1,323</u>	<u>\$ 6,003</u>	<u>\$ 13,516</u>	<u>125.15%</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Some of the major highlights of the 2021-22 school year included the following:

- The District's General Fund Balance remained relatively consistent at \$16,869,716 as a result of financial operations for the 2021-22 school year. The District has been diligently working to level out after the COVID-19 pandemic. Texarkana ISD normally runs at a 94% attendance rate, but during the 2021-2022 school year it saw an average of 91% attendance. The District also saw an increase in various necessary expenditures such as electricity, cleaning supplies, food costs and etc. due to an economic shift nationwide.
- On November 11, 2021 the Texas Education Agency announced Notification of the 2021-2022 Operational Minutes Adjustment. This provided a reduction in the number of required 75,600 minutes of operation. Texas Education Code (TEC), §25.081(b), provides that the commissioner may approve the operation of schools for fewer than 75,600 minutes if a disaster, flood, extreme weather condition, fuel curtailment, or other calamity causes the closing of schools. During the 2021–2022 school year, many LEAs experienced losses in average daily attendance (ADA) due to low rates of attendance caused by the ongoing COVID-19 pandemic. The commissioner of education exercised his authority under TEC, §25.081(b), and approved a reduction in the minimum number of required 75,600 minutes of operation for all LEAs during the first six-week attendance reporting period of the 2021–2022 school year. This adjustment provided Texarkana ISD with an additional \$1,869,893 of lost state revenue due to low attendance.
- During the 2021-2022 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 2021-2022 school year to 334 students. State Funding for the majority of these students has been remitted to eSchool Texas, LLC to operate the campus. The 2021-2022 school year is the last year in which Texarkana ISD's virtual school will be operated by eSchool Texas, LLC. The District will be operating its virtual school in-house starting with the 2022-2023 school year utilizing K-12.
- During 2021-22, the District spent approximately \$2,590,000 on deferred maintenance projects. Several of these projects consisted of HVAC repair/replacement, playground equipment, painting of campuses, major roofing repairs, renovation of the new Welcome Center and parking lot renovations. Some of these projects were still in progress on June 30, 2022.
- 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

- 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. During the 2021-2022 school year, the district was able to use these funds for necessary staffing due to learning loss, substantial HVAC repairs and replacement, implementation of the 1:1 Chromebook Initiative, Anatomage Tables for THS and the purchase of Solution Tree and Kagan Structures to improve educational experiences district wide. The remaining funds are to be expended in the following grant years, which date up to 2024. As of June 30, 2022, a total of \$9,287,674 of these funds have been expended. The district has a Use of Funds Plan that addresses the costs that these grant monies will purposefully be used for.
- On May 23, 2022, Texarkana ISD was awarded the Innovative Services Students with Autism Grant in the amount of \$3,201,275. The Autism and Dyslexia Grant Award Programs, authorized by House Bill 1525, Section 10, 87th Texas Legislature, allocated \$50,000,000 across the biennium for LEAs. Senate Bill 1, Rider 69, allocated an additional \$10,000,000 across the biennium specifically for autism grants to LEAs. The purpose of these grants is to increase local capacity of LEAs to appropriately serve students with autism by providing innovative services that improve functional and/or academic outcomes for students with autism. The project will result in effective, scalable models that can be replicated in other areas of the state. During the application process, Texarkana ISD created an SSA to include Liberty Eylau ISD, New Boston ISD, Queen City ISD and Atlanta ISD.
- Texarkana ISD was awarded a total of \$3,286,566 in Texas COVID Learning Acceleration Supports (TCLAS) funds. These funds are a set of funding and targeted supports available to LEAs to accelerate student learning in the wake of COVID-19, utilizing state and federal funds. This consisted of one streamlined application, but is divided into 9 decision sets. These grants allowed the district to strategically plan performance management, acquire innovative instructional materials, create stronger teacher pipelines, create more time in the classroom for students the experience the COVID-19 slide and explore different innovative school models for years to come. In 2021-2022, Texarkana ISD expended \$676,532 with the remaining funds to be spread across the next two school years.
- Texarkana ISD was awarded the 21st Century Community Learning Centers (CCLC) Grant on July 1, 2021 totaling \$1,699,395. The purpose of the 21st CCLC program is to provide extended learning opportunities outside of the regular school day to students in need of academic assistance. The program is aimed at students who attend high-need, high-poverty and low-performing schools. The overall program is inclusive of specific core elements based on recommended principles and effective strategies to ensure successful programs that will assist students in meeting academic standards in core subjects (math, reading, science, social studies) so they can graduate from high school prepared for college and/or the workforce. Texarkana ISD utilized all funds to operate the ACE program, which was implemented in the 2021-2022 school year. The ACE program provides no-cost activities after school and during the summer for K-12 students in our Title I campuses.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented in the balance sheet on page 5) reported a combined fund balance of \$28.3 million. Fund Balance in the General Fund remained consistent at \$16.9 million. Other significant changes in fund balances should also be noted. Capital Projects Fund-Fund Balance as of June 30, 2022, was \$1,758,880. 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.

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 \$16.9 million reported on page 4 differs from the General Fund's budgeted fund balance of \$16.3 million reported in the budgetary comparison schedule on page 50.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2022, the District had \$192 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 2021-2022 school year, the District had \$61.3 million in bonds and notes outstanding, versus \$66 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.

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

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 2021-22
	2021	2022	2021	2022	2021	2022	
Land	\$ 5,838	\$ 5,838	\$ -		\$ 5,838	\$ 5,838	0.00%
Buildings and improvements	166,794	169,340	9	9	166,803	169,349	1.53%
Furniture and equipment	12,408	14,595	269	269	12,677	14,864	17.25%
Construction in progress	643	2,310	-		643	2,310	259.25%
Intangible Right-to-Use Lease Asset	318	366	-			366	
Totals at historical cost	186,001	192,449	278	278	185,961	192,727	3.64%
Less accumulated depreciation for:							
Buildings and improvements	(79,493)	(84,649)	(8)	(9)	(79,501)	(84,658)	6.49%
Furniture and equipment	(10,661)	(11,227)	(257)	(264)	(10,918)	(11,491)	5.25%
Intangible Right-to-Use Lease Asset	(155)	(264)	-	-	(155)	(264)	
Total accumulated depreciation	(90,309)	(96,140)	(265)	(273)	(90,574)	(96,413)	6.45%
Net capital assets	\$ 95,692	\$ 96,309	\$ 13	\$ 5	\$ 95,387	\$ 96,314	0.97%

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

NEXT YEAR'S BUDGETS AND RATES

The District's elected and appointed officials considered many factors when setting the fiscal-year 2022-2023 budget and tax rate. During the preparation of the 2022-23 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 2022-23 budget was built with priorities given to targeting learning loss, along with addressing the social 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 4th year in a row. The no-new revenue tax rate of \$1.1979 per \$100 valuation for the district was approved. This rate consists of an M&O tax rate of \$0.9429 and I&S tax rate of \$0.2550.

Changes in the state funding formula continue to affect district operations. These factors were taken into account when adopting the General Fund budget for 2022-2023 school year. Amounts available for appropriation in the General Fund budget are \$76 million. The revenue from local sources, majority property taxes, account for approximately 37.29% of available General fund revenues. State Foundation Revenue accounts for approximately 61.46% 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 2023.

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, 2022

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 Cash and Cash Equivalents	\$ 8,712,763	\$ 1,302,978	\$ 10,015,741	\$ 216,764
1120 Current Investments	29,744,236	-	29,744,236	369,512
1210 Property Taxes - Current	1,923,741	-	1,923,741	-
1230 Allowance for Uncollectible Taxes	(605,733)	-	(605,733)	-
1240 Due from Other Governments	13,808,405	-	13,808,405	-
1250 Accrued Interest	1,560	-	1,560	-
1270 Due from Component Unit	-	-	-	6,000
1300 Inventories	586,310	18,696	605,006	-
1490 Other Current Assets	46,732	-	46,732	-
Capital Assets:				
1510 Land	5,838,168	-	5,838,168	-
1520 Buildings, Net	84,690,694	445	84,691,139	-
1530 Furniture and Equipment, Net	3,368,017	4,889	3,372,906	-
1550 Right-to-Use Leased Assets, Net	102,940	-	102,940	-
1580 Construction in Progress	2,309,955	-	2,309,955	-
1800 Restricted Assets	-	-	-	158,762
1910 Long Term Investments	-	-	-	91,779
1000 Total Assets	150,527,788	1,327,008	151,854,796	842,817
DEFERRED OUTFLOWS OF RESOURCES				
1701 Deferred Charge for Refunding	1,215,783	-	1,215,783	-
1705 Deferred Outflow Related to TRS Pension	6,239,150	-	6,239,150	-
1706 Deferred Outflow Related to TRS OPEB	6,569,985	-	6,569,985	-
1700 Total Deferred Outflows of Resources	14,024,918	-	14,024,918	-
LIABILITIES				
2110 Accounts Payable	2,489,547	3,919	2,493,466	136,298
2140 Interest Payable	1,026,195	-	1,026,195	-
2150 Payroll Deductions and Withholdings	979,371	-	979,371	-
2160 Accrued Wages Payable	6,448,698	-	6,448,698	-
2178 Due to Component Unit	-	-	-	15,000
2180 Due to Other Governments	14,332,188	125	14,332,313	-
2300 Unearned Revenue	840,852	-	840,852	-
Noncurrent Liabilities:				
2501 Due Within One Year: Loans, Note, Leases, etc. Due in More than One Year:	4,367,458	-	4,367,458	-
2502 Bonds, Notes, Loans, Leases, etc.	56,950,498	-	56,950,498	-
2540 Net Pension Liability (District's Share)	10,740,917	-	10,740,917	-
2545 Net OPEB Liability (District's Share)	23,788,195	-	23,788,195	-
2000 Total Liabilities	121,963,919	4,044	121,967,963	151,298
DEFERRED INFLOWS OF RESOURCES				
2605 Deferred Inflow Related to TRS Pension	12,673,040	-	12,673,040	-
2606 Deferred Inflow Related to TRS OPEB	17,722,538	-	17,722,538	-
2600 Total Deferred Inflows of Resources	30,395,578	-	30,395,578	-
NET POSITION				
3200 Net Investment in Capital Assets and Right-to-Use Restricted:	35,031,087	-	35,031,087	-
3820 Restricted for Federal and State Programs	5,470,926	-	5,470,926	-
3850 Restricted for Debt Service	3,628,392	-	3,628,392	-
3860 Restricted for Capital Projects	1,758,880	-	1,758,880	-
3870 Restricted for Campus Activities	550,882	-	550,882	-
3890 Restricted for Other Purposes	-	-	-	250,541
3900 Unrestricted	(34,246,958)	1,322,964	(32,923,994)	440,978
3000 Total Net Position	\$ 12,193,209	\$ 1,322,964	\$ 13,516,173	\$ 691,519

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, 2022

Data Control Codes	1 Expenses	Program Revenues	
		3 Charges for Services	4 Operating Grants and Contributions
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
11 Instruction	\$ 53,044,637	\$ 191,957	\$ 10,036,044
12 Instructional Resources and Media Services	444,420	-	49,889
13 Curriculum and Instructional Staff Development	2,372,936	-	408,589
21 Instructional Leadership	545,869	-	460,353
23 School Leadership	5,246,491	-	12,352
31 Guidance, Counseling, and Evaluation Services	2,622,945	-	1,185,266
32 Social Work Services	70,818	-	(1,319)
33 Health Services	909,024	-	272,680
34 Student (Pupil) Transportation	382,959	-	19,832
35 Food Services	6,616,009	150,021	8,801,228
36 Extracurricular Activities	3,203,570	805,764	(30,521)
41 General Administration	4,305,399	-	1,817
51 Facilities Maintenance and Operations	8,750,354	63,384	386,082
52 Security and Monitoring Services	947,475	-	(16,462)
53 Data Processing Services	134,930	-	-
61 Community Services	837,659	62,289	859,950
72 Debt Service - Interest on Long-Term Debt	2,572,499	-	3,273
73 Debt Service - Bond Issuance Cost and Fees	5,000	-	-
81 Capital Outlay	-	-	1,940,023
93 Payments Related to Shared Services Arrangements	688,955	-	-
99 Other Intergovernmental Charges	433,223	-	-
[TG] Total Governmental Activities:	<u>94,135,172</u>	<u>1,273,415</u>	<u>24,389,076</u>
BUSINESS-TYPE ACTIVITIES:			
01 Food Service Catering	112,679	103,061	-
02 Print Shop Activity	105,128	131,928	-
03 Public Relations Activity Fund	7,312	16,334	-
04 Texarkana College Food Service	108	-	-
[TB] Total Business-Type Activities:	<u>225,227</u>	<u>251,323</u>	<u>-</u>
[TP] TOTAL PRIMARY GOVERNMENT:	<u>\$ 94,360,399</u>	<u>\$ 1,524,738</u>	<u>\$ 24,389,076</u>
Component Unit:			
1C Nonmajor Component Unit	<u>242,399</u>	<u>-</u>	<u>-</u>
[TC] TOTAL COMPONENT UNITS:	<u>\$ 242,399</u>	<u>\$ -</u>	<u>\$ -</u>

Data	General Revenues:
Control	Taxes:
Codes	
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
PA	Prior Period Adjustment
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
\$ (42,816,636)	\$ -	\$ (42,816,636)	\$ -
(394,531)	-	(394,531)	-
(1,964,347)	-	(1,964,347)	-
(85,516)	-	(85,516)	-
(5,234,139)	-	(5,234,139)	-
(1,437,679)	-	(1,437,679)	-
(72,137)	-	(72,137)	-
(636,344)	-	(636,344)	-
(363,127)	-	(363,127)	-
2,335,240	-	2,335,240	-
(2,428,327)	-	(2,428,327)	-
(4,303,582)	-	(4,303,582)	-
(8,300,888)	-	(8,300,888)	-
(963,937)	-	(963,937)	-
(134,930)	-	(134,930)	-
84,580	-	84,580	-
(2,569,226)	-	(2,569,226)	-
(5,000)	-	(5,000)	-
1,940,023	-	1,940,023	-
(688,955)	-	(688,955)	-
(433,223)	-	(433,223)	-
(68,472,681)	-	(68,472,681)	-
-	(9,618)	(9,618)	-
-	26,800	26,800	-
-	9,022	9,022	-
-	(108)	(108)	-
-	26,096	26,096	-
(68,472,681)	26,096	(68,446,585)	-
-	-	-	(242,399)
-	-	-	(242,399)
23,174,221	-	23,174,221	-
5,609,173	-	5,609,173	-
39,144,339	-	39,144,339	-
7,008,855	-	7,008,855	-
108,439	-	108,439	(7,895)
879,440	-	879,440	280,232
75,924,467	-	75,924,467	272,337
7,451,786	26,096	7,477,882	29,938
4,706,014	1,296,868	6,002,882	661,581
35,409	-	35,409	-
\$ 12,193,209	\$ 1,322,964	\$ 13,516,173	\$ 691,519

Governmental Fund Financial Statements

TEXARKANA INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

Data Control Codes	10 General Fund	20 Child Nutrition	50 Debt Service Fund
ASSETS			
1110 Cash and Cash Equivalents	\$ 171,564	\$ 4,980,831	\$ 364,338
1120 Investments - Current	26,151,218	-	3,563,803
1210 Property Taxes - Current	1,579,095	-	344,646
1230 Allowance for Uncollectible Taxes	(509,275)	-	(96,458)
1240 Due from Other Governments	8,912,251	125,052	86,606
1250 Accrued Interest	1,560	-	-
1260 Due from Other Funds	3,178,787	-	307,427
1300 Inventories	28,290	558,020	-
1490 Other Current Assets	46,731	-	-
1000 Total Assets	<u>\$ 39,560,221</u>	<u>\$ 5,663,903</u>	<u>\$ 4,570,362</u>
LIABILITIES			
2110 Accounts Payable	\$ 929,068	\$ 42,492	\$ -
2150 Payroll Deductions and Withholdings Payable	908,408	13,068	-
2160 Accrued Wages Payable	5,027,726	137,417	-
2170 Due to Other Funds	1,558,817	-	-
2180 Due to Other Governments	13,547,281	-	784,907
2300 Unearned Revenue	719,205	-	157,063
2000 Total Liabilities	<u>22,690,505</u>	<u>192,977</u>	<u>941,970</u>
FUND BALANCES			
Nonspendable Fund Balance:			
3410 Inventories	28,290	558,020	-
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	2,412,906	-
3480 Retirement of Long-Term Debt	-	-	3,628,392
Committed Fund Balance:			
3510 Construction	8,000,000	2,500,000	-
Assigned Fund Balance:			
3590 Other Assigned Fund Balance	-	-	-
3600 Unassigned Fund Balance	8,841,426	-	-
3000 Total Fund Balances	<u>16,869,716</u>	<u>5,470,926</u>	<u>3,628,392</u>
4000 Total Liabilities and Fund Balances	<u>\$ 39,560,221</u>	<u>\$ 5,663,903</u>	<u>\$ 4,570,362</u>

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

60 Capital Projects	Other Funds	Total Governmental Funds
\$ 1,872,568	\$ 1,323,462	\$ 8,712,763
29,215	-	29,744,236
-	-	1,923,741
-	-	(605,733)
-	4,684,496	13,808,405
-	-	1,560
-	-	3,486,214
-	-	586,310
-	-	46,731
<u>\$ 1,901,783</u>	<u>\$ 6,007,958</u>	<u>\$ 57,704,227</u>
\$ 142,903	\$ 1,375,084	\$ 2,489,547
-	57,895	979,371
-	1,283,555	6,448,698
-	1,927,397	3,486,214
-	-	14,332,188
-	813,145	1,689,413
<u>142,903</u>	<u>5,457,076</u>	<u>29,425,431</u>
-	-	586,310
-	-	2,412,906
-	-	3,628,392
1,758,880	-	12,258,880
-	550,882	550,882
-	-	8,841,426
<u>1,758,880</u>	<u>550,882</u>	<u>28,278,796</u>
<u>\$ 1,901,783</u>	<u>\$ 6,007,958</u>	<u>\$ 57,704,227</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2022

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$	28,278,796
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 \$186,001,304 and the accumulated depreciation was (\$90,308,450). 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.		30,098,556
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 2022 capital outlays and debt principal payments is to increase net position.		11,110,163
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 \$8,647,528, a Deferred Resource Inflow in the amount of \$3,938,711 and a net pension liability in the amount of \$23,224,192. The impact of this on Net Position is (18,515,375). Changes from the current year reporting of the TRS plan resulted in a increase in net position in the amount of \$1,340,568. 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 (\$17,174,807) .		(17,174,807)
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 \$23,788,195, a deferred outflow of \$6,569,985 and a deferred inflow of \$17,722,538. This resulted in a difference between the ending fund balance and the ending net position of (\$34,940,748).		(34,940,748)
5 The 2022 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(6,027,312)
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.		848,561
19 Net Position of Governmental Activities	\$	12,193,209

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, 2022

Data Control Codes	10 General Fund	20 Child Nutrition	50 Debt Service Fund
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 24,616,132	\$ 415,722	\$ 5,673,147
5800 State Program Revenues	47,145,501	43,679	636,463
5900 Federal Program Revenues	2,062,304	8,664,183	-
5020 Total Revenues	<u>73,823,937</u>	<u>9,123,584</u>	<u>6,309,610</u>
EXPENDITURES:			
Current:			
0011 Instruction	43,164,732	-	-
0012 Instructional Resources and Media Services	382,293	-	-
0013 Curriculum and Instructional Staff Development	2,119,900	-	-
0021 Instructional Leadership	149,910	-	-
0023 School Leadership	5,719,096	-	-
0031 Guidance, Counseling, and Evaluation Services	1,698,531	-	-
0032 Social Work Services	79,096	-	-
0033 Health Services	450,388	-	-
0034 Student (Pupil) Transportation	289,325	-	-
0035 Food Services	-	6,587,451	-
0036 Extracurricular Activities	2,871,184	-	-
0041 General Administration	4,393,293	-	-
0051 Facilities Maintenance and Operations	9,220,903	310,943	-
0052 Security and Monitoring Services	1,068,950	-	-
0053 Data Processing Services	134,930	-	-
0061 Community Services	35,496	-	-
Debt Service:			
0071 Principal on Long-Term Liabilities	106,197	3,207	4,027,971
0072 Interest on Long-Term Liabilities	4,815	66	2,944,604
0073 Bond Issuance Cost and Fees	-	-	5,000
Capital Outlay:			
0081 Facilities Acquisition and Construction	-	-	-
Intergovernmental:			
0093 Payments to Fiscal Agent/Member Districts of SSA	688,955	-	-
0099 Other Intergovernmental Charges	433,223	-	-
6030 Total Expenditures	<u>73,011,217</u>	<u>6,901,667</u>	<u>6,977,575</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>812,720</u>	<u>2,221,917</u>	<u>(667,965)</u>
OTHER FINANCING SOURCES (USES):			
7912 Sale of Real and Personal Property	18,543	-	-
7913 Right-to-Use Leases	48,428	-	-
7915 Transfers In	408,250	-	1,680,862
8911 Transfers Out (Use)	(1,680,862)	-	-
7080 Total Other Financing Sources (Uses)	<u>(1,205,641)</u>	<u>-</u>	<u>1,680,862</u>
1200 Net Change in Fund Balances	(392,921)	2,221,917	1,012,897
0100 Fund Balance - July 1 (Beginning)	17,262,637	3,249,009	2,615,495
1300 Prior Period Adjustment	-	-	-
3000 Fund Balance - June 30 (Ending)	<u>\$ 16,869,716</u>	<u>\$ 5,470,926</u>	<u>\$ 3,628,392</u>

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

	60 Capital Projects	Other Funds	Total Governmental Funds
\$	7,881	\$ 820,465	\$ 31,533,347
	-	829,710	48,655,353
	-	15,452,463	26,178,950
	7,881	17,102,638	106,367,650
	-	10,744,386	53,909,118
	-	54,861	437,154
	-	437,005	2,556,905
	-	462,606	612,516
	-	115,415	5,834,511
	-	1,216,854	2,915,385
	-	-	79,096
	-	282,365	732,753
	-	24,005	313,330
	-	-	6,587,451
	-	634,350	3,505,534
	-	54,113	4,447,406
	-	169,565	9,701,411
	-	-	1,068,950
	-	-	134,930
	-	870,512	906,008
	-	-	4,137,375
	-	-	2,949,485
	-	-	5,000
	2,593,639	1,940,023	4,533,662
	-	-	688,955
	-	-	433,223
	2,593,639	17,006,060	106,490,158
	(2,585,758)	96,578	(122,508)
	-	-	18,543
	-	-	48,428
	-	-	2,089,112
	(408,250)	-	(2,089,112)
	(408,250)	-	66,971
	(2,994,008)	96,578	(55,537)
	4,752,888	418,895	28,298,924
	-	35,409	35,409
\$	1,758,880	\$ 550,882	\$ 28,278,796

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, 2022

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$	(55,537)
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 2022 capital outlays and debt principal payments is to increase net position.		11,110,163
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.		(6,027,312)
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 increase net position.		2,280
Current year changes due to GASB 68 decreased revenues in the amount of (\$3,008,764) but also increased expenditures in the amount of \$4,349,332. The net effect on the change in the ending net position was an increase in the amount of \$1,340,568.		1,340,568
Current year changes due to GASB 75 increased revenues in the amount of (\$1,788,528) but also increased expenditures in the amount of \$2,870,152. The net effect on the change in the ending net position was an increase in the amount of \$1,081,624.		1,081,624
Change in Net Position of Governmental Activities	<u>\$</u>	<u>7,451,786</u>

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, 2022

	Business-Type Activities
	Total Enterprise Funds
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 1,302,978
Inventories	18,696
Total Current Assets	1,321,674
Noncurrent Assets:	
Capital Assets:	
Buildings and Improvements	9,200
Depreciation on Buildings	(8,755)
Furniture and Equipment	269,005
Depreciation on Furniture and Equipment	(264,116)
Total Noncurrent Assets	5,334
Total Assets	1,327,008
LIABILITIES	
Current Liabilities:	
Accounts Payable	3,919
Due to Other Governments	125
Total Liabilities	4,044
NET POSITION	
Unrestricted Net Position	1,322,964
Total Net Position	\$ 1,322,964

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, 2022

	Business-Type Activities
	Total Enterprise Funds
<hr/>	
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 248,686
State Program Revenues	2,637
Total Operating Revenues	251,323
OPERATING EXPENSES:	
Payroll Costs	35,029
Professional and Contracted Services	56,729
Supplies and Materials	123,011
Other Operating Costs	2,881
Depreciation Expense	7,577
Total Operating Expenses	225,227
Operating Income	26,096
Total Net Position - July 1 (Beginning)	1,296,868
Total Net Position - June 30 (Ending)	\$ 1,322,964

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, 2022

EXHIBIT D-3

	Business-Type Activities
	Total Enterprise Funds
<u>Cash Flows from Operating Activities:</u>	
Cash Received from User Charges	\$ 245,282
Cash Payments to Employees for Services	(28,154)
Cash Payments for Suppliers	(189,676)
	27,452
Net Cash Provided by Operating Activities	27,452
Net Increase in Cash and Cash Equivalents	1,275,526
Cash and Cash Equivalents at Beginning of Year	1,275,526
Cash and Cash Equivalents at End of Year	\$ 1,302,978
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Income:	\$ 26,096
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	7,577
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Inventories	(6,041)
Increase (decrease) in Accounts Payable	(180)
Net Cash Provided by Operating Activities	\$ 27,452

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, 2022

	Private Purpose Trust Funds	Total Custodial Funds
ASSETS		
Cash and Cash Equivalents	\$ 463,111	\$ 605,157
Total Assets	<u>463,111</u>	<u>\$ 605,157</u>
LIABILITIES		
Accounts Payable	-	655
Total Liabilities	<u>-</u>	<u>655</u>
NET POSITION		
Restricted for Other Purposes	463,111	-
Unrestricted Net Position	<u>-</u>	<u>604,502</u>
Total Net Position	<u>\$ 463,111</u>	<u>\$ 604,502</u>

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

TEXARKANA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Private Purpose Trust Funds	Total Custodial Funds
ADDITIONS:		
Enterprising Services Revenue	\$ 185,099	\$ 493,442
Earnings from Temporary Deposits	718	-
Contributions, Gifts and Donations	7,520	-
Total Additions	<u>193,337</u>	<u>493,442</u>
DEDUCTIONS:		
Payroll Costs	-	200,000
Professional and Contracted Services	-	28,010
Supplies and Materials	113,988	156,425
Other Deductions	10,879	99,289
Total Deductions	<u>124,867</u>	<u>483,724</u>
Change in Fiduciary Net Position	68,470	9,718
Total Net Position - July 1 (Beginning)	394,641	630,193
Prior Period Adjustment	<u>-</u>	<u>(35,409)</u>
Total Net Position - June 30 (Ending)	<u>\$ 463,111</u>	<u>\$ 604,502</u>

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

Notes to the Financial Statements

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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.

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.

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

A. Summary of Significant Accounting Policies (Continued)

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

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).

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.

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

A. Summary of Significant Accounting Policies (Continued)

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

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, 2022

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, and Texarkana College 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, 2022**

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 ensure accuracy in building a statewide data base for policy development and funding plans.

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

6. Budgetary Data

Formal budgetary accounting is employed for all required Governmental Fund Types, as outlined in the 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, 2022, for both budgeted and unbudgeted special revenue funds is as follows:

Budgeted Funds - Child Nutrition Special Revenue Fund	\$	5,470,926
Unbudgeted Funds		-
All Special Revenue Funds	<u>\$</u>	<u>5,470,926</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, 2022, 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, 2022

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, 2022, the nonspendable fund balance include \$28,290 for inventories in the general fund and \$558,020 for inventories in the child nutrition program in the Special Revenue Fund. The Debt Service Fund has restricted a total of \$3,628,392 for retirement of funded indebtedness as of June 30, 2022. Amounts totaling \$8,000,000, \$1,758,880, and \$2,500,000 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 \$550,882 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 2022, 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, 2022

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	166,793,906	79,492,651	87,301,255	
Furniture and Equipment	12,408,479	10,660,810	1,747,669	
Right-to-Use Lease Asset	318,043	154,989	163,054	
Construction in Progress	642,708	-	642,708	
				<u>\$ 95,692,854</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			\$ (42,236,030)	
Notes Payable			(12,154,928)	
Accrued Interest on Notes and Bonds			(982,320)	
Premium and Discount on Issuance of Bonds			(11,482,146)	
Right-to-Use Lease Liability			(163,057)	
Deferred Gain/Loss on Refunding			1,424,183	
				<u>\$ (65,594,298)</u>
				<u>\$ 30,098,556</u>

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

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	\$ (23,224,192)	\$ 12,483,275	\$ (10,740,917)
Deferred Inflow	(3,938,711)	(8,734,329)	(12,673,040)
Deferred Outflow	8,647,528	(2,408,378)	6,239,150
Net Adjustment to Net Position	<u>\$ (18,515,375)</u>	<u>\$ 1,340,568</u>	<u>\$ (17,174,807)</u>

	Adjustment to Net Position	Adjustment to Changes in Net Position	Ending Impact on Net Position
Net OPEB Liability	\$ (24,259,134)	\$ 470,939	\$ (23,788,195)
Deferred Inflow	(17,763,904)	41,366	(17,722,538)
Deferred Outflow	6,000,666	569,319	6,569,985
Net Adjustment to Net Position	<u>\$ (36,022,372)</u>	<u>\$ 1,081,624</u>	<u>\$ (34,940,748)</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, 2022

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	2,557,874		
Furniture & Equipment	2,366,458		
Right-to-Use Lease Asset	48,428		
Construction in Progress (Net Change)	<u>1,667,247</u>		
Total Capital Outlay	<u>\$ 6,640,007</u>	<u>\$ 6,640,007</u>	<u>\$ 6,640,007</u>
 <u>Debt and Principal Activity</u>			
Bond Principal Payments	\$ 2,735,000		
Loan Principal Payments	<u>1,294,361</u>		
Total Principal Activity	<u>\$ 4,029,361</u>	<u>\$ 4,029,361</u>	<u>\$ 4,029,361</u>
 <u>Other Items</u>			
Disposal of Assets	\$ 4,223		
Change in Accrued Interest Payable	(43,875)		
Change in Right-to-Use Lease Liability	56,309		
Change in Bond Premium and Accretion:			
Deferred Amount on Refunding Bonds	(208,400)		
Accretion on Cap Appreciation (Net)	(18,190)		
Amortization of Premium on Bonds (Net)	<u>650,727</u>		
Total Other Items	<u>\$ 440,794</u>	<u>\$ 440,794</u>	<u>\$ 440,794</u>
Total Adjustment to Net Position		<u><u>\$ 11,110,163</u></u>	<u><u>\$ 11,110,163</u></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	(891,945)	\$ (891,945)	\$ -
Uncollected Taxes (assumed collectible)	364,948	364,948	364,948
PY Uncollected Taxes (assumed collectible)	483,613	483,613	483,613
PY Tax Collections	45,664	45,664	-
Total Changes		<u><u>\$ 2,280</u></u>	<u><u>\$ 848,561</u></u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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 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, 2022, \$510,000 of the bonds are outstanding.

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, 2022, \$31,480,000 of the bonds are outstanding.

A summary of changes in general long-term debt for the year ended June 30, 2022, is as follows:

Description	Interest Rate Payable	Original Issued	Outstanding 6/30/2021	Issued	Retired	Outstanding 6/30/2022
Unlimited Tax Refunding Bonds - Series 2010	2.00% - 4.00%	\$ 5,070,000	\$ 995,000	\$ -	\$ 485,000	\$ 510,000
Unlimited Tax Refunding Bonds - Series 2015	2.00% - 5.00%	27,150,000	23,010,000	-	385,000	22,625,000
Unlimited Tax School Building & Refunding Bonds - Series 2015	2.00% - 5.00%	15,780,000	10,720,000	-	1,865,000	8,855,000
Totals			<u>\$ 34,725,000</u>	<u>\$ -</u>	<u>\$ 2,735,000</u>	<u>\$ 31,990,000</u>

Debt Service requirements are as follows:

Years Ending June 30,	Principal	Interest	Total
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	1,860,000	3,423,200	5,283,200
2028-2032	6,920,000	6,839,250	13,759,250
2033-2037	9,040,000	2,475,250	11,515,250
2038-2039	4,295,000	324,750	4,619,750
Total Bonded Debt	<u>\$ 31,990,000</u>	<u>\$ 24,365,514</u>	<u>\$ 56,355,514</u>

There was \$2,558,713 in bond interest expense paid for during the year.

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

D. Capital Asset Activity

Capital Asset Activity for the District for the year ended June 30, 2022, was as follows:

	Primary Government			Balance 6/30/2022
	Balance 6/30/2021	Additions	Reductions	
Governmental Activities:				
Land	\$ 5,838,168	\$ -	\$ -	\$ 5,838,168
Building and Improvements	166,793,906	2,565,242	(18,868)	169,340,280
Furniture and Equipment	12,408,479	2,367,536	(181,432)	14,594,583
Construction in Progress	642,708	2,309,955	(642,708)	2,309,955
Intangible Right-to-Use Lease Asset	318,043	48,428	-	366,471
Totals at Historical Cost	<u>186,001,304</u>	<u>7,291,161</u>	<u>(843,008)</u>	<u>192,449,457</u>
Less Accumulated Depreciation				
Buildings and Improvements	79,492,651	5,172,657	(15,723)	84,649,585
Furniture and Equipment	10,660,810	746,110	(180,354)	11,226,566
Less Accumulated Amortization for				
Intangible Right-to-Use Lease Asset	154,989	108,545	-	263,534
Total Accumulated Depreciation	<u>90,308,450</u>	<u>6,027,312</u>	<u>(196,077)</u>	<u>96,139,685</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 95,692,854</u>	<u>\$ 1,263,849</u>	<u>\$ (646,931)</u>	<u>\$ 96,309,774</u>
	Balance			Balance
	6/30/2021	Additions	Reductions	6/30/2022
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	8,458	297	-	8,755
Furniture and Equipment	256,836	7,280	-	264,116
Total Accumulated Depreciation	<u>265,294</u>	<u>7,577</u>	<u>-</u>	<u>272,871</u>
Business-type Activities				
Capital Assets, Net	<u>\$ 12,911</u>	<u>\$ (7,577)</u>	<u>\$ -</u>	<u>\$ 5,334</u>

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

	Governmental ROU Leases	Governmental Fixed Assets	Business-Type
Instruction	\$ 93,861	\$ 4,794,684	\$ -
Instructional Resource & Media Services	-	40,414	-
Curriculum & Instructional Staff Development	5,065	4,352	-
Health Services	-	258,633	-
Student Transportation	-	90,155	-
Food Services	3,087	444,158	7,577
Cocurricular/Extracurricular Activities	937	-	-
General Administration	2,729	223,573	-
Plant Maintenance and Operations	2,866	43,523	-
Security and Monitoring Services	-	19,275	-
Total Governmental Depreciation	<u>\$ 108,545</u>	<u>\$ 5,918,767</u>	<u>\$ 7,577</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

E. Changes in Long-term Liabilities

Long-term activity for the year ending June 30, 2022 was as follows:

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds	\$ 34,725,000	\$ -	\$ 2,735,000	\$ 31,990,000	\$ 2,610,000
Accretion on Capital Appreciation Bonds	7,511,029	1,488,190	1,470,000	7,529,219	(299,235)
Bond Premium	11,482,146	-	650,727	10,831,419	725,929
Loans	12,154,928	-	1,294,361	10,860,567	1,263,467
Leases	163,057	48,428	104,740	106,745	67,298
Total Governmental Activities Long-term Liabilities	\$ 66,036,160	\$ 1,536,618	\$ 6,254,828	\$ 61,317,950	\$ 4,367,459

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	\$ 871,488	\$ 871,488
Medicaid Administrative Claims	93.778	30,362	30,362
E-Rate	N/A	127,542	127,542
Indirect Costs:			
ESSA, Title I, Part A	84.010A	104,459	104,459
IDEA-B, Formula	84.027A	48,749	48,749
IDEA-B, Preschool	84.173A	558	558
IDEA-B, Preschool	84.173X	365	365
ESSA, Title II Part A	84.367A	5,450	5,450
Title III, Part A, Immigrant, ELA	84.365A	3,027	3,027
Perkins V: Strengthening CTE For 21st Century	84.048A	3,000	3,000
Title IV, Part A, Subpart I	84.424A	7,997	7,997
21st Century Community Learning Center	84.287C	64,296	64,296
COVID- 19 ESSER II	84.425D	472,048	472,048
COVID- 19 CRRSA ESSER II	84.425U	46,052	46,052
COVID- 19 ESSER III	84.425D	245,655	245,655
COVID- 19 CRRSA ESSER III	84.425U	20,138	20,138
COVID- 19 School Health Support Grant	93.323	11,118	11,118
Total		\$ 2,062,304	\$ 2,062,304

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2021, upon which the levy for the 2021-2022 fiscal year was based, was \$2,276,650,848. 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, 2022, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.0517 and \$.2550 per \$100 valuation, for a total of \$1.3067 per \$100 valuation.

Total tax collections for the year ended June 30, 2022, 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, 2022, property taxes receivable, net of estimated uncollectible taxes, totaled \$1,069,820 and \$248,188 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, 2022**

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 Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report is available at https://www.trs.texas.gov/Pages/about_publications.aspx 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 2021 ACFR for TRS provides the following information regarding the Pension Plan Fiduciary net position as of August 31, 2021.

<u>Net Pension Liability</u>	<u>Total</u>
Total Pension Liability	\$ 227,273,463,630
Less: Plan Fiduciary Net Position	<u>(201,807,002,496)</u>
Net Pension Liability	<u><u>\$ 25,466,461,134</u></u>
 Net Position as percentage of Total Pension Liability	 88.79%

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 on the previous page.

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

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

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

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>2021</u>	<u>2022</u>
Member	7.70%	7.70%
Non-Employer Contributing Entity (State)	7.50%	7.50%
Employers	7.50%	7.50%

Texarkana 2022 Employer Contributions	\$	2,242,397
Texarkana 2022 Member Contributions	\$	4,515,677
Texarkana 2021 NECE On-Behalf Contributions	\$	2,936,642

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

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

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

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

- All public schools must contribute 1.6 percent of the member’s salary beginning in fiscal year 2021, gradually increasing to 2 percent in fiscal year 2025.
- When employing a retiree of TRS, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

H. Pension Plan Obligations (Continued)

Actuarial Assumptions – The total pension liability in the August 31, 2021, actuarial valuation was determined using the following actuarial assumption:

Valuation Date	August 31, 2020 rolled forward to August 31, 2021
Actuarial Cost method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.25%
Long-term Expected Rate	7.25%
Municipal Bond Rate	1.95%
Last year ending August 31 in Projection Period (100 years)	2120
Inflation	2.30%
Salary Increases Including Inflation	3.05% to 9.05% including inflation
Ad hoc Post Employment Benefit Changes	None

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2020. For a full description of these assumptions please see the actuarial valuation report dated November 9, 2020.

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 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 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-estimate 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, 2022

H. Pension Plan Obligations (Continued)

Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2021, 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	18.0 %	3.6 %	0.94 %
Non-U.S. Developed	13.0	4.4	0.83
Emerging Markets	9.0	4.6	0.74
Private Equity	14.0	6.3	1.36
Stable Value			
Government Bonds	16.0 %	(0.2)%	0.01 %
Absolute Return	0.0	1.1	0.00
Stable Value Hedge Funds	5.0	2.2	0.12
Real Return			
Real Estate	15.0 %	4.5 %	1.00 %
Energy, Natural Resources and Infrastructure	6.0	4.7	0.35
Commodities	0.0	1.7	0.00
Risk Parity			
Risk Parity	8.0 %	2.8 %	0.28 %
Asset Allocation Leverage			
Cash	2.0 %	(0.7)%	(0.01) %
Asset Allocation Leverage	(6.0)	(0.5)	0.03
Inflation Expectation			2.20 %
Volatility Drag***			(0.95) %
Expected Return	100.0 %		6.90%

*Absolute Return includes Credit Sensitive Investments.

**Target allocations are based on the FY2021 policy model.

***Capital Market Assumptions come from Aon Hewitt (as of 8/31/2021).

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

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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 2021 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:	\$23,470,608	\$10,740,917	\$413,273

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2022, the District reported a liability of \$10,740,917 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	\$ 10,740,917
State's proportionate share that is associated with the District	17,524,618
Total	<u>\$ 28,265,535</u>

The net pension liability was measured as of August 31, 2020 and rolled forward to August 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2020, through August 31, 2021.

At August 31, 2021, the employer's proportion of the collective net pension liability was 0.042176716% which was a decrease of 0.001186012% from its proportion measured as of August 31, 2020.

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

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, 2022, the District recognized pension expense of \$1,457,636 and revenue of \$70,061 for support provided by the State.

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

H. Pension Plan Obligations (Continued)

At June 30, 2022, 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
Difference between expected and actual economic experience	\$ 17,975	\$ 756,169
Changes in actuarial assumptions	3,796,704	1,655,037
Difference between projected and actual investment earnings	-	9,006,119
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	539,164	1,255,715
Contributions paid to TRS subsequent to the measurement date	1,885,307	-
Total	\$ 6,239,150	\$ 12,673,040

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	\$ -1,420,342
2023	-1,456,161
2024	-2,255,464
2025	-2,926,441
2026	-213,073
Thereafter	-47,716

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, 2022, 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, 2022**

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, 2022, 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	\$ 24,913,181	\$ 24,913,181	\$ -	\$ -
Bank Held Investments	4,831,056	4,831,056	369,512	369,512
Total Level II Investments	<u>29,744,236</u>	<u>29,744,236</u>	<u>369,512</u>	<u>369,512</u>
Investments measured at NAV	<u>-</u>	<u>-</u>	<u>91,779</u>	<u>91,779</u>
Total Investments	<u>\$ 29,744,236</u>	<u>\$ 29,744,236</u>	<u>\$ 461,291</u>	<u>\$ 461,291</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

I. Deposits and Investments (Continued)

The bank held investments listed above include the following:

	District	Component Unit
Certificates of Deposit	\$ 4,831,056	\$ 369,512
Money Market Accounts	-	-
Total Bank Held Investments	\$ 4,831,056	\$ 369,512

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, 2022**

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, 2022:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Arkansas Community Foundation	\$ 91,779	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, 2022, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts) was \$15,603,456 and the bank balance was \$17,453,109. 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, 2022, are summarized on the following page.

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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.

	State Entitlements	Federal & State Grants	Taxing Authority	Total
General Fund	\$ 6,949,565	\$ 776,577	\$ 1,186,109	\$ 8,912,251
Special Revenue Fund	-	4,809,548	-	4,809,548
Debt Service	86,606	-	-	86,606
Total	<u>\$ 7,036,171</u>	<u>\$ 5,586,125</u>	<u>\$ 1,186,109</u>	<u>\$ 13,808,405</u>

M. Interfund Receivables and Payables

Interfund balances at June 30, 2022, consisted of the following individual fund receivables and payables for the Governmental, Business Type and Trust and Agency Funds:

	Receivable	Payable
General Fund		
General Fund	\$ 1,251,390	\$ 1,251,390
Debt Service Fund	-	307,427
Special Revenue Funds	1,927,398	-
Total General Fund	<u>3,178,787</u>	<u>1,558,817</u>
Special Revenue Funds		
General Fund	-	1,927,397
Total Special Revenue Funds	<u>-</u>	<u>1,927,397</u>
Debt Service Fund		
General Fund	307,427	-
Total Debt Service Fund	<u>307,427</u>	<u>-</u>
Grand Totals	<u><u>\$ 3,486,214</u></u>	<u><u>\$ 3,486,214</u></u>

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

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, 2022, 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>6/30/2021</u>	<u>Borrowed</u>	<u>Retired</u>	<u>Amt</u> <u>Outstanding</u> <u>6/30/2022</u>
Payable from Debt Service Fund							
2019	Maintenance	2.50%	\$ 1,000,000	\$ 910,000	\$ -	\$ 40,000	870,000
2019	Maintenance	2.00%	1,000,000	865,000	-	55,000	810,000
2018	Maintenance	2.84%	4,925,000	4,665,000	-	180,000	4,485,000
2011	Maintenance	2.96%	7,797,730	3,543,983	-	548,982	2,995,000
2010	Maintenance	2.95%	6,512,905	2,170,945	-	470,379	1,700,566
				<u>\$ 12,154,928</u>	<u>\$ -</u>	<u>\$ 1,294,361</u>	<u>\$ 10,860,567</u>

Interest expense for 2022 was \$385,891.

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

Q. Loans (Continued)

Debt service requirements are as follows:

Year Ended June 30,	Debt Service		
	Principal	Interest	Total
2023	\$ 1,263,467	\$ 335,468	\$ 1,598,935
2024	1,341,450	298,022	1,639,472
2025	1,384,088	254,144	1,638,232
2026	1,427,052	210,236	1,637,288
2027	1,499,510	169,642	1,669,152
2028-2032	3,465,000	311,263	3,776,263
2033-2037	405,000	58,675	463,675
2038	75,000	3,000	78,000
	<u>\$ 10,860,567</u>	<u>\$ 1,640,450</u>	<u>\$ 12,501,017</u>

R. Right-to-Use Lease Obligations

A summary of the right-to-use lease activity for the year ended June 30, 2022, is as follows:

<u>Asset Type</u>	Right-to-Use Lease Asset			Lease Asset <u>6/30/2022</u>
	<u>6/30/2021</u>	<u>Additions</u>	<u>Deductions</u>	
Copier/Printer	\$ 302,339	\$ 35,251	\$ -	\$ 337,590
Postage Machine	15,704	13,178	-	28,882
	<u>\$ 318,043</u>	<u>\$ 48,428</u>	<u>\$ -</u>	<u>\$ 366,472</u>
<u>Asset Type</u>	Accumulated Amortization			Accumulated Amortization <u>6/30/2022</u>
	<u>6/30/2021</u>	<u>Additions</u>	<u>Deductions</u>	
Copier/Printer	\$ (145,067)	\$ (104,526)	\$ -	\$ (249,593)
Postage Machine	(9,919)	(4,019)	-	(13,938)
	<u>\$ (154,983)</u>	<u>\$ (108,547)</u>	<u>\$ -</u>	<u>\$ (263,528)</u>
ROU Leased Asset (net)	<u>\$ 163,060</u>	<u>\$ (60,119)</u>	<u>\$ -</u>	<u>\$ 102,940</u>
<u>Asset Type</u>	Right-to-Use Lease Liability			Amt Outstanding <u>6/30/2022</u>
	<u>6/30/2021</u>	<u>Additions</u>	<u>Deductions</u>	
Copier/Printer	\$ 157,272	\$ 35,251	\$ 100,838	\$ 91,685
Postage Machine	5,785	13,177	3,899	15,063
	<u>\$ 163,060</u>	<u>\$ 48,428</u>	<u>\$ 104,740</u>	<u>\$ 106,748</u>

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

R. Right-to-Use Lease Obligations (Continued)

Amounts due for the right-to-use lease obligations are as follows:

<u>Year Ended June 30,</u>	<u>Principal Due</u>
2023	\$ 67,298
2024	27,146
2025	9,448
2026	2,857
	<u>\$ 106,748</u>

S. Litigation

At June 30, 2022, the District is not a defendant in any lawsuit. Accordingly, no liability has been reported in the financial statements.

T. 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 \$256,162 from July 1, 2021 thru July 1, 2022. The District is still responsible for past liabilities with Claims Administrative Services. The accrued liability for Claims Administrative Services self-insurance of \$12,531 includes incurred but not reported claims. This liability reported in the fund as of June 30, 2022 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.

Changes in the workers' compensation claims liability in fiscal years ended June 30, 2022 and 2021 are represented below:

	<u>2022</u>	<u>2021</u>
Beginning of Fiscal Year Liability	\$ 15,761	\$ 23,532
Current Year Claims and Changes	(1,499)	(7,042)
Claims Payments	<u>(1,729)</u>	<u>(729)</u>
End of Fiscal Year Liability	<u>\$ 12,531</u>	<u>\$ 15,761</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

U. Deferred Inflows of Resources and Unearned Revenues

Deferred revenue of the individual funds of the District at June 30, 2022, consisted of the following:

	General Fund	Special Revenue	Debt Service	Total
Net Tax Revenue	\$ 719,205	\$ -	\$ 157,063	\$ 876,268
Textbook Allotment (IMA)	-	109,379	-	109,379
Advanced Placement Allotment	-	87	-	87
Tigers Children's Clinic	-	43,206	-	43,206
Public School CCS	-	656,824	-	656,824
Head Start	-	3,649	-	3,649
	<u>\$ 719,205</u>	<u>\$ 813,145</u>	<u>\$ 157,063</u>	<u>\$ 1,689,413</u>

V. 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 \$230,286, \$229,430, and \$219,124 for 2022, 2021, and 2020, respectively.

W. Revenues from Local and Intermediate Sources

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

	General	Special Revenue	Debt Service	Capital Projects	Total
Property Taxes	\$ 23,168,193	-	\$ 5,572,275	-	\$ 28,740,468
Investment Income	93,164	16,494	7,394	7,881	124,932
Penalties & Interest	233,173	-	93,478	-	326,651
Tuition & Fees	69,007	60,239	-	-	129,246
Virtual School	177,347	-	-	-	177,347
Rent	63,384	-	-	-	63,384
Food Service	-	150,021	-	-	150,021
Gifts and Bequests	53,775	84,500	-	-	138,275
Athletic	150,133	-	-	-	150,133
Student Activity	9,203	646,428	-	-	655,631
Intermediate	46,639	-	-	-	46,639
Insurance Recovery	6,401	-	-	-	6,401
Other	545,713	278,505	-	-	824,218
	<u>\$ 24,616,132</u>	<u>\$ 1,236,187</u>	<u>\$ 5,673,147</u>	<u>\$ 7,881</u>	<u>\$ 31,533,347</u>

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

X. Defined Other Post-Employment Benefit Plans

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

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

OPEB Plan Fiduciary Net Position. Detail information about the TRS-Care’s fiduciary net position is available in the separately-issued TRS ACFR that includes financial statements and required supplementary information. That report is available at https://www.trs.texas.gov/Pages/about_publications.aspx 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, 2021, are as follows:

<u>Net OPEB Liability</u>	<u>Total</u>
Total OPEB Liability	\$ 41,113,711,083
Less: Plan Fiduciary Net Position	(2,539,242,470)
Net OPEB Liability	<u>\$ 38,574,468,613</u>
 Net Position as percentage of Total OPEB Liability	 6.18%

Benefits Provided. TRS-Care provides health insurance coverage 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 enroll in TRS-Care Standards, a high deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. There are no automatic post-employment benefit changes; including automatic COLAs.

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

TRS-Care Monthly Premium Rates

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

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

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

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

Texas Insurance Code, section 1575.202 establishes the state’s contribution rate, which is 1.25% of the employee’s salary. Section 1575.203 establishes the active employee’s rate which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public or charter school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The table on the following page shows contributions to the TRS-Care plan by type of contributor.

	<u>Contribution Rates</u>	
	<u>2021</u>	<u>2022</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 2022 FY Employer Contributions	\$	545,383
District's 2022 FY Member Contributions	\$	4,515,677
District's 2021 NECE On-Behalf Contributions	\$	645,463

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (regardless of whether 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.

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

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

Actuarial Assumptions. The actuarial valuation was performed as of August 31, 2020. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2021. 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. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2020 TRS pension actuarial valuation that was rolled forward to August 31, 2021:

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

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

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	1.95% as of August 31, 2021
Aging Factors	Based on Plan Specific Experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Salary Increases	3.05% - 9.05%, including inflation
Ad-hoc Post Employment Benefit Changes	None

Discount Rate. A single discount rate of 1.95% was used to measure the total OPEB liability. This was a decrease of 0.38% in the discount rate since the previous year. The Discount Rate can be found in the 2021 TRS ACFR on page 77. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non- employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to *not be able to* make all future benefit payments of current plan members. Therefore, the municipal bond rate was used for the long-term rate of return and was applied to all periods of projected benefit payments to determine the total OPEB liability.

The source of the municipal bond rate is the Fidelity "20-year Municipal GO AA Index" as of August 31, 2021 using the Fixed Income Market Data/Yield Curve/ Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

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

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 (1.95%) in measuring the net OPEB liability.

	1% Decrease (0.95%)	Current Single Discount Rate (1.95%)	1% Increase (2.95%)
District's proportionate share of the net OPEB liability	\$ 28,694,045	\$ 23,788,195	\$ 19,927,132

Healthcare Cost Trend Rates Sensitivity Analysis - The following schedule shows the impact of the net OPEB liability of a healthcare trend rate that is 1% less than and 1% greater than the health trend rates assumed.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 19,267,650	\$ 23,788,195	\$ 29,853,644

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

At June 30, 2022, the District reported a liability of \$23,788,195 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	\$ 23,788,195
State's proportionate share that is associated with the District	31,870,880
Total	<u><u>\$ 55,659,075</u></u>

The net OPEB liability was measured as of August 31, 2020, and rolled forward to August 31, 2021, 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, 2020, through August 31, 2021.

At August 31, 2021, the employer's proportion of the collective net OPEB liability was 0.061668239%, which is a decrease of 0.002147211% from its proportion measured as of August 31, 2020.

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

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

Changes Since the Prior Actuarial Valuation:

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

- The discount rate changed from 2.33% as of August 31, 2020, to 1.95%, as of August 31, 2021. This change increased the total OPEB liability.

Changes of Benefit Terms:

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

For the year ended June 30, 2022, the District recognized OPEB expense of \$470,241; in addition, the District recorded a reduction of \$1,176,279 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.

At June 30, 2022, 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
Difference between expected and actual economic experience	\$ 1,024,194	\$ 11,515,151
Changes in actuarial assumptions	2,634,822	5,030,763
Difference between projected and actual investment earnings	25,826	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	2,427,665	1,176,624
Contributions paid to TRS subsequent to the measurement date	457,478	-
Total	\$ 6,569,985	\$ 17,722,538

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
2023	\$ -2,246,312
2024	-2,246,895
2025	-2,246,735
2026	-1,620,571
2027	-772,844
Thereafter	-2,476,674

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

Y. Interfund Transfers

Interfund transfers for the year ended June 30, 2022 are as follows:

Fund	Transfer In	Transfer Out
General Fund:	\$ 408,250	\$ 1,680,862
General Fund	408,250	1,680,862
Capital Project Funds:	-	408,250
Capital Project Funds	-	408,250
Debt Service Fund:	1,680,862	-
Debt Service Fund	1,680,862	-
	\$ 2,089,112	\$ 2,089,112

Z. Virtual School

During the 2021-2022 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 2021-2022 school year to 334 students. State Funding for the majority of these students has been remitted to eSchool Texas, LLC to operate the campus. The 2021-2022 school year is the last year in which Texarkana ISD’s virtual school will be operated by eSchool Texas, LLC. The District will be operating its virtual school in-house starting with the 2022-2023 school year utilizing K-12.

AA. 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. Of this amount, \$4,829,210 was expended in the current year. The remainder will be used for future years.

The district was also awarded ESSER III funding in August 2021 in the amount of \$13,757,947. Of this award amount, the district spent \$4,486,481 during the 2021-22 year. The remaining funds will be spent by the district before the grant end date.

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

BB. 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 and subsequent years. The implementation of this standard required the District to reclassify previously reported agency funds as custodial funds.

The District restated fund balance and net position for the funds indicated below to appropriately reflect the July 1, 2021 balance as follows:

	Fund Balance June 30, 2021 As Previously Stated	Restatement Implementation of GASB 84	Fund Balance July 1, 2021 As Restated
Special Revenue Funds	\$418,895	\$35,409	\$454,304
	Net Position June 30, 2021 As Previously Stated	Restatement Implementation of GASB 84	Net Position July 1, 2021 As Restated
Custodial Funds	\$630,193	(\$35,409)	\$594,784

CC. Subsequent Events

Management has evaluated subsequent events through November 4, 2022, 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 AA). Any other effects on the operations of the school district are immeasurable at the date that the financial statements were available for distribution.

DD. 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, 2022

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	\$ 24,991,504	\$ 25,196,279	\$ 24,616,132	\$ (580,147)
5800 State Program Revenues	44,967,773	47,897,932	47,145,501	(752,431)
5900 Federal Program Revenues	1,753,000	1,812,000	2,062,304	250,304
5020 Total Revenues	71,712,277	74,906,211	73,823,937	(1,082,274)
EXPENDITURES:				
Current:				
0011 Instruction	41,385,601	43,996,771	43,164,732	832,039
0012 Instructional Resources and Media Services	393,436	403,011	382,293	20,718
0013 Curriculum and Instructional Staff Development	2,349,938	2,341,415	2,119,900	221,515
0021 Instructional Leadership	235,602	235,602	149,910	85,692
0023 School Leadership	5,811,272	5,793,843	5,719,096	74,747
0031 Guidance, Counseling, and Evaluation Services	1,766,978	1,766,978	1,698,531	68,447
0032 Social Work Services	78,598	88,598	79,096	9,502
0033 Health Services	620,262	470,262	450,388	19,874
0034 Student (Pupil) Transportation	209,937	352,617	289,325	63,292
0036 Extracurricular Activities	2,838,438	2,935,720	2,871,184	64,536
0041 General Administration	3,953,012	4,484,810	4,393,293	91,517
0051 Facilities Maintenance and Operations	9,211,880	9,397,930	9,220,903	177,027
0052 Security and Monitoring Services	959,633	1,084,533	1,068,950	15,583
0053 Data Processing Services	151,170	151,170	134,930	16,240
0061 Community Services	55,500	55,225	35,496	19,729
Debt Service:				
0071 Principal on Long-Term Liabilities	-	15,185	106,197	(91,012)
0072 Interest on Long-Term Liabilities	-	4,815	4,815	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	680,000	689,956	688,955	1,001
0099 Other Intergovernmental Charges	400,000	435,000	433,223	1,777
6030 Total Expenditures	71,101,257	74,703,441	73,011,217	1,692,224
1100 Excess of Revenues Over Expenditures	611,020	202,770	812,720	609,950
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	18,543	18,543
7913 Right-to-Use Leases	-	-	48,428	48,428
7915 Transfers In	-	464,250	408,250	(56,000)
8911 Transfers Out (Use)	(940,677)	(1,640,403)	(1,680,862)	(40,459)
7080 Total Other Financing Sources (Uses)	(940,677)	(1,176,153)	(1,205,641)	(29,488)
1200 Net Change in Fund Balances	(329,657)	(973,383)	(392,921)	580,462
0100 Fund Balance - July 1 (Beginning)	17,262,636	17,262,637	17,262,637	-
3000 Fund Balance - June 30 (Ending)	\$ 16,932,979	\$ 16,289,254	\$ 16,869,716	\$ 580,462

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, 2022

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	\$ 1,000,000	\$ 1,000,000	\$ 415,722	\$ (584,278)
5800 State Program Revenues	200,000	200,000	43,679	(156,321)
5900 Federal Program Revenues	5,650,000	5,650,000	8,664,183	3,014,183
5020 Total Revenues	6,850,000	6,850,000	9,123,584	2,273,584
EXPENDITURES:				
Current:				
0035 Food Services	6,351,382	6,475,537	6,587,451	(111,914)
0051 Facilities Maintenance and Operations	460,300	460,300	310,943	149,357
Debt Service:				
0071 Principal on Long-Term Liabilities	-	-	3,273	(3,273)
6030 Total Expenditures	6,811,682	6,935,837	6,901,667	34,170
1200 Net Change in Fund Balances	38,318	(85,837)	2,221,917	2,307,754
0100 Fund Balance - July 1 (Beginning)	3,249,009	3,249,009	3,249,009	-
3000 Fund Balance - June 30 (Ending)	\$ 3,287,327	\$ 3,163,172	\$ 5,470,926	\$ 2,307,754

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, 2022

	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019
District's Proportion of the Net Pension Liability (Asset)	0.042176716%	0.043362728%	0.045942704%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 10,740,917	\$ 23,224,192	\$ 23,882,454
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	17,524,618	37,218,405	32,678,873
Total	<u>\$ 28,265,535</u>	<u>\$ 60,442,597</u>	<u>\$ 56,561,327</u>
District's Covered Payroll	\$ 53,028,070	\$ 52,764,746	\$ 47,700,440
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	20.26%	44.01%	50.07%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.79%	75.54%	75.24%

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, 2021 for year 2022, 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 2019</u> <u>Plan Year 2018</u>	<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>
0.043882251%	0.043607001%	0.042579704%	0.0451433%	0.0302714%
\$ 24,153,856	\$ 13,943,170	\$ 16,090,237	\$ 15,957,556	8,085,909
35,726,107	21,455,491	24,671,300	24,042,933	20,777,771
<u>\$ 59,879,963</u>	<u>\$ 35,398,661</u>	<u>\$ 40,761,537</u>	<u>\$ 40,000,489</u>	<u>\$ 28,863,680</u>
\$ 45,511,968	\$ 44,631,358	\$ 41,757,954	\$ 41,337,593	39,650,152
53.07%	31.24%	38.53%	38.60%	20.39%
73.74%	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 2022

	2022	2021	2020
Contractually Required Contribution	\$ 2,242,397	\$ 1,794,309	\$ 1,877,521
Contribution in Relation to the Contractually Required Contribution	(2,242,397)	(1,794,309)	(1,877,521)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 56,819,799	\$ 52,060,707	\$ 52,487,767
Contributions as a Percentage of Covered Payroll	3.95%	3.45%	3.58%

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.

	2019	2018	2017	2016	2015
\$	1,646,864	\$ 1,501,629	\$ 1,435,637	\$ 1,353,476	\$ 1,238,865
	(1,646,864)	(1,501,629)	(1,435,637)	(1,353,476)	(1,238,865)
\$	-	\$ -	\$ -	\$ -	\$ -
\$	47,132,909	\$ 45,155,158	\$ 44,394,809	\$ 41,530,144	\$ 40,954,566
	3.49%	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, 2022

	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.061668239%	0.063815449%	0.062106044%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 23,788,195	\$ 24,259,134	\$ 29,370,707
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	31,870,880	32,598,461	39,027,103
Total	<u>\$ 55,659,075</u>	<u>\$ 56,857,595</u>	<u>\$ 68,397,810</u>
District's Covered Payroll	\$ 53,028,070	\$ 52,764,746	\$ 47,700,440
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	44.86%	45.98%	61.57%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	6.18%	4.99%	2.66%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. The amounts reported for FY 2022 are for measurement date August 31, 2021. 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 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.

<u>FY 2019</u> <u>Plan Year 2018</u>	<u>FY 2018</u> <u>Plan Year 2017</u>
0.060147532%	0.057887354%
\$ 30,032,213	\$ 25,173,039
36,330,124	33,091,458
<u>\$ 66,362,337</u>	<u>\$ 58,264,497</u>
\$ 45,511,968	\$ 44,631,358
65.99%	56.40%
1.57%	0.91%

TEXARKANA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2022

	2022	2021	2020
Contractually Required Contribution	\$ 545,383	\$ 469,143	\$ 486,354
Contribution in Relation to the Contractually Required Contribution	(545,383)	(469,143)	(486,354)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 56,819,799	\$ 52,060,707	\$ 52,487,767
Contributions as a Percentage of Covered Payroll	0.96%	0.90%	0.93%

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.

<hr/>	
2019	2018
<hr/>	<hr/>
\$ 441,526	\$ 392,108
(441,526)	(392,108)
<hr/>	<hr/>
\$ -	\$ -
<hr/> <hr/>	<hr/> <hr/>
\$ 47,132,909	\$ 45,155,158
0.94%	0.87%

Notes to Required Supplementary Information

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

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 were no changes in assumptions since the prior measurement date.

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 pension liability during the measurement period.

Changes of Assumptions:

- The single discount rate changed from 2.33% as of August 31, 2020, to 1.95%, as of August 31, 2021. This change increased the total OPEB liability.

Other Supplementary Information

Non-major Governmental Funds

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2022

Data Control Codes	211 Title I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	244 Perkins V
ASSETS				
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -
1240	Due from Other Governments	737,108	202,223	-
1000	Total Assets	<u>\$ 737,108</u>	<u>\$ 202,223</u>	<u>\$ -</u>
LIABILITIES				
2110	Accounts Payable	\$ 2,672	\$ 4,801	\$ -
2150	Payroll Deductions and Withholdings Payable	29,160	11,411	-
2160	Accrued Wages Payable	522,650	97,614	-
2170	Due to Other Funds	182,626	88,397	-
2300	Unearned Revenue	-	-	-
2000	Total Liabilities	<u>737,108</u>	<u>202,223</u>	<u>-</u>
FUND BALANCES				
Assigned Fund Balance:				
3590	Other Assigned Fund Balance	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 737,108</u>	<u>\$ 202,223</u>	<u>\$ -</u>

255 Title II, A Supporting Instruction	263 Title III, A English Lang. Acquisition	265 Title IV, B 21st CCLC	279 ESSER III TCLAS ARP Act	281 ESSER II	282 ESSER III	284 IDEA B Formula ARP Act	288 COVID-19 School Health Support Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
164,116	12,933	609,736	146,327	399,777	2,149,137	1,359	-
<u>\$ 164,116</u>	<u>\$ 12,933</u>	<u>\$ 609,736</u>	<u>\$ 146,327</u>	<u>\$ 399,777</u>	<u>\$ 2,149,137</u>	<u>\$ 1,359</u>	<u>\$ -</u>
\$ -	\$ 6,288	\$ 58,462	\$ 24,227	\$ -	\$ 1,209,927	\$ -	\$ -
2,269	-	-	-	9,469	4,711	-	-
35,230	-	347,023	-	161,916	71,454	-	-
126,617	6,645	204,251	122,100	228,392	863,045	1,359	-
-	-	-	-	-	-	-	-
<u>164,116</u>	<u>12,933</u>	<u>609,736</u>	<u>146,327</u>	<u>399,777</u>	<u>2,149,137</u>	<u>1,359</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 164,116</u>	<u>\$ 12,933</u>	<u>\$ 609,736</u>	<u>\$ 146,327</u>	<u>\$ 399,777</u>	<u>\$ 2,149,137</u>	<u>\$ 1,359</u>	<u>\$ -</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2022

Data Control Codes	289 Title IV Part A Subpart I	315 SSA IDEA, Part B Discretionary	397 Advanced Placement Incentives	410 State Instructional Materials
ASSETS				
1110 Cash and Cash Equivalents	\$ -	\$ -	\$ 87	\$ 41,370
1240 Due from Other Governments	25,880	-	-	68,009
1000 Total Assets	<u>\$ 25,880</u>	<u>\$ -</u>	<u>\$ 87</u>	<u>\$ 109,379</u>
LIABILITIES				
2110 Accounts Payable	\$ -	\$ -	\$ -	\$ -
2150 Payroll Deductions and Withholdings Payable	1,167	-	-	-
2160 Accrued Wages Payable	8,712	-	-	-
2170 Due to Other Funds	16,001	-	-	-
2300 Unearned Revenue	-	-	87	109,379
2000 Total Liabilities	<u>25,880</u>	<u>-</u>	<u>87</u>	<u>109,379</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>\$ 25,880</u>	<u>\$ -</u>	<u>\$ 87</u>	<u>\$ 109,379</u>

412 Public School Child Care Services	419 Head Start Ready To Read	420 Temple Foundation Grant	426 SPED Fiscal Support Grant	427 Math Achievement	428 Tiger Children's Clinic	429 TCLAS - GR	435 SSA Regional Day School - Deaf
\$ 667,439	\$ 3,649	\$ -	\$ -	\$ -	\$ 43,206	\$ -	\$ -
-	-	-	-	-	-	56,743	51,759
<u>\$ 667,439</u>	<u>\$ 3,649</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,206</u>	<u>\$ 56,743</u>	<u>\$ 51,759</u>
\$ 1,731	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
208	-	-	-	-	-	-	(500)
8,676	-	-	-	-	-	-	30,280
-	-	-	-	-	-	56,743	21,979
656,824	3,649	-	-	-	43,206	-	-
<u>667,439</u>	<u>3,649</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,206</u>	<u>56,743</u>	<u>51,759</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 667,439</u>	<u>\$ 3,649</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,206</u>	<u>\$ 56,743</u>	<u>\$ 51,759</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2022

Data Control Codes	461 Campus Activity Fund	459 Autism Grant	Total Nonmajor Governmental Funds
ASSETS			
1110 Cash and Cash Equivalents	\$ 567,711	\$ -	\$ 1,323,462
1240 Due from Other Governments	-	59,389	4,684,496
1000 Total Assets	<u>\$ 567,711</u>	<u>\$ 59,389</u>	<u>\$ 6,007,958</u>
LIABILITIES			
2110 Accounts Payable	\$ 16,829	\$ 50,147	\$ 1,375,084
2150 Payroll Deductions and Withholdings Payable	-	-	57,895
2160 Accrued Wages Payable	-	-	1,283,555
2170 Due to Other Funds	-	9,242	1,927,397
2300 Unearned Revenue	-	-	813,145
2000 Total Liabilities	<u>16,829</u>	<u>59,389</u>	<u>5,457,076</u>
FUND BALANCES			
Assigned Fund Balance:			
3590 Other Assigned Fund Balance	550,882	-	550,882
3000 Total Fund Balances	<u>550,882</u>	<u>-</u>	<u>550,882</u>
4000 Total Liabilities and Fund Balances	<u>\$ 567,711</u>	<u>\$ 59,389</u>	<u>\$ 6,007,958</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

Data Control Codes	211 Title I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	244 Perkins V
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	2,806,188	1,196,250	31,679	80,649
5020 Total Revenues	2,806,188	1,196,250	31,679	80,649
EXPENDITURES:				
Current:				
0011 Instruction	2,333,379	539,234	-	80,649
0012 Instructional Resources and Media Services	54,861	-	-	-
0013 Curriculum and Instructional Staff Development	160,012	-	-	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	104,053	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	657,016	31,679	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0061 Community Services	153,883	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	2,806,188	1,196,250	31,679	80,649
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
1300 Prior Period Adjustment	-	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

255 Title II, A Supporting Instruction	263 Title III, A English Lang. Acquisition	265 Title IV, B 21st CCLC	279 ESSER III TCLAS ARP Act	281 ESSER II	282 ESSER III	284 IDEA B Formula ARP Act	288 COVID-19 School Health Support Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
330,140	76,021	1,577,429	323,743	3,318,439	4,628,052	9,065	284,097
330,140	76,021	1,577,429	323,743	3,318,439	4,628,052	9,065	284,097
330,140	76,021	1,086,005	312,381	2,541,996	2,316,144	9,065	245,152
-	-	-	-	-	-	-	-
-	-	35,720	-	26,306	163,300	-	-
-	-	455,704	-	-	-	-	-
-	-	-	11,362	-	-	-	-
-	-	-	-	407,937	59,682	-	-
-	-	-	-	244,518	-	-	37,847
-	-	-	-	24,005	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	54,113	-	-	-
-	-	-	-	19,564	148,903	-	1,098
-	-	-	-	-	-	-	-
-	-	-	-	-	1,940,023	-	-
330,140	76,021	1,577,429	323,743	3,318,439	4,628,052	9,065	284,097
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

Data Control Codes	289 Title IV Part A Subpart I	315 SSA IDEA, Part B Discretionary	397 Advanced Placement Incentives	410 State Instructional Materials
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	3,035	417,818
5900 Federal Program Revenues	196,215	17,464	-	-
5020 Total Revenues	196,215	17,464	3,035	417,818
EXPENDITURES:				
Current:				
0011 Instruction	191,965	17,464	3,035	417,818
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	4,250	-	-	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0061 Community Services	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	196,215	17,464	3,035	417,818
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
1300 Prior Period Adjustment	-	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

412 Public School Child Care Services	419 Head Start Ready To Read	420 Temple Foundation Grant	426 SPED Fiscal Support Grant	427 Math Achievement	428 Tiger Children's Clinic	429 TCLAS - GR	435 SSA Regional Day School - Deaf
\$ 56,036	\$ -	\$ 29,298	\$ -	\$ -	\$ 4,203	\$ -	\$ -
36,893	42,465	2,226	66,720	748	-	135,080	64,895
577,032	-	-	-	-	-	-	-
669,961	42,465	31,524	66,720	748	4,203	135,080	64,895
-	-	31,524	6,180	748	-	135,080	64,895
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	60,540	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
669,961	42,465	-	-	-	4,203	-	-
-	-	-	-	-	-	-	-
669,961	42,465	31,524	66,720	748	4,203	135,080	64,895
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

Data Control Codes	461 Campus Activity Fund	459 Autism Grant	Total Nonmajor Governmental Funds
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 730,928	\$ -	\$ 820,465
5800 State Program Revenues	-	59,830	829,710
5900 Federal Program Revenues	-	-	15,452,463
5020 Total Revenues	<u>730,928</u>	<u>59,830</u>	<u>17,102,638</u>
EXPENDITURES:			
Current:			
0011 Instruction	-	5,511	10,744,386
0012 Instructional Resources and Media Services	-	-	54,861
0013 Curriculum and Instructional Staff Development	-	47,417	437,005
0021 Instructional Leadership	-	6,902	462,606
0023 School Leadership	-	-	115,415
0031 Guidance, Counseling, and Evaluation Services	-	-	1,216,854
0033 Health Services	-	-	282,365
0034 Student (Pupil) Transportation	-	-	24,005
0036 Extracurricular Activities	634,350	-	634,350
0041 General Administration	-	-	54,113
0051 Facilities Maintenance and Operations	-	-	169,565
0061 Community Services	-	-	870,512
Capital Outlay:			
0081 Facilities Acquisition and Construction	-	-	1,940,023
6030 Total Expenditures	<u>634,350</u>	<u>59,830</u>	<u>17,006,060</u>
1200 Net Change in Fund Balance	96,578	-	96,578
0100 Fund Balance - July 1 (Beginning)	418,895	-	418,895
1300 Prior Period Adjustment	35,409	-	35,409
3000 Fund Balance - June 30 (Ending)	<u>\$ 550,882</u>	<u>\$ -</u>	<u>\$ 550,882</u>

Non-major Enterprise Funds

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 JUNE 30, 2022

	711 Food Service Activity	713 Print Shop Activity
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 352,201	\$ 638,035
Inventories	18,455	-
Total Current Assets	<u>370,656</u>	<u>638,035</u>
Noncurrent Assets:		
Capital Assets:		
Buildings and Improvements	9,200	-
Depreciation on Buildings	(8,755)	-
Furniture and Equipment	194,825	68,195
Depreciation on Furniture and Equipment	<u>(194,825)</u>	<u>(63,306)</u>
Total Noncurrent Assets	<u>445</u>	<u>4,889</u>
Total Assets	<u>371,101</u>	<u>642,924</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	1,486	2,433
Due to Other Governments	-	-
Total Liabilities	<u>1,486</u>	<u>2,433</u>
NET POSITION		
Unrestricted Net Position	<u>369,615</u>	<u>640,491</u>
Total Net Position	<u><u>\$ 369,615</u></u>	<u><u>\$ 640,491</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	Total Nonmajor Enterprise Funds
\$ 11,030	\$ 570	\$ 464	\$ 287,508	\$ 13,170	\$ 1,302,978
241	-	-	-	-	18,696
<u>11,271</u>	<u>570</u>	<u>464</u>	<u>287,508</u>	<u>13,170</u>	<u>1,321,674</u>
-	-	-	-	-	9,200
-	-	-	-	-	(8,755)
5,985	-	-	-	-	269,005
(5,985)	-	-	-	-	(264,116)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,334</u>
<u>11,271</u>	<u>570</u>	<u>464</u>	<u>287,508</u>	<u>13,170</u>	<u>1,327,008</u>
-	-	-	-	-	3,919
10	-	-	-	115	125
<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115</u>	<u>4,044</u>
11,261	570	464	287,508	13,055	1,322,964
<u>\$ 11,261</u>	<u>\$ 570</u>	<u>\$ 464</u>	<u>\$ 287,508</u>	<u>\$ 13,055</u>	<u>\$ 1,322,964</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, 2022

	711 Food Service Activity	713 Print Shop Activity
OPERATING REVENUES:		
Local and Intermediate Sources	\$ 100,973	\$ 131,379
State Program Revenues	<u>2,088</u>	<u>549</u>
Total Operating Revenues	<u>103,061</u>	<u>131,928</u>
OPERATING EXPENSES:		
Payroll Costs	28,154	6,875
Professional and Contracted Services	-	56,729
Supplies and Materials	81,478	34,113
Other Operating Costs	2,750	131
Depreciation Expense	<u>297</u>	<u>7,280</u>
Total Operating Expenses	<u>112,679</u>	<u>105,128</u>
Operating Income (Loss)	(9,618)	26,800
Total Net Position - July 1 (Beginning)	<u>379,233</u>	<u>613,691</u>
Total Net Position - June 30 (Ending)	<u><u>\$ 369,615</u></u>	<u><u>\$ 640,491</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	Total Nonmajor Enterprise Funds
\$ 16,334	\$ -	\$ -	\$ -	\$ -	\$ 248,686
-	-	-	-	-	2,637
<u>16,334</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>251,323</u>
-	-	-	-	-	35,029
-	-	-	-	-	56,729
7,312	-	-	-	108	123,011
-	-	-	-	-	2,881
-	-	-	-	-	7,577
<u>7,312</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>108</u>	<u>225,227</u>
9,022	-	-	-	(108)	26,096
<u>2,239</u>	<u>570</u>	<u>464</u>	<u>287,508</u>	<u>13,163</u>	<u>1,296,868</u>
<u>\$ 11,261</u>	<u>\$ 570</u>	<u>\$ 464</u>	<u>\$ 287,508</u>	<u>\$ 13,055</u>	<u>\$ 1,322,964</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	711 Food Service Activity	713 Print Shop Activity
<u>Cash Flows from Operating Activities:</u>		
Cash Received from User Charges	\$ 97,020	\$ 131,928
Cash Payments to Employees for Services	(28,154)	-
Cash Payments for Suppliers	(83,288)	(98,968)
Net Cash Provided by (Used for) Operating Activities	<u>(14,422)</u>	<u>32,960</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(14,422)	32,960
Cash and Cash Equivalents at Beginning of Year	<u>366,623</u>	<u>605,075</u>
Cash and Cash Equivalents at End of Year	<u>\$ 352,201</u>	<u>\$ 638,035</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>		
<u>Provided By (Used For) Operating Activities:</u>		
Operating Income (Loss):	\$ (9,618)	\$ 26,800
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used For) Operating Activities:		
Depreciation	297	7,280
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Inventories	(6,041)	-
Increase (decrease) in Accounts Payable	<u>940</u>	<u>(1,120)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (14,422)</u>	<u>\$ 32,960</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	Total Nonmajor Enterprise Funds
\$ 16,334	\$ -	\$ -	\$ -	\$ -	\$ 245,282
-	-	-	-	-	(28,154)
(7,312)	-	-	-	(108)	(189,676)
9,022	-	-	-	(108)	27,452
9,022	-	-	-	(108)	27,452
2,008	570	464	287,508	13,278	1,275,526
<u>\$ 11,030</u>	<u>\$ 570</u>	<u>\$ 464</u>	<u>\$ 287,508</u>	<u>\$ 13,170</u>	<u>\$ 1,302,978</u>
\$ 9,022	\$ -	\$ -	\$ -	\$ (108)	\$ 26,096
-	-	-	-	-	7,577
-	-	-	-	-	(6,041)
-	-	-	-	-	(180)
<u>\$ 9,022</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (108)</u>	<u>\$ 27,452</u>

Custodial Funds

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 JUNE 30, 2022

	830	874	876	877
	Dual Credit THS	Distinguished Alumni Fund	Texas High Club	TH New Horizon Scholarship
ASSETS				
Cash and Cash Equivalents	\$ 273,726	\$ 12,656	\$ 288,470	\$ -
Total Assets	<u>273,726</u>	<u>12,656</u>	<u>288,470</u>	<u>-</u>
LIABILITIES				
Accounts Payable	<u>-</u>	<u>-</u>	<u>655</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>655</u>	<u>-</u>
NET POSITION				
Unrestricted Net Position	<u>273,726</u>	<u>12,656</u>	<u>287,815</u>	<u>-</u>
Total Net Position	<u><u>\$ 273,726</u></u>	<u><u>\$ 12,656</u></u>	<u><u>\$ 287,815</u></u>	<u><u>\$ -</u></u>

879 Texas Middle School Club	Total Custodial Funds
\$ 30,305	\$ 605,157
<u>30,305</u>	<u>605,157</u>
-	655
<u>-</u>	<u>655</u>
30,305	604,502
<u>\$ 30,305</u>	<u>\$ 604,502</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 FOR FISCAL YEAR 2022

	830	874	876	877
	Dual Credit THS	Distinguished Alumni Fund	Texas High Club	TH New Horizon Scholarship
ADDITIONS:				
Enterprising Services Revenue	\$ 211,600	\$ -	\$ 261,037	\$ -
Total Additions	<u>211,600</u>	<u>-</u>	<u>261,037</u>	<u>-</u>
DEDUCTIONS:				
Payroll Costs	200,000	-	-	-
Professional and Contracted Services	12,725	-	15,285	-
Supplies and Materials	25,551	-	107,661	-
Other Deductions	-	-	99,289	-
Total Deductions	<u>238,276</u>	<u>-</u>	<u>222,235</u>	<u>-</u>
Change in Net Position	(26,676)	-	38,802	-
Net Position - July 1 (Beginning)	300,402	12,656	249,013	-
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position - June 30 (Ending)	<u>\$ 273,726</u>	<u>\$ 12,656</u>	<u>\$ 287,815</u>	<u>\$ -</u>

879 Texas Middle School Club	Total Total Custodial Funds
\$ 20,805	\$ 493,442
<u>20,805</u>	<u>493,442</u>
-	200,000
-	28,010
23,213	156,425
-	99,289
<u>23,213</u>	<u>483,724</u>
(2,408)	9,718
68,122	630,193
<u>(35,409)</u>	<u>(35,409)</u>
<u>\$ 30,305</u>	<u>\$ 604,502</u>

Private Purpose Trust Funds

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 JUNE 30, 2022

	802 Texas High School VIP Fund	804 Texas Middle School VIP Fund	805 Highland Park VIP Fund	807 Theron Jones VIP Fund
ASSETS				
Cash and Cash Equivalents	\$ 38,562	\$ 21,581	\$ 483	\$ 6,250
Total Assets	<u>38,562</u>	<u>21,581</u>	<u>483</u>	<u>6,250</u>
NET POSITION				
Restricted for Other Purposes	<u>38,562</u>	<u>21,581</u>	<u>483</u>	<u>6,250</u>
Total Net Position	<u><u>\$ 38,562</u></u>	<u><u>\$ 21,581</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
\$ 5,928	\$ 2,670	\$ 8,714	\$ 1,094	\$ 229,762	\$ 7,363	\$ 140,704	\$ 463,111
<u>5,928</u>	<u>2,670</u>	<u>8,714</u>	<u>1,094</u>	<u>229,762</u>	<u>7,363</u>	<u>140,704</u>	<u>463,111</u>
5,928	2,670	8,714	1,094	229,762	7,363	140,704	463,111
<u>\$ 5,928</u>	<u>\$ 2,670</u>	<u>\$ 8,714</u>	<u>\$ 1,094</u>	<u>\$ 229,762</u>	<u>\$ 7,363</u>	<u>\$ 140,704</u>	<u>\$ 463,111</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	802 Texas High School VIP Fund	804 Texas Middle School VIP Fund	805 Highland Park VIP Fund	807 Theron Jones VIP Fund
ADDITIONS:				
Enterprising Services Revenue	\$ 1,500	\$ 21,324	\$ -	\$ -
Earnings from Temporary Deposits	-	-	-	-
Contributions, Gifts and Donations	-	-	-	-
Total Additions	<u>1,500</u>	<u>21,324</u>	<u>-</u>	<u>-</u>
DEDUCTIONS:				
Supplies and Materials	4,500	17,001	-	-
Other Deductions	9,379	-	-	-
Total Deductions	<u>13,879</u>	<u>17,001</u>	<u>-</u>	<u>-</u>
Change in Net Position	(12,379)	4,323	-	-
Net Position - July 1 (Beginning)	<u>50,941</u>	<u>17,258</u>	<u>483</u>	<u>6,250</u>
Net Position - June 30 (Ending)	<u>\$ 38,562</u>	<u>\$ 21,581</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
\$ 17,618	\$ 1,541	\$ 16,177	\$ -	\$ 120,804	\$ 6,135	\$ -	\$ 185,099
-	-	-	-	-	-	718	718
-	-	-	-	-	-	7,520	7,520
<u>17,618</u>	<u>1,541</u>	<u>16,177</u>	<u>-</u>	<u>120,804</u>	<u>6,135</u>	<u>8,238</u>	<u>193,337</u>
14,210	827	25,011	-	47,588	4,851	-	113,988
-	-	-	-	-	-	1,500	10,879
<u>14,210</u>	<u>827</u>	<u>25,011</u>	<u>-</u>	<u>47,588</u>	<u>4,851</u>	<u>1,500</u>	<u>124,867</u>
3,408	714	(8,834)	-	73,216	1,284	6,738	68,470
<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>
<u>\$ 5,928</u>	<u>\$ 2,670</u>	<u>\$ 8,714</u>	<u>\$ 1,094</u>	<u>\$ 229,762</u>	<u>\$ 7,363</u>	<u>\$ 140,704</u>	<u>\$ 463,111</u>

Required TEA Schedules

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 FISCAL YEAR ENDED JUNE 30, 2022

Last 10 Years	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2013 and prior years	\$ 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	0.255000	2,006,493,789
2019	1.170000	0.255000	2,063,870,404
2020	1.068300	0.255000	2,207,585,935
2021	1.054700	0.255000	2,272,157,652
2022 (School year under audit)	1.051700	0.255000	2,276,650,848
1000 TOTALS			

(10) Beginning Balance 7/1/2021	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2022
\$ 318,407	\$ -	\$ 16,077	\$ 2,322	\$ (60,357)	\$ 239,651
61,433	-	3,265	472	(3,841)	53,855
73,978	-	5,312	767	(3,349)	64,550
79,339	-	6,753	1,472	(3,222)	67,892
93,330	-	17,353	3,782	3,914	76,109
119,745	-	16,601	3,618	(4,366)	95,160
150,111	-	29,821	6,499	(4,415)	109,376
252,121	-	77,524	18,505	(11,994)	144,098
870,067	-	514,596	124,416	(37,564)	193,491
-	28,882,034	22,533,095	5,463,478	(5,902)	879,559
<u>\$ 2,018,531</u>	<u>\$ 28,882,034</u>	<u>\$ 23,220,397</u>	<u>\$ 5,625,331</u>	<u>\$ (131,096)</u>	<u>\$ 1,923,741</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, 2022

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	\$ 5,346,476	\$ 5,346,476	\$ 5,673,147	\$ 326,671
5800 State Program Revenues	644,869	644,869	636,463	(8,406)
5020 Total Revenues	5,991,345	5,991,345	6,309,610	318,265
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Liabilities	6,932,022	3,992,418	4,027,971	(35,553)
0072 Interest on Long-Term Liabilities	-	2,944,604	2,944,604	-
0073 Bond Issuance Cost and Fees	-	5,000	5,000	-
6030 Total Expenditures	6,932,022	6,942,022	6,977,575	(35,553)
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(940,677)	(950,677)	(667,965)	282,712
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	940,677	1,640,403	1,680,862	40,459
1200 Net Change in Fund Balances	-	689,726	1,012,897	323,171
0100 Fund Balance - July 1 (Beginning)	2,615,494	2,615,495	2,615,495	-
3000 Fund Balance - June 30 (Ending)	\$ 2,615,494	\$ 3,305,221	\$ 3,628,392	\$ 323,171

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAMS
 FOR THE YEAR ENDED JUNE 30, 2022

Section A: Compensatory Education Programs

AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	8,519,495
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year.	5,275,402

Section B: Bilingual Education Programs

AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	392,008
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25,35)	796,389

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, 2022, 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 4, 2022.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

To the Board of School Trustees
Texarkana Independent School District

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2022-001.

District's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 4, 2022

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
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

Opinion on Each Major Federal Program

We have audited Texarkana Independent School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *(OMB) Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

To the Board of School Trustees
Texarkana Independent School District

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

To the Board of School Trustees
Texarkana Independent School District

Report on Internal Control over Compliance (Continued)

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section on the previous page and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined on the previous page. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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



CERTIFIED PUBLIC ACCOUNTANTS

Texarkana, Texas
November 4, 2022

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022**

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

Internal Control Over Financial Reporting:

Material Weakness(es) Identified None Reported

Significant Deficienc(ies) Identified Yes

Noncompliance Material to the Financial Statements None Reported

Federal Awards

Internal Control over Major Programs:

Material Weakness(es) Identified None Reported

Significant Deficienc(ies) Identified None Reported

Type of Auditor’s Report Issued on Compliance
for Major Federal Programs Unmodified

Findings Disclosed in the Audit which are Required to be
Reported in Government Auditing Standards Yes

Findings Disclosed in the Audit which are Required to be
Reported in Accordance with 2 CFR 200.516(a) None Reported

Identification of Major Programs:

Title I, Part A – Improving Basic Programs AL #84.010A

IDEA-B Cluster:

Formula AL #84.027A

Preschool AL #84.173A

21st Century CCLC AL #84.287C

Dollar Threshold Used to Distinguish between Type A and Type B Programs \$750,000

Texarkana Independent School District qualified as a low risk entity. Yes

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022**

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 –**

Finding Reference

2022-001

Significant Deficiency - Internal Controls and Compliance

Identification of Federal Program

Not Applicable

Criteria or specific requirement (including statutory, regulatory, or other citation)

The Education Code, Title 2 - Public Education, Subtitle I - School Finance and Fiscal Management, Chapter 44 - Fiscal Management, Subchapter A - School District Fiscal Management, Section 44.002 provides that the District shall prepare a budget covering estimated revenues and proposed expenditures of the District for the following fiscal year. Section 44.006 provides for the District to amend the adopted budget with board approval to cover unforeseen expenses.

Condition

The District's actual expenditures exceeded budgeted expenditures in two functions in the Child Nutrition fund, and one function in the General and Debt Service fund.

Cause

Although the District amends its budget with board approval throughout the fiscal year, various adjustments related to the implementation of GASB 87 (lease accounting) and an additional debt service payment were made during the fiscal year that caused the District's expenditures to exceed budgeted expenditures at year end.

Effect or Potential Effect

The actual expenditures are in excess of the budgeted expenditures and are not in compliance with the established budget.

Questioned Cost

As of June 30, 2022, the District's actual function 71 expenditures exceeded budgeted expenditures by \$91,012, respectively in the general fund. The District's actual function 71 expenditures exceeded budgeted expenditures by \$35,553, respectively in the debt service fund. The District's actual function 35 and 71 expenditures exceeded budgeted expenditures by \$111,914 and \$3,273, respectively in the child nutrition fund.

Context

The function 71 expenditures exceeded budgeted expenditures by approximately 86%, respectively in the General fund. The District's actual function 71 expenditures exceeded budgeted expenditures by approximately 1%, respectively in the Debt Service fund. The District's actual function 35 and 71 expenditures exceeded budgeted expenditures by approximately 2% and 100%, respectively in the Child Nutrition fund.

Recommendation

We recommend that the District implement additional controls to monitor expenses and to eliminate the potential for actual expenditures exceeding the budgeted expenditures.

View of responsible officials

See corrective action plan.

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022**

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

Corrective Action Plan

November 4, 2022

RE: Finding 2022-001

Corrective Action Plan:

The District will implement additional controls to monitor compliance with budget spending. The District will present amendments before the fact and will be reflected in the official minutes of the Board. The end of year budget will be more closely monitored for necessary amendments.

Date Correction Completed:

June 30, 2023

Responsible Official:

Anita Clay

Phone Number:

903-794-3651

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
JUNE 30, 2022**

<u>Program/Finding</u>	<u>Description</u>
------------------------	--------------------

No findings were reported in the prior year.

TEXARKANA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

(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 EDUCATION			
<u>Passed Through Texas Education Agency</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	21610101019907	\$ 219,882
ESEA, Title I, Part A - Improving Basic Programs	84.010A	22610101019907	2,634,635
Title I, ESF - Focused Support Grant	84.010A	226101577110057	56,130
Total Assistance Listing Number 84.010			2,910,647
*IDEA - Part B, Formula	84.027A	216600010199076600	213,820
*IDEA - Part B, Formula	84.027A	226600010199076600	1,031,179
*SSA - IDEA - Part B, Discretionary	84.027A	226600110199076673	17,464
Total Assistance Listing Number 84.027			1,262,463
*IDEA, Part B, Formula - American Rescue Act (ARP)	84.173A	225350010199075350	9,430
IDEA - B Part B, Preschool	84.173A	226610010199076610	32,237
Total Assistance Listing Number 84.173			41,667
Total Special Education Cluster (IDEA)			1,304,130
Career and Technical - Basic Grant	84.048A	21420006019907	6,953
Career and Technical - Basic Grant	84.048A	22420006019907	76,696
Total Assistance Listing Number 84.048			83,649
Title IV, Pt B-21st Cent. Community Learning Cent.	84.287C	S287C210044	1,641,725
Title III, Part A - English Language Acquisition	84.365A	21671001019907	5,151
Title III, Part A - English Language Acquisition	84.365A	22671001019907	64,861
Title III, Part A - Immigrant	84.365A	21671003019907	9,036
Total Assistance Listing Number 84.365			79,048
ESEA, Title II, Part A, Teacher Principal Training	84.367A	22694501019907	325,590
2021-2022 Teacher Leadership Cycle 2	84.367A	216945797110034	10,000
Total Assistance Listing Number 84.367			335,590
COVID-19 ESSER II	84.425D	21521001019907	3,790,487
COVID-19 ESSER III	84.425D	21528057110150	4,732,136
COVID-19 TCLAS - High Quality After School Program	84.425D	215280587110150	161,709
COVID 19 TCLAS - State ESSER III	84.425U	21528042019907	369,795
Total Assistance Listing Number 84.425			9,054,127
Title IV, Part A, Subpart I	84.424A	21680101019907	54,088
Title IV, Part A, Subpart I	84.424A	22860101019907	150,124
Total Assistance Listing Number 84.424			204,212
Total Passed Through Texas Education Agency			15,613,128
TOTAL U.S. DEPARTMENT OF EDUCATION			15,613,128
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through Texas Health and Human Services Commission</u>			
Medicaid Administrative Claiming Program - MAC	93.778	HHS000537900035	30,362
Child Care and Development Fund	93.596	019907	577,032
COVID-19 School Health Support Grant	93.323	6 NU50CK000501-02-06	295,215
Total Passed Through Texas Health and Human Services Commission			902,609
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			902,609

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2022

(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 AGRICULTURE			
<u>Passed Through the Texas Department of Agriculture</u>			
*School Breakfast Program	10.553	806780706	1,886,310
*National School Lunch Program - Cash Assistance	10.555	806780706	5,809,222
*National School Lunch Prog. - Non-Cash Assistance	10.555	806780706	750,756
Total Assistance Listing Number 10.555			6,559,978
Total Child Nutrition Cluster			8,446,288
Child & Adult Care Food Program - Cash Assistance	10.558	806780706	217,895
Total Passed Through the Texas Department of Agriculture			8,664,183
TOTAL U.S. DEPARTMENT OF AGRICULTURE			8,664,183
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 25,179,920
*Clustered Programs			

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2022

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, 2022, 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, 2022, the District received Medicaid funds of \$871,488 which is not considered a federal award since it is direct cash assistance to individuals.

E-Rate Funding

During the year ending June 30, 2022, the District received a discount on phone and internet bills in the amount of \$127,542 in the general fund. These amounts are reflected as federal revenue in the current year.

Indirect Costs

Indirect costs totaling \$1,032,912 are in the General Fund. The restricted indirect cost rate for the 2021-2022 fiscal year, as approved by The Division of Federal and Fiscal Compliance and Reporting at the Texas Education Agency (TEA), was 4.076%. 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 14.225%

Reconciliation of Federal Funds

Federal Funds Per K-1	\$ 25,179,920
Medicaid SHARS	871,488
E-Rate Funding	127,542
	<u>\$ 26,178,950</u>