

College Station Independent School District

Annual Financial Report

For the Fiscal Year Ended August 31, 2023



College Station Independent School District
 Annual Financial Report
 For the Fiscal Year Ended August 31, 2023
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Certificate of the Board

College Station Independent School District

Name of School District

Brazos

County

021-901

Co.-Dist Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and 7 approved 0 disapproved for the fiscal year ended August 31, 2023 at a meeting of the Board of Trustees of such school district on the 12th day of December, 2023.



Signature of Board Secretary



Signature of Board President

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

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Financial Section

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Independent Auditor's Report

To the Board of Trustees of
College Station Independent School District
College Station, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of College Station Independent School District (the District), as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of August 31, 2023, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, during the year ended August 31, 2023, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Board of Trustees of
College Station Independent School District

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Supplementary Information and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information and Schedule of Expenditures of Federal Awards 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information and Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Required Responses to Selected School FIRST Indicators but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas
December 11, 2023

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Management's Discussion and Analysis (Unaudited)

As management of the College Station Independent School District (the District), we offer readers of the accompanying report this narrative overview and analysis of the financial activities of the District for the fiscal year ended August 31, 2023. In reviewing this report, readers should be mindful that it is often necessary for management to make and use estimates in the preparation of financial statements. Examples of the use of such estimates may be found in amounts reported for depreciation and amortization, net taxes receivable, claims payable of the District's self-insured workers' compensation program, and the net pension and OPEB liability.

Financial Highlights

- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at year-end by \$62,858,873 (net position). Of this amount, \$39,630,823 (unrestricted net position) was in a deficit due to recognition of net pension liability and net OPEB liability as required by GASB 68 and GASB 75, respectively.
- The District's total net position increased by \$14,644,161 due to current operations.
- As of the close of the year, the District's governmental funds had combined ending fund balances of \$92,437,287, a decrease of \$24,190,570 from the preceding year.
- At the end of the year, unassigned fund balance of the general fund was \$32,338,156, or 23 percent of the year's total general fund expenditures.
- The District's total bonded debt decreased by \$20,451,329 (6 percent) during the year due to scheduled bond payments.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required supplementary information and supplementary and other information in addition to the basic financial statements.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector enterprise.

The *Statement of Net Position* (Exhibit A-1) presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as an indicator of how the financial position of the District is changing.

The *Statement of Activities* (Exhibit B-1) presents information showing how the District's net position changed during the most recent fiscal year. Changes in net position are reported upon occurrence of the underlying event giving rise to the change, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some transactions that will not result in cash flows until future fiscal periods (e.g., uncollected taxes and incurred but unpaid workers' compensation benefits).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include *Instruction, Instructional Resources and Media Services, Curriculum and Instructional Staff Development, Instructional Leadership, School Leadership, Guidance, Counseling, and Evaluation Services, Social Work Services, Health Services, Student Transportation, Food Services, Extracurricular Activities, General Administration, Plant Maintenance and Operations, Security and Monitoring Services, Data Processing Services, Community Services, Interest on Long-term Debt, Issuance Costs and Fees, Facilities Repair and Maintenance, Contracted Instructional Services Between Public Schools, Payments Related to Shared Services Arrangements, Payments to Juvenile Justice Alternative Education Programs, and Other Intergovernmental Charges*. The business-type activities of the District include the Enterprise Funds for *Community Education, Kids Klub, and Community Sports Camps*.

The government-wide financial statements can be found as noted in the table of contents of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, as do other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of cash resources, as well as on balances of cash resources available at the end of the fiscal year. Such information may be useful in evaluating near-term financing requirements.

Because the focus of governmental funds financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintained twenty-six individual governmental funds during the year. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and capital projects funds, which are considered to be major funds. Data from the other twenty-three governmental funds are combined into a single, aggregated presentation titled *total nonmajor funds*.

The District adopts an annual revenue and appropriations budget for its general fund, debt service fund, and National School Breakfast and Lunch Program special revenue funds. All other governmental funds adopt project length budgets. Subsequent to adoption, amendments approved by the governing body are reflected in a revised budget column. A budgetary comparison schedule has been provided for the general fund, debt service fund, and National School Breakfast and Lunch Program special revenue funds to demonstrate compliance with its budget.

The basic governmental fund financial statements are noted in the table of contents of this report.

Proprietary Fund. The District maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The District uses enterprise funds to account for its Community Education program, Kids Klub, and Community Sports Camps. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District's various funds and functions. The District uses the internal service fund to account for its self-funded workers' compensation program. Because this service predominantly benefits governmental operations, their financial activities have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide essentially the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements are provided with the basic financial statements and provide information for the Community Education program, Kids Klub, Community Sports Camps, and the self-funded workers' compensation program.

The basic proprietary fund financial statements are noted in the table of contents of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of students and student organizations. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the District's own programs and activities. The basic fiduciary fund financial statements can be found as noted in the table of contents of this report.

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

Other Information. In addition to the basic financial statements and accompanying notes, this report presents required supplementary information and supplementary information, including schedules required by the Texas Education Agency. Such information is noted in the table of contents of this report.

Government-wide Financial Analysis

As mentioned earlier, net position may, over time, serve as an indicator of a District's changing financial position. At the close of the District's most recent fiscal year, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$62,858,873.

College Station Independent School District's Net Position

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
	Amount	Amount	Amount	Amount	Amount	Amount
Current and other assets	\$ 112,983,136	\$ 132,915,314	\$ 570,736	\$ 430,584	\$ 113,553,872	\$ 133,345,898
Capital assets, net	394,071,121	378,745,998	-	-	394,071,121	378,745,998
Total assets	507,054,257	511,661,312	570,736	430,584	507,624,993	512,091,896
Total deferred outflows of resources	33,789,608	31,638,528	-	-	33,789,608	31,638,528
Long-term liabilities outstanding	415,292,386	427,984,948	-	-	415,292,386	427,984,948
Other liabilities	16,836,163	15,138,475	112,484	66,277	16,948,647	15,204,752
Total liabilities	432,128,549	443,123,423	112,484	66,277	432,241,033	443,189,700
Total deferred inflows of resources	46,314,695	52,326,012	-	-	46,314,695	52,326,012
Net position:						
Net investment in capital assets	85,380,522	84,101,605	-	-	85,380,522	84,101,605
Restricted for grants	3,960,183	2,556,547	-	-	3,960,183	2,556,547
Restricted for debt service	13,148,991	8,303,831	-	-	13,148,991	8,303,831
Unrestricted (deficit)	(40,089,075)	(47,111,578)	458,252	364,307	(39,630,823)	(46,747,271)
Total net position	\$ 62,400,621	\$ 47,850,405	\$ 458,252	\$ 364,307	\$ 62,858,873	\$ 48,214,712

The largest portion of the District's net position (\$85,380,522) is investment in capital assets (e.g., land and improvements, buildings and improvements, furniture and equipment, right to use assets and construction in progress), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net position that is restricted for debt service and grants totaled \$17,109,174.

Unrestricted net position of (\$39,630,823) is reported as a deficit resulting from the recognition net pension and net OPEB liabilities, as well as related deferred outflows and deferred inflows, as required by GASB Statement No. 68, Pension, and GASB Statement No. 75, OPEB.

Governmental Activities increased the District's net position by \$14,550,216 from current operations and Business-type Activities increased the District's net position by \$93,945. Key elements of this change are as follows:

College Station Independent School District's Changes in Net Position

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
	Amount	Amount	Amount	Amount	Amount	Amount
Revenue						
Program revenues:						
Charges for services	\$ 4,958,968	\$ 2,401,915	\$ 2,205,075	\$ 2,175,170	\$ 7,164,043	\$ 4,577,085
Operating grants and contributions	27,588,963	23,849,717	-	-	27,588,963	23,849,717
General revenues:						
Property taxes, levied for general purposes	114,864,427	107,194,222	-	-	114,864,427	107,194,222
Property taxes, levied for debt service	33,013,786	29,600,386	-	-	33,013,786	29,600,386
Grants and contributions not restricted	17,373,299	12,557,300	-	-	17,373,299	12,557,300
Investment earnings	6,590,029	946,287	-	-	6,590,029	946,287
Miscellaneous	727,796	226,799	-	-	727,796	226,799
Total revenues	205,117,268	176,776,626	2,205,075	2,175,170	207,322,343	178,951,796
Expenses						
Instruction	100,207,262	90,018,484	-	-	100,207,262	90,018,484
Instructional resources and media services	1,617,121	1,477,291	-	-	1,617,121	1,477,291
Curriculum and instructional staff development	3,278,948	2,671,778	-	-	3,278,948	2,671,778
Instructional leadership	2,312,334	2,025,173	-	-	2,312,334	2,025,173
School leadership	8,039,554	7,334,066	-	-	8,039,554	7,334,066
Guidance, counseling, and evaluation services	6,652,940	5,643,146	-	-	6,652,940	5,643,146
Social work services	13,638	12,760	-	-	13,638	12,760
Health services	2,137,811	1,878,694	-	-	2,137,811	1,878,694
Student transportation	5,190,683	4,706,275	-	-	5,190,683	4,706,275
Food services	8,788,091	8,075,839	-	-	8,788,091	8,075,839
Extracurricular activities	8,715,562	8,092,804	-	-	8,715,562	8,092,804
General administration	4,647,558	3,979,327	-	-	4,647,558	3,979,327
Plant maintenance and operations	17,608,590	16,648,483	-	-	17,608,590	16,648,483
Security and monitoring services	1,225,394	1,167,965	-	-	1,225,394	1,167,965
Data processing services	5,270,244	3,804,295	-	-	5,270,244	3,804,295
Community services	844,836	640,565	-	-	844,836	640,565
Interest on long-term debt	11,122,677	12,456,355	-	-	11,122,677	12,456,355
Issuance costs and fees	4,090	525,073	-	-	4,090	525,073
Facilities repair and maintenance	526,491	80,905	-	-	526,491	80,905
Contracted instructional services						
between schools	920,482	1,097,292	-	-	920,482	1,097,292
Payments related to shared services arrangements	117,693	139,480	-	-	117,693	139,480
Payments to juvenile justice alternative education programs	8,630	7,821	-	-	8,630	7,821
Other intergovernmental charges	1,316,423	1,239,808	-	-	1,316,423	1,239,808
Community education	-	-	660,407	608,258	660,407	608,258
Kids Klub	-	-	1,215,022	1,188,079	1,215,022	1,188,079
Community sports camps	-	-	235,701	253,934	235,701	253,934
Total expenses	190,567,052	173,723,679	2,111,130	2,050,271	192,678,182	175,773,950
Change in net position	14,550,216	3,052,947	93,945	124,899	14,644,161	3,177,846
Net position - beginning	47,850,405	44,797,458	364,307	239,408	48,214,712	45,036,866
Net position - ending	\$ 62,400,621	\$ 47,850,405	\$ 458,252	\$ 364,307	\$ 62,858,873	\$ 48,214,712

Governmental Activities Revenues, aggregating \$205,117,268, were generated primarily from two sources. Property taxes of \$147,878,213 represent 72 percent of total revenues, while grants and contributions (program and general) totaling \$44,962,262 represent 22 percent of total revenues. The remaining six percent is generated from investment earnings, charges for services, and miscellaneous revenues.

The primary functional expense of the District is Instruction (\$100,207,262), which represents 53 percent of total expenses. The remaining expense categories are individually less than 10 percent of total expenses. There were no significant changes in expenses by function.

Business-type Activities. Business-type activities increased the District's net position by \$93,945, primarily due to increased enrollment in the community programs during the year.

Financial Analysis of the Government's Funds

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

Governmental Funds. At the end of the fiscal year, the District's governmental funds had combined ending fund balances of \$92,437,287, a decrease of \$24,190,570 from the preceding year. Comments as to each individual fund's change in fund balance follow.

The general fund is the primary operating fund of the District. At year-end, unassigned fund balance of the general fund was \$32,338,156, while total fund balance was \$39,162,307. To evaluate the general fund's liquidity, it may be helpful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 23 percent of total general fund expenditures, while total fund balance represents 28 percent of that same total. The fund balance of the general fund increased \$5,081,984 during the year, primarily as a result of increased property tax values and increases in state aid revenues.

The debt service fund ended the year with a total fund balance of \$12,603,849, all of which is restricted for the payment of principal and interest on debt. The debt service fund balance increased \$2,392,038 during the year, primarily due to an increase in property tax collections from higher tax values.

The capital projects fund has a total fund balance of \$34,822,562, all of which is restricted for capital expenditures. The net decrease in fund balance during the current year in the capital projects fund was \$33,084,825, due to planned expenditures on construction and renovations authorized by the District.

Governmental funds financial statements may be found by referring to the table of contents.

Proprietary Funds. The District's proprietary fund financial statements, reflecting enterprise and internal service funds created for its Community Education program, Kids Klub, Community Sports Camps, and self-funded workers' compensation program, provides information as to profitability of those programs. The net change in assets of the internal service fund is eliminated and allocated to the governmental expenses in the government-wide financial statements. The enterprise funds have been addressed in the discussion of the District's business-type activities.

General Fund Budgetary Highlights

The District amends the budget as needed throughout the year. The variations between the original budget and the final amended budget of the general fund included an increase in property tax revenues of \$7.1 million. State program budgeted revenues by \$5.7 million, including an increase in contracted instructional services between public schools of \$3.4 million due to refined estimates related to the state foundation program.

There were no significant variations between the final budget and the actual results at year end.

Capital Assets and Long-term Liabilities

Capital Assets. The District's investment in capital assets for its governmental and business-type activities as of August 31, 2023 was \$394,071,121 (net of accumulated depreciation and amortization). This investment in capital assets includes land and improvements, buildings and improvements, furniture and equipment, right to use assets and construction in progress.

Major capital asset addition activity during the year included the following:

- Furniture and equipment totaling \$4,988,751.
- Land purchases totaling \$3,840,652.
- Construction in progress totaling \$22,700,907 and comprised of multiple renovation projects.

College Station Independent School District's Capital Assets (net of depreciation and amortization)

	Governmental Activities		Business-type Activities		Totals	
	2023 Amount	2022 Amount	2023 Amount	2022 Amount	2023 Amount	2022 Amount
Land and improvements	\$ 25,507,272	\$ 21,666,620	\$ -	\$ -	\$ 25,507,272	\$ 21,666,620
Buildings and improvements	343,906,585	344,359,236	-	-	343,906,585	344,359,236
Furniture and equipment	7,806,763	4,834,593	-	-	7,806,763	4,834,593
Right to use lease assets	651,948	49,150	-	-	651,948	49,150
Right to use subscription assets	267,213	-	-	-	267,213	-
Construction in progress	15,931,340	7,836,399	-	-	15,931,340	7,836,399
Totals	\$ 394,071,121	\$ 378,745,998	\$ -	\$ -	\$ 394,071,121	\$ 378,745,998

Commitments. At the end of the current fiscal year, the District's commitments with construction contractors totaled \$6,313,286.

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

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

College Station Independent School District's Long-Term Liabilities Outstanding

	Governmental Activities					
	2023		2022		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
General obligation bonds (net)	\$ 347,114,806	84	\$ 367,566,135	87	\$ (20,451,329)	(6)
Rebatable arbitrage	642,408	-	-	-	642,408	100
Leases payable	461,750	-	50,380	-	411,370	817
Subscriptions payable	76,104	-	-	-	76,104	100
Workers' compensation	765,015	-	624,241	-	140,774	23
Compensated absences	936,748	-	901,387	-	35,361	4
Net pension liability	41,049,118	10	19,185,806	4	21,863,312	114
Net OPEB liability	24,246,437	6	39,656,999	9	(15,410,562)	(39)
Totals	\$ 415,292,386	100	\$ 427,984,948	100	\$ (12,692,562)	

The District's total debt decreased by \$20,451,329 primarily due to scheduled bond payments. Net pension liability increased by \$21,863,312 and net OPEB liability decreased by \$15,410,562 during the year due to changing market conditions and assumptions as of the most recent measurement date of the pension plan.

The District's general obligation debt is backed by the full faith and credit of the District and is further guaranteed by the Texas Permanent School Fund Bond Guarantee Program or by a municipal bond insurance policy. State statutes do not limit the amount of bonded indebtedness issued by school districts, so long as the debt service tax rate does not exceed the limit established in Texas Education Code 45.0031. Additionally, approval by the Attorney General of the State of Texas is required prior to the sale of bonds.

Additional information on the District's long-term liabilities can be found in the notes to the financial statements per the table of contents.

Economic Factors and Next Year's Budget and Rates

- School year (2023-24) budgeted student enrollment was 14,717, a 1.6 percent increase from the preceding year. Actual student enrollment is 14,398.
- District staff totals 2,114 employees in 2023-24, excluding substitutes and other part-time employees, of which 1,069 are teachers and 311 are teacher aides and secretaries.
- The District maintains 19 regular education campuses.
- Property values of the District are projected to increase by 12 percent for the 2023-24 year.
- A maintenance and operations tax rate of \$0.6992 and a debt service tax rate of \$0.2630, a total rate of \$0.9622, were adopted for 2023-24. Preceding year rates were \$0.9151, \$0.2630, and \$1.1781, respectively.

All of these factors and others were considered in preparing the District's budget for the 2023-24 fiscal year.

Requests for Information

This financial report is intended to provide a general overview of the District's finances for those with an interest in this information. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, College Station Independent School District, 1812 Welsh, College Station, Texas 77840.

Basic Financial Statements

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College Station Independent School District
Statement of Net Position
August 31, 2023

Exhibit A-1

Data Control Codes		1	2	3
		Primary Government		
		Governmental Activities	Business-type Activities	Total
ASSETS				
1110	Cash and cash equivalents	\$ 61,272,843	\$ 570,736	\$ 61,843,579
1120	Current investments	44,028,708	-	44,028,708
1220	Property taxes receivable	1,516,585	-	1,516,585
1230	Allowance for uncollectible taxes	(15,166)	-	(15,166)
1240	Due from other governments	4,260,641	-	4,260,641
1290	Other receivables	1,130,993	-	1,130,993
1300	Inventories	703,956	-	703,956
1410	Prepaid items	84,576	-	84,576
	Capital assets, not being depreciated and amortized:			
1510	Land and improvements	25,507,272	-	25,507,272
1580	Construction in progress	15,931,340	-	15,931,340
	Capital assets, net of accumulated depreciation and amortization:			
1520	Buildings and improvements	343,906,585	-	343,906,585
1530	Furniture and equipment	7,806,763	-	7,806,763
1550	Right to use lease assets	651,948	-	651,948
1553	Right to use subscription assets	267,213	-	267,213
1000	Total assets	507,054,257	570,736	507,624,993
DEFERRED OUTFLOWS OF RESOURCES				
1705	Deferred outflows - pension	20,626,507	-	20,626,507
1706	Deferred outflows - OPEB	9,017,133	-	9,017,133
1710	Deferred charge on refunding	4,145,968	-	4,145,968
1700	Total deferred outflows of resources	33,789,608	-	33,789,608
LIABILITIES				
2110	Accounts payable	7,117,140	8,950	7,126,090
2140	Interest payable	532,565	-	532,565
2160	Accrued wages payable	7,578,989	51,274	7,630,263
2180	Due to other governments	1,024,855	-	1,024,855
2300	Unearned revenue	582,614	52,260	634,874
	Noncurrent liabilities:			
2501	Due within one year	18,539,899	-	18,539,899
2502	Due in more than one year	331,456,932	-	331,456,932
2540	Net pension liability	41,049,118	-	41,049,118
2545	Net OPEB liability	24,246,437	-	24,246,437
2000	Total liabilities	432,128,549	112,484	432,241,033
DEFERRED INFLOWS OF RESOURCES				
2605	Deferred inflows - pension	7,183,322	-	7,183,322
2606	Deferred inflows - OPEB	39,124,904	-	39,124,904
2610	Deferred gain on refunding	6,469	-	6,469
2600	Total deferred inflows of resources	46,314,695	-	46,314,695
NET POSITION				
3200	Net investment in capital assets	85,380,522	-	85,380,522
3820	Restricted for grants	3,960,183	-	3,960,183
3850	Restricted for debt service	13,148,991	-	13,148,991
3900	Unrestricted (deficit)	(40,089,075)	458,252	(39,630,823)
3000	TOTAL NET POSITION	\$ 62,400,621	\$ 458,252	\$ 62,858,873

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

College Station Independent School District

Statement of Activities

For the Fiscal Year Ended August 31, 2023

Data Control Codes	Functions/Programs	1	3	4
		Expenses	Program Revenues	
			Charges for Services	Operating Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities:				
0011	Instruction	\$ 100,207,262	\$ 502,981	\$ 10,194,463
0012	Instructional resources and media services	1,617,121	44,541	97,043
0013	Curriculum and instructional staff development	3,278,948	11,579	2,545,452
0021	Instructional leadership	2,312,334	70	429,499
0023	School leadership	8,039,554	34,311	283,958
0031	Guidance, counseling, and evaluation services	6,652,940	90,017	1,530,726
0032	Social work services	13,638	-	13,629
0033	Health services	2,137,811	1,272	287,097
0034	Student transportation	5,190,683	157	175,272
0035	Food services	8,788,091	3,010,389	6,132,549
0036	Extracurricular activities	8,715,562	1,124,833	1,201,979
0041	General administration	4,647,558	-	795,816
0051	Plant maintenance and operations	17,608,590	137,493	880,561
0052	Security and monitoring services	1,225,394	222	1,143,071
0053	Data processing services	5,270,244	-	260,550
0061	Community services	844,836	1,103	864,650
0072	Interest on long-term debt	11,122,677	-	52,763
0073	Issuance costs and fees	4,090	-	592,185
0081	Facilities repair and maintenance	526,491	-	-
0091	Contracted instructional services between schools	920,482	-	107,700
0093	Payments related to shared services arrangement	117,693	-	-
0095	Payments to juvenile justice alternative education programs	8,630	-	-
0099	Other intergovernmental charges	1,316,423	-	-
TG	Total governmental activities	190,567,052	4,958,968	27,588,963
Business-type activities:				
01	Community education	660,407	693,837	-
02	Kids Klub	1,215,022	1,247,955	-
03	Community sports camps	235,701	263,283	-
TB	Total business-type activities	2,111,130	2,205,075	-
TP	TOTAL PRIMARY GOVERNMENT	\$ 192,678,182	\$ 7,164,043	\$ 27,588,963
General revenues:				
MT	Property taxes, levied for general purposes			
DT	Property taxes, levied for debt service			
GC	Grants and contributions not restricted to specific programs			
IE	Investment earnings			
MI	Miscellaneous			
TR	Total general revenues			
CN	Change in net position			
NB	Net position - beginning			
NE	NET POSITION - ENDING			

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

6	7	8
<u>Net (Expense) Revenue and Changes in Net Position</u>		
<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (89,509,818)	\$ -	\$ (89,509,818)
(1,475,537)	-	(1,475,537)
(721,917)	-	(721,917)
(1,882,765)	-	(1,882,765)
(7,721,285)	-	(7,721,285)
(5,032,197)	-	(5,032,197)
(9)	-	(9)
(1,849,442)	-	(1,849,442)
(5,015,254)	-	(5,015,254)
354,847	-	354,847
(6,388,750)	-	(6,388,750)
(3,851,742)	-	(3,851,742)
(16,590,536)	-	(16,590,536)
(82,101)	-	(82,101)
(5,009,694)	-	(5,009,694)
20,917	-	20,917
(11,069,914)	-	(11,069,914)
588,095	-	588,095
(526,491)	-	(526,491)
(812,782)	-	(812,782)
(117,693)	-	(117,693)
(8,630)	-	(8,630)
(1,316,423)	-	(1,316,423)
(158,019,121)	-	(158,019,121)
-	33,430	33,430
-	32,933	32,933
-	27,582	27,582
-	93,945	93,945
(158,019,121)	93,945	(157,925,176)
114,864,427	-	114,864,427
33,013,786	-	33,013,786
17,373,299	-	17,373,299
6,590,029	-	6,590,029
727,796	-	727,796
172,569,337	-	172,569,337
14,550,216	93,945	14,644,161
47,850,405	364,307	48,214,712
\$ 62,400,621	\$ 458,252	\$ 62,858,873

College Station Independent School District

Balance Sheet – Governmental Funds

August 31, 2023

199

<u>Data Control Codes</u>		<u>General Fund</u>
	ASSETS	
1110	Cash and cash equivalents	\$ 42,833,118
1120	Current investments	3,950,391
1220	Property taxes receivable	1,174,751
1230	Allowance for uncollectible taxes	(11,748)
1240	Due from other governments	2,211,735
1260	Due from other funds	1,628,771
1290	Other receivables	257,858
1300	Inventories	342,279
1410	Prepaid items	33,923
		<hr/>
1000	Total assets	52,421,078
		<hr/>
1000a	TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 52,421,078
		<hr/>
	LIABILITIES	
2110	Accounts payable	\$ 3,396,345
2160	Accrued wages payable	7,578,989
2170	Due to other funds	124,402
2180	Due to other governments	920,482
2300	Unearned revenue	75,550
		<hr/>
2000	Total liabilities	12,095,768
		<hr/>
	DEFERRED INFLOWS OF RESOURCES	
2620	Unavailable revenue - property taxes	1,163,003
2630	Unavailable revenue - other	-
		<hr/>
	Total deferred inflows of resources	1,163,003
		<hr/>
	FUND BALANCES	
3410	Nonspendable - inventories	342,279
3430	Nonspendable - prepaid items	33,923
3450	Restricted - grant funds	-
3470	Restricted - capital acquisitions and contractual obligations	-
3480	Restricted - debt service	-
3510	Committed - construction	3,000,000
3545	Committed - other	2,000,000
3590	Assigned - purchases on order	1,447,949
3600	Unassigned	32,338,156
		<hr/>
3000	Total fund balances	39,162,307
		<hr/>
4000	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 52,421,078
		<hr/>

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

599		699		98			
Debt Service Fund		Capital Projects Fund		Total Nonmajor Funds		Total Governmental Funds	
\$ 2,076,903	\$ 10,178,015	\$ 5,555,983	\$ 60,644,019				
10,539,086	27,552,704	480,649	42,522,830				
341,834	-	-	1,516,585				
(3,418)	-	-	(15,166)				
5,110	-	2,043,796	4,260,641				
-	107,700	13,720	1,750,191				
796,467	59,051	14,636	1,128,012				
-	-	361,677	703,956				
-	158,894	18,734	211,551				
<u>13,755,982</u>	<u>38,056,364</u>	<u>8,489,195</u>	<u>112,722,619</u>				
<u>\$ 13,755,982</u>	<u>\$ 38,056,364</u>	<u>\$ 8,489,195</u>	<u>\$ 112,722,619</u>				
\$ -	\$ 3,233,802	\$ 477,826	\$ 7,107,973				
-	-	-	7,578,989				
-	-	1,625,789	1,750,191				
74,426	-	29,947	1,024,855				
-	-	507,064	582,614				
<u>74,426</u>	<u>3,233,802</u>	<u>2,640,626</u>	<u>18,044,622</u>				
338,416	-	-	1,501,419				
739,291	-	-	739,291				
<u>1,077,707</u>	<u>-</u>	<u>-</u>	<u>2,240,710</u>				
-	-	-	342,279				
-	-	-	33,923				
-	-	3,960,183	3,960,183				
-	34,822,562	-	34,822,562				
12,603,849	-	-	12,603,849				
-	-	-	3,000,000				
-	-	1,888,386	3,888,386				
-	-	-	1,447,949				
-	-	-	32,338,156				
<u>12,603,849</u>	<u>34,822,562</u>	<u>5,848,569</u>	<u>92,437,287</u>				
<u>\$ 13,755,982</u>	<u>\$ 38,056,364</u>	<u>\$ 8,489,195</u>	<u>\$ 112,722,619</u>				

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College Station Independent School District
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 August 31, 2023

Exhibit C-1R

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS (EXHIBIT C-1) \$ 92,437,287

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The governmental capital assets at year-end consist of:

Governmental capital assets costs	\$ 633,186,937	
Accumulated depreciation and amortization of governmental capital assets	<u>(239,115,816)</u>	394,071,121

Prepaid expenditures for subscriptions, which will be expenditures that apply to a future period(s), are reported as capital assets in the governmental-wide statement of net position. (190,507)

Property taxes receivable, which will be collected subsequent to year-end, but are not available soon enough to pay expenditures and, therefore, are deferred in the funds. 1,501,419

Insurance recovery receivable, which will be collected subsequent to year-end, but are not available soon enough after year-end and, therefore, are deferred in the funds. 739,291

Long-term liabilities, including bonds payable, rebatable arbitrage, leases payable, subscriptions, compensated absences, and net pension and OPEB liability, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Liabilities at year-end related to such items, consist of:

Bonds payable, at original par	\$ (324,710,000)	
Premium on bonds payable	(22,404,806)	
Rebatable arbitrage	(642,408)	
Accrued interest on the bonds	(532,565)	
Leases payable	(461,750)	
Subscriptions payable	(76,104)	
Compensated absences	(936,748)	
Net pension liability	(41,049,118)	
Net OPEB liability	<u>(24,246,437)</u>	(415,059,936)

An internal service fund is used by the District to charge the costs of workers' compensation benefits to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities. 1,427,033

Deferred charge on refunding is reported as deferred outflow in the statement of net position and is not reported in the governmental funds as it is not a current financial resource available to pay for current expenditures. 4,145,968

Deferred gain on refunding represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. (6,469)

Deferred outflows of resources for pension represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until then. 20,626,507

Deferred inflows of resources for pension represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. (7,183,322)

Deferred outflows of resources for OPEB represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until then. 9,017,133

Deferred inflows of resources for OPEB represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. (39,124,904)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES (EXHIBIT A-1) \$ 62,400,621

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

College Station Independent School District
Statement of Revenues, Expenditures, and Changes
in Fund Balances – Governmental Funds
For the Fiscal Year Ended August 31, 2023

199

<u>Data Control Codes</u>		<u>General Fund</u>
REVENUES		
5700	Local and intermediate sources	\$ 119,427,233
5800	State program revenues	22,063,790
5900	Federal program revenues	3,911,459
		<hr/>
5020	Total revenues	145,402,482
EXPENDITURES		
	Current:	
0011	Instruction	83,007,944
0012	Instructional resources and media services	1,297,197
0013	Curriculum and instructional staff development	758,359
0021	Instructional leadership	2,070,681
0023	School leadership	7,397,577
0031	Guidance, counseling, and evaluation services	5,202,531
0032	Social work services	-
0033	Health services	1,938,167
0034	Student transportation	4,650,668
0035	Food services	2,238
0036	Extracurricular activities	5,607,794
0041	General administration	4,570,816
0051	Plant maintenance and operations	16,604,444
0052	Security and monitoring services	1,021,608
0053	Data processing services	3,201,869
0061	Community services	195,218
	Debt service:	
0071	Principal on long-term debt	149,058
0072	Interest on long-term debt	16,975
0073	Issuance costs and fees	-
	Capital outlay:	
0081	Facilities acquisition and construction	5,000
	Intergovernmental:	
0091	Contracted instructional services between public schools	920,482
0093	Payments related to shared services arrangements	117,693
0095	Payments to juvenile justice alternative education programs	8,630
0099	Other intergovernmental charges	1,316,423
		<hr/>
6030	Total expenditures	140,061,372
1100	Excess (deficiency) of revenues over (under) expenditures	5,341,110
OTHER FINANCING SOURCES (USES)		
7913	Issuance of leases	560,428
7940	Issuance of subscriptions	-
8949	Refunds to taxpayers	(547,482)
		<hr/>
7080	Total other financing sources (uses)	12,946
EXTRAORDINARY ITEMS		
7919	Extraordinary gain	1,476,148
8913	Extraordinary loss	(1,748,220)
		<hr/>
	Total extraordinary items	(272,072)
1200	Net change in fund balances	5,081,984
0100	Fund balances - beginning	34,080,323
		<hr/>
3000	FUND BALANCES - ENDING	\$ 39,162,307

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

599	699		98
Debt Service Fund	Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
\$ 34,341,303	\$ 2,590,982	\$ 7,017,305	\$ 163,376,823
592,185	-	1,227,541	23,883,516
-	-	19,101,120	23,012,579
34,933,488	2,590,982	27,345,966	210,272,918
-	5,120,059	8,634,179	96,762,182
-	-	122,536	1,419,733
-	-	2,501,461	3,259,820
-	-	381,015	2,451,696
-	-	179,996	7,577,573
-	-	1,468,759	6,671,290
-	-	13,638	13,638
-	-	252,956	2,191,123
-	1,893,847	124,814	6,669,329
-	-	8,710,239	8,712,477
-	65,933	1,629,686	7,303,413
-	-	25,487	4,596,303
-	96,090	776,797	17,477,331
-	-	137,603	1,159,211
-	2,168,374	226,763	5,597,006
-	-	815,908	1,011,126
18,400,000	-	77,307	18,626,365
13,984,565	-	-	14,001,540
4,090	-	-	4,090
-	26,331,504	-	26,336,504
-	-	-	920,482
-	-	-	117,693
-	-	-	8,630
-	-	-	1,316,423
32,388,655	35,675,807	26,079,144	234,204,978
2,544,833	(33,084,825)	1,266,822	(23,932,060)
-	-	-	560,428
-	-	153,411	153,411
(152,795)	-	-	(700,277)
(152,795)	-	153,411	13,562
-	-	-	1,476,148
-	-	-	(1,748,220)
-	-	-	(272,072)
2,392,038	(33,084,825)	1,420,233	(24,190,570)
10,211,811	67,907,387	4,428,336	116,627,857
\$ 12,603,849	\$ 34,822,562	\$ 5,848,569	\$ 92,437,287

College Station Independent School District
 Reconciliation of the Statement of Revenues,
 Expenditures, and Changes in Fund Balances of
 Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended August 31, 2023

Exhibit C-3

TOTAL NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (EXHIBIT C-2)	\$	(24,190,570)
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense.		
Capital assets increased	\$	33,033,078
Depreciation expense		<u>(17,846,622)</u>
		15,186,456
The net effect of miscellaneous transactions involving capital assets (transfers, adjustments and dispositions) is an increase (decrease) to net position.		
		138,667
The net effect of reclassification of prepaid expenditures for subscriptions is an increase (decrease) to net position.		
		(190,507)
Because some property taxes will not be collected for several months after the District's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Deferred inflows for taxes increased (decreased) by this amount this year.		
		229,273
Issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.		
Issuance of subscriptions payable	\$	(153,411)
Issuance of leases		<u>(560,428)</u>
		(713,839)
Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Repayment of bonds payable principal	\$	18,400,000
Repayment of subscription payable principal		77,307
Repayment of leases payable principal		<u>149,058</u>
		18,626,365
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The changes reported in the statement of activities consists of the following:		
Accrued interest on current interest bonds payable <i>(increased) decreased</i>	\$	2,395,178
Amortization of bond premium		2,051,329
Amortization of deferred charge on refundings		(931,728)
Amortization of deferred gain on refundings		<u>6,492</u>
		3,521,271
An internal service fund is used by the District to charge the costs of workers' compensation benefits to the individual funds. The net activity of the internal service fund was reported in the government-wide statements.		
		(14,014)
The (increase) decrease in arbitrage liability is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.		
		(642,408)
The (increase) decrease in compensated absences is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.		
		(35,361)
The net change in net pension liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:		
Deferred outflows increased (decreased)	\$	4,765,596
Deferred inflows (increased) decreased		16,079,629
Net pension liability (increased) decreased		<u>(21,863,312)</u>
		(1,018,087)
The net change in net OPEB liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:		
Deferred outflows increased (decreased)	\$	(1,682,788)
Deferred inflows (increased) decreased		(10,074,804)
Net OPEB liability (increased) decreased		<u>15,410,562</u>
		3,652,970
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES (EXHIBIT B-1)	\$	<u>14,550,216</u>

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

College Station Independent School District
Statement of Net Position
Proprietary Funds
August 31, 2023

Exhibit D-1

Data Control Codes		Business-type	Governmental
		Activities	Activities
		Nonmajor	Internal Service
		Enterprise	Fund
		Fund	773
			Workers'
			Compensation
ASSETS			
	Current assets:		
1110	Cash and cash equivalents	\$ 570,736	\$ 628,824
1120	Current investments	-	1,505,878
1290	Other receivables	-	2,981
1410	Prepaid items	-	63,532
	Total current assets	570,736	2,201,215
	Noncurrent assets:		
	Capital assets:		
1530	Furniture and equipment	7,902	-
1570	Accumulated depreciation and amortization	(7,902)	-
	Total noncurrent assets	-	-
1000	Total assets	570,736	2,201,215
LIABILITIES			
	Current liabilities:		
2110	Accounts payable	8,950	9,167
2160	Accrued wages payable	51,274	-
2300	Unearned revenue	52,260	-
2123	Claims payable - due within one year	-	765,015
2000	Total liabilities	112,484	774,182
NET POSITION			
3900	Unrestricted	458,252	1,427,033
3000	TOTAL NET POSITION	\$ 458,252	\$ 1,427,033

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

College Station Independent School District
Statement of Revenues, Expenses, and Changes
in Net Position – Proprietary Funds
For the Fiscal Year Ended August 31, 2023

Exhibit D-2

<u>Data Control Codes</u>		<u>Business-type Activities</u>	<u>Governmental Activities</u>
		<u>Nonmajor Enterprise Fund</u>	<u>Internal Service Fund 773 Workers' Compensation</u>
OPERATING REVENUES			
5739	Tuition	\$ 2,205,075	\$ -
5754	Interfund service provided	-	511,947
5020	Total revenues	2,205,075	511,947
OPERATING EXPENSES:			
6100	Payroll costs	1,713,514	49,494
6200	Professional and contracted services	33,358	-
6300	Supplies and materials	52,312	-
6400	Other operating costs	311,946	566,392
6030	Total expenses	2,111,130	615,886
	Operating income (loss)	93,945	(103,939)
NONOPERATING REVENUES (EXPENSES)			
7955	Earnings from temp. deposits and investments	-	89,925
8030	Total nonoperating revenues (expenses)	-	89,925
1300	Change in net position	93,945	(14,014)
0100	Net position - beginning	364,307	1,441,047
3300	NET POSITION - ENDING	\$ 458,252	\$ 1,427,033

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

College Station Independent School District
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended August 31, 2023

Exhibit D-3

	Business-type Activities	Governmental Activities
	Nonmajor Enterprise Fund	Internal Service Fund 773 Workers' Compensation
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from user charges	\$ 2,256,476	\$ 511,947
Cash payments for employees services and benefits	(1,713,064)	(49,494)
Cash payments for claims	-	(355,171)
Cash payments for other operating expenses	(403,129)	(123,634)
Net cash provided by (used for) operating activities	140,283	(16,352)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	-	89,925
Proceeds from sale and maturity of investments	-	36,515
Net cash provided by (used for) investing activities	-	126,440
Net increase (decrease) in cash and cash equivalents	140,283	110,088
Cash and cash equivalents at the beginning of the year	430,453	518,736
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	\$ 570,736	\$ 628,824
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Operating income (loss)	\$ 93,945	\$ (103,939)
Effect of increases and decreases in current assets and liabilities:		
(Increase) decrease in other receivables	131	1,178
(Increase) decrease in prepaid items	-	(63,532)
Increase (decrease) in accounts payable	(5,513)	9,167
Increase (decrease) in accrued wages payable	450	-
Increase (decrease) in unearned revenue	51,270	-
Increase (decrease) in claims payable	-	140,774
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ 140,283	\$ (16,352)

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

College Station Independent School District
 Statement of Fiduciary Net Position
 Fiduciary Fund
 August 31, 2023

Exhibit E-1

	<u>Custodial Fund</u>
ASSETS	
Cash and cash equivalents	\$ 455,881
Other receivables	<u>3,330</u>
Total assets	459,211
LIABILITIES	
Accounts payable	<u>8,155</u>
Total liabilities	8,155
NET POSITION	
Restricted for:	
Student activity	<u>451,056</u>
TOTAL NET POSITION	<u><u>\$ 451,056</u></u>

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

College Station Independent School District
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended August 31, 2023

Exhibit E-2

	<u>Custodial Fund</u>
ADDITIONS	
Contributions and gifts	\$ 97,710
Fundraising activity	183,449
Student club fees	35,042
Investment earnings	7,160
	<hr/>
Total additions	323,361
DEDUCTIONS	
Student activities	292,539
Administrative expense	5,617
Beneficiary payments	10,255
Community Activities	24,400
	<hr/>
Total deductions	332,811
	<hr/>
Net change in fiduciary net position	(9,450)
Net position - beginning of year	460,506
	<hr/>
TOTAL NET POSITION	<u><u>\$ 451,056</u></u>

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

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College Station Independent School District

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

B. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government (the District). All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

The *general fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those accounted for in another fund.

The *debt service fund* is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

The *capital projects fund* accounts for the acquisition and construction of the District's major capital facilities, other than those financed by proprietary funds.

College Station Independent School District

Notes to the Financial Statements

Additionally, the District reports the following fund types:

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

The *enterprise funds* account for the District's operation of a before and after school care program (Kids Klub) and summer programs (Community Education and Sports Camps). These funds are supported principally by revenues generated through program fees.

The *internal service fund* accounts for risk management services claims for workers' compensation claims and administrative expenses provided to other departments or agencies of the District.

The *custodial fund* accounts for assets held by the District for student organizations or for scholarships. The fund is fiduciary in nature and is not used for the benefit of the District.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

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

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

College Station Independent School District

Notes to the Financial Statements

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as required under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases and subscriptions are reported as other financing sources.

Interest associated with the current fiscal period is all considered to be susceptible to accrual and has been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 120 days of year end). All other revenue items, including property taxes, are considered to be measurable and available only when cash is received by the District.

The proprietary and custodial funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

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

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand and bank demand or time deposits with original maturities of three months or less from the date of acquisition.

2. Investments

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

3. Inventories and Prepaid Items

Inventories are valued at cost using the average cost method and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Capital Assets

Capital assets, which include land and improvements, construction in progress, buildings and improvements, furniture and equipment, and right to use assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. The District's infrastructure includes parking lots and sidewalks associated with various buildings. The cost of the infrastructure was initially capitalized with the building cost and is being depreciated over the same useful life as the building. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

College Station Independent School District

Notes to the Financial Statements

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the District chose to include all such items regardless of their acquisition date or amount. The District was able to estimate the historical cost for the initial reporting of these assets. As the District constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Right to use assets are amortized over the duration of the lease using the straight line method. Land and improvements and construction in progress are not depreciated. The buildings and improvements and furniture and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

Capital Asset Classes	Lives
Buildings and improvements	5 - 47
Furniture and equipment	5 - 7
Right-to-use lease assets	Shorter of lease term or useful life
Right-to-use subscription assets	Shorter of subscription term or useful life

5. Leases

Lessee

The District is a lessee for noncancellable leases of property and equipment. The District recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset (lease asset), reported with other capital assets, in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the District is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

College Station Independent School District

Notes to the Financial Statements

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

6. Subscription-Based Information Technology Arrangements (SBITAs)

The District has noncancellable contracts with SBITA vendors for the right to use information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). The District recognizes a subscription liability, reported with long-term debt, and a right-to-use subscription asset (an intangible asset), reported with other capital assets, in the government-wide financial statements. The District recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

At the commencement of an SBITA, the District initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of SBITA payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT assets.

Key estimates and judgments related to SBITAs include how the District determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The District uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the noncancellable period of the SBITA.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, termination penalties if the District is reasonably certain to exercise such options, subscription contract incentives receivable from the SBITA vendor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The District monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

7. Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until then. Deferred inflows of resources represent an acquisition of net position/fund balance that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

College Station Independent School District

Notes to the Financial Statements

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension and OPEB activities are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and OPEB plan, except for projected and actual earnings differences on investments which are amortized on a closed basis over a 5-year period.
- District contributions to the pension and OPEB plans after the measurement date of each plan are recognized in the subsequent fiscal year.
- Deferred charge/gain on refunding is amortized over the shorter of the life of the refunded or refunding debt.
- Property taxes and other deferred inflows from insurance are recognized in the period the amount becomes available.

8. *Compensated Absences*

It is the District's policy to permit full-time employees in positions normally requiring 12 months of service to accumulate earned vacation. Vacation leave shall not accumulate beyond the end of the contract or fiscal year following the year it was earned. On the first day of a contract or fiscal year, the maximum number of days that may be carried over is two times the number of days earned in the preceding year. Upon separation from the District, employees shall be paid for all unused vacation days at their daily rate provided they have given their administrator or supervisor at least two weeks' written notice of their intent to resign or retire. All vacation is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employees' separation from the District.

It is the District's policy to permit employees to accumulate earned but unused sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District.

9. *Pension*

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

10. *Other Post-Employment Benefits*

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS-Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS-Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

College Station Independent School District

Notes to the Financial Statements

11. Net Position Policies

Net position of governmental activities is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District classifies net position as follows:

Net investment in capital assets – the component of net position that reports capital assets, net of accumulated depreciation and amortization, and net of related debt, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

Restricted – the component of net position that is constrained for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions or enabling legislation. This classification includes retirement of long-term debt, and other federal and state grants.

Unrestricted – the component of net position that includes the residual difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources that is not classified in the categories mentioned above.

12. Net Position Flow Assumption

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

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

13. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District classifies governmental fund balances as follows:

Non-spendable – includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions or enabling legislation. This classification includes retirement of long-term debt, construction programs and other federal and state grants.

Committed - includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The board of trustees (the Board) is the highest level of decision-making authority for the District that can, by board action or adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the board action or resolution remains in place until a similar action is taken (the board action or adoption of another resolution) to remove or revise the limitation.

College Station Independent School District

Notes to the Financial Statements

Assigned - includes fund balance amounts that are self-imposed by the District to be used for specific purposes, but do not meet the criteria to be classified as non-spendable, restricted or committed. The Board has, by policy, authorized the superintendent or his/her designee to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned - includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. The general fund should be the only fund that reports a positive unassigned fund balance. Unassigned fund balance may also include deficit balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

14. Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

G. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property values are determined by the County Appraisal District as of January 1 of each year. Prior to September 1 of each year, the District must adopt its annual budget and as soon thereafter as practicable, shall adopt a tax rate thus creating the tax levy. Property taxes for the current calendar year are levied on approximately October 1 of each year and are payable by January 31 of the following year. Property tax receivables are recorded as of the date levied. Unpaid taxes become delinquent on February 1 and a tax lien on real property is created as of January 1 of each year. Additionally, the District offers taxpayers the option of paying taxes in two installments. If this option is elected, the first half must be paid by November 30 and the final payment is due by June 30. Under this option, taxes are not delinquent until July 1.

College Station Independent School District

Notes to the Financial Statements

3. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

H. Use of Estimates

The presentation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

I. Data Control Codes

The Data Control Codes refer to the account code structure prescribed by Texas Education Agency (TEA) in the *Financial Accountability System Resource Guide*. TEA requires school districts to display these codes in the financial statements filed with TEA in order to ensure accuracy in building a statewide database for policy development and funding plans.

J. Implementation of New Accounting Standards

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96), provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset - and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments; and 4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for reporting periods beginning after June 15, 2022, with earlier application encouraged. GASB 96 was implemented in the District's 2023 financial statements with no impact to amounts previously reported.

K. Recent Accounting Pronouncements

GASB Statement No. 101, *Compensated Absences* (GASB 101), improves the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2023, with earlier application encouraged. GASB 101 will be implemented in the District's fiscal year 2025 financial statements and the impact has not yet been determined.

College Station Independent School District

Notes to the Financial Statements

Note 2. Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, National School Breakfast and Lunch Program special revenue fund, and debt service fund. All annual appropriations lapse at fiscal year end. The following procedures are followed in establishing the budgetary data reflected in the financial statements.

1. Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board.

The appropriated budget is prepared by fund, function, and campus/department. The District's campus/department heads may make transfers of appropriations within a campus/department. Transfers of appropriations between campus/departments require the approval of the District's management. Transfers of appropriations between functions require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level within a fund.

B. Encumbrances

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as restricted, committed, or assigned fund balances as appropriate. The encumbrances do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Encumbrances included in governmental fund balances are as follows:

	Encumbrances Included in:	
	Restricted Fund Balance	Assigned Fund Balance
General fund	\$ -	\$ 1,447,949
Capital projects fund	10,533,871	-
Total encumbrances	\$ 10,533,871	\$ 1,447,949

College Station Independent School District

Notes to the Financial Statements

Note 3. Detailed Notes on All Funds

A. Deposits and Investments

Cash Deposits

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas School Depository Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the District's and the depository banks' agent bank. The pledged securities shall be in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

Investments

The District's investment policy is in accordance with the Public Funds Investment Act, the Public Funds Collateral Act, and federal and state laws. State law and District policy limits credit risk by allowing investing in:

1. Obligations of, or guaranteed by governmental entities as permitted by the Public Funds Investment Act;
2. Certificates of deposit and share certificates;
3. Fully collateralized repurchase agreements;
4. Securities lending program as permitted by the Public Funds Investment Act;
5. Bankers acceptances with a stated maturity of 270 days or fewer from the date of issuance;
6. Commercial paper, if it has a stated maturity of 365 days or fewer from the date of its issuance and is rated not less than A-1 or P-1 or an equivalent rating by at least
 - two nationally recognized credit rating agencies; or
 - one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state;
7. No-load mutual funds, except for bond proceeds, and no-load money market mutual funds, as permitted by the Public Funds Investment Act;
8. A guaranteed investment contract (for bond proceeds only) which meets the criteria and eligibility requirements established by the Public Funds Investment Act;
9. Public funds investment pools as permitted by the Public Funds Investment Act.

College Station Independent School District

Notes to the Financial Statements

The District’s investments are in investment pools, are measured at amortized cost or Net Asset Value (NAV), and are not required to be categorized in the fair value hierarchy as presented in the table below. The District’s investment balances, weighted average maturity, and rating of such investments are as follows:

	<u>August 31, 2023</u>	<u>Percent of Total Investments</u>	<u>Weighted Average Maturity (Days)</u>	<u>Rating</u>
Investments measured at amortized cost:				
Investment pools:				
TexPool	\$ 2,737,959	6%	23	AAAm*
Lone Star - government overnight fund	704,040	2%	18	AAAm*
Lone Star - corporate overnight fund	7,844,081	18%	32	AAAm*
Investments measured at Net Asset Value (NAV):				
Investment pools:				
Texas CLASS	31,857,397	72%	40	AAAm*
Texas CLASS Government	885,231	2%	21	AAAm*
Total value	<u>\$ 44,028,708</u>	<u>100%</u>		
Portfolio weighted average maturity			37	

* Standard & Poor's Rating

TexPool is duly chartered and overseen by the State Comptroller’s Office, administered and managed by Federated Investors, Inc. State Street Bank serves as the custodial bank. The portfolio consists of U.S. Government securities; collateralized repurchase and reverse repurchase agreements; and AAA rated money market mutual funds.

Lone Star is duly chartered by the State of Texas Interlocal Cooperation Act, is administered by First Public, LLC, a subsidiary of the Texas Association of School Boards, and managed by Standish Mellon Asset Management and American Beacon Advisors. State Street Bank and Trust Company is the custodial bank.

The TexPool and Lone Star investment pools are external investment pools measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, investment pools must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The investment pools transact at a net asset value of \$1.00 per share, have a weighted average maturity of 60 days or less and weighted average life of 120 days or less, investments held are highly rated by nationally recognized statistical rating organization, have no more than 5% of portfolio with one issuer (excluding US government securities), and can meet reasonably foreseeable redemptions. TexPool and Lone Star have a redemption notice period of one day and no maximum transaction amounts. The investment pools’ authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools’ liquidity.

College Station Independent School District

Notes to the Financial Statements

Texas CLASS was created in accordance with the requirements contained in section 2256.016 of the Public Funds Investment Act (PFIA). The Texas CLASS Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate in the Trust (the Participants), Public Trust Advisors, LLC (Public Trust) as Program Administrator, and Wells Fargo Bank Texas, N.A. as Custodian.

Texas CLASS is an external investment pool measured at fair value, i.e. net asset value. The investment pool's strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short term marketable securities. There are no unfunded commitments related to the investment pools. Texas CLASS has a redemption notice period of one day and may redeem daily. The investment pool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pool's liquidity. The Texas CLASS portfolio consists of U.S. Government securities; collateralized repurchase and reverse repurchase agreements; AAA rated money market mutual funds; and commercial paper. The Texas CLASS Government portfolio consists of U.S. Government securities; collateralized repurchase and reverse repurchase agreements; and AAA rated money market mutual funds.

Credit Risk

All credit ratings met acceptable levels required by legal guidelines prescribed in both the Public Funds Investment Act and the District's investment policy. At year-end, the District's investments were rated as noted in the previous page.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect the value of the investments. The District monitors interest rate risk utilizing weighted average maturity analysis. In accordance with its investment policy, the District shall have a maximum dollar weighted maturity of 180 days. The maximum allowable stated maturity of any other individual investment owned by the District is not to exceed one year from the time of purchase.

Concentration of Credit Risk

The District's investment policy does not limit an investment in any one issuer. The investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over-concentration of assets in a specific class of investments, specific maturity, or specific issuer.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of August 31, 2023, the District's bank balance was not exposed to custodial credit risk because it was insured and collateralized with securities held by the District's agent in the District's name.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investments are held by the District's agent in the District's name for the benefit of the District.

College Station Independent School District

Notes to the Financial Statements

B. Receivables

Tax revenues of the general and debt service fund are reported net of estimated uncollectible amounts. Total change in uncollectible amounts related to revenues of the current period increased (decreased) revenues as follows:

Change in uncollectibles related to general fund property taxes	\$ (1,731)
Change in uncollectibles related to debt service property taxes	<u>(585)</u>
Total change in uncollectibles in the current fiscal year	<u><u>\$ (2,316)</u></u>

Approximately 66% of the outstanding balance of property taxes receivable is not anticipated to be collected within the next year.

C. Interfund Receivables, Payables, and Transfers

1. Receivables/Payables

The composition of interfund balances as of August 31, 2023, is as follows:

Funds	Interfund Receivables	Interfund Payables
General fund	\$ 1,628,771	\$ 124,402
Capital Projects Fund	107,700	-
Nonmajor governmental funds	<u>13,720</u>	<u>1,625,789</u>
Totals	<u><u>\$ 1,750,191</u></u>	<u><u>\$ 1,750,191</u></u>

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

2. Transfers

Interfund transfers are defined as “flows of assets without equivalent flow of assets in return and without a requirement for repayment.” Transfers are the use of funds collected in one fund and are transferred to finance various programs accounted for in other funds. The District reported no transfers for the fiscal year ended August 31, 2023.

College Station Independent School District
Notes to the Financial Statements

D. Capital Assets

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

	Beginning Balance	Additions	Retirements, Transfers, and Adjustments	Ending Balance
Governmental activities:				
Capital assets, not being depreciated and amortized:				
Land and improvements	\$ 21,666,620	\$ 3,840,652	\$ -	\$ 25,507,272
Construction in progress	7,836,399	22,700,907	(14,605,966)	15,931,340
Total capital assets, not being depreciated and amortized	29,503,019	26,541,559	(14,605,966)	41,438,612
Capital assets, being depreciated and amortized:				
Buildings and improvements	532,708,364	431,357	14,605,966	547,745,687
Furniture and equipment	37,745,876	4,988,751	-	42,734,627
Right-to-use lease assets - furniture and equipment	196,600	560,428	-	757,028
Right-to-use subscription assets	-	510,983	-	510,983
Total capital assets, being depreciated and amortized	570,650,840	6,491,519	14,605,966	591,748,325
Less accumulated depreciation and amortization for:				
Buildings and improvements	(188,349,128)	(15,506,326)	16,352	(203,839,102)
Furniture and equipment	(32,911,283)	(1,942,296)	(74,285)	(34,927,864)
Right-to-use lease assets - furniture and equipment	(147,450)	(154,230)	196,600	(105,080)
Right-to-use subscription assets	-	(243,770)	-	(243,770)
Total accumulated depreciation and amortization	(221,407,861)	(17,846,622)	138,667	(239,115,816)
Total capital assets, being depreciated and amortized, net	349,242,979	(11,355,103)	14,744,633	352,632,509
Governmental activities capital assets, net	\$ 378,745,998	\$ 15,186,456	\$ 138,667	\$ 394,071,121
Business-type activities:				
Capital assets, being depreciated and amortized:				
Furniture and equipment	\$ 47,572	\$ -	\$ (39,670)	\$ 7,902
Less accumulated depreciation and amortization for:				
Furniture and equipment	(47,572)	-	39,670	(7,902)
Business-type activities capital assets, net	\$ -	\$ -	\$ -	\$ -

College Station Independent School District

Notes to the Financial Statements

Depreciation and amortization expense of the governmental activities was charged to functions/programs of the District as follows:

Governmental activities:		
11	Instruction	\$ 11,414,763
12	Instructional resources and media services	273,783
13	Curriculum and instructional staff development	57,650
21	Instructional leadership	178
23	School leadership	948,046
31	Guidance, counseling, and evaluation services	293,256
33	Health services	89,184
34	Student transportation	476,589
35	Food services	317,589
36	Extracurricular activities	1,695,100
41	General administration	265,698
51	Plant maintenance and operations	1,067,130
52	Security and monitoring services	143,357
53	Data processing services	785,324
61	Community services	18,975
		<u>17,846,622</u>
	Total depreciation and amortization expense - governmental activities	\$ <u>17,846,622</u>

Construction Commitments

The District has active construction projects as of August 31, 2023. The projects include the construction and equipment of school facilities. At year end, the District's commitments with contractors are as follows:

Project	Remaining Commitment
CTE agriculture science facility	\$ 4,138,370
Natorium renovation	895,549
Forest Ridge roof replacement	568,343
AMCHS renovations and lights	241,138
SWV renovation	178,634
Pebble Creek renovation	168,574
District wide safety	95,139
CSHS baseball/softball batting cages	27,539
	<u>6,313,286</u>
Total	\$ <u>6,313,286</u>

The commitment for construction and equipment of school facilities is being financed by general obligation bonds secured by ad valorem tax revenues. The roof replacement is being financed primarily through insurance proceeds.

College Station Independent School District

Notes to the Financial Statements

E. Long-term Liabilities

The District's long-term liabilities consist of bond indebtedness, leases payable, subscriptions payable, arbitrage liability, self-insured workers' compensation, compensated absences, and net pension and OPEB liability. The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund. The current requirements for the self-funded workers' compensation claims are accounted for in the internal service fund. Other long-term liabilities are generally liquidated with resources of the general fund.

Changes in Long-term Liabilities

Long-term liability activity for the fiscal year ended August 31, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 343,110,000	\$ -	\$ (18,400,000)	\$ 324,710,000	\$ 17,470,000
Issuance premiums	24,456,135	-	(2,051,329)	22,404,806	-
Total bonds payable, net	367,566,135	-	(20,451,329)	347,114,806	17,470,000
Leases payable	50,380	560,428	(149,058)	461,750	134,204
Subscriptions payable	-	153,411	(77,307)	76,104	76,104
Arbitrage liability	-	642,408	-	642,408	-
Workers' compensation	624,241	450,991	(310,217)	765,015	765,015
Compensated absences	901,387	122,667	(87,306)	936,748	94,576
Net pension liability	19,185,806	26,385,632	(4,522,320)	41,049,118	-
Net OPEB liability	39,656,999	891,537	(16,302,099)	24,246,437	-
Governmental activities long-term liabilities	\$ 427,984,948	\$ 29,207,074	\$ (41,899,636)	\$ 415,292,386	\$ 18,539,899

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities.

General Obligation Bonds

The District issues general obligation bonds to provide funds for the construction and equipment of school facilities (SCH) and to refund general obligation bonds (REF). General obligation bonds are direct obligations and pledge the full faith and credit of the District.

The following is a summary of changes in the general obligation bonds for the fiscal year:

Series	Interest Rate	Original Issue	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance
2010 SCH	2.00-4.00%	65,000,000	2023	\$ 2,705,000	\$ -	\$ (2,705,000)	\$ -
2014 SCH	3.00-5.00%	78,790,000	2039	56,660,000	-	(2,385,000)	54,275,000
2015 REF	2.00-5.00%	46,455,000	2027	20,755,000	-	(3,830,000)	16,925,000
2016 SCH	2.00-5.00%	64,100,000	2041	48,895,000	-	(1,785,000)	47,110,000
2016 REF	1.75-5.00%	37,345,000	2034	32,450,000	-	(3,605,000)	28,845,000
2017 SCH	3.00-5.00%	65,450,000	2042	58,230,000	-	(1,940,000)	56,290,000
2017 REF	3.00-5.00%	46,125,000	2036	45,510,000	-	-	45,510,000
2020 REF	5.00%	10,930,000	2024	4,435,000	-	(2,150,000)	2,285,000
2022 SCH	2.25 - 5.00%	73,470,000	2047	73,470,000	-	-	73,470,000
Totals				\$ 343,110,000	\$ -	\$ (18,400,000)	\$ 324,710,000

College Station Independent School District

Notes to the Financial Statements

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

Year Ending August 31,	Principal	Interest	Total Requirements
2024	\$ 17,470,000	\$ 12,022,881	\$ 29,492,881
2025	18,325,000	11,166,756	29,491,756
2026	19,220,000	10,274,256	29,494,256
2027	19,840,000	9,453,056	29,293,056
2028	16,060,000	8,611,056	24,671,056
2029	16,765,000	7,926,207	24,691,207
2030	17,505,000	7,188,007	24,693,007
2031	15,195,000	6,514,168	21,709,168
2032	18,910,000	5,844,325	24,754,325
2033	19,885,000	5,194,713	25,079,713
2034	20,540,000	4,568,606	25,108,606
2035	19,220,000	3,906,497	23,126,497
2036	15,735,000	3,281,950	19,016,950
2037	13,615,000	2,765,803	16,380,803
2038	14,055,000	2,324,194	16,379,194
2039	14,520,000	1,859,834	16,379,834
2040	10,335,000	1,377,700	11,712,700
2041	10,660,000	1,054,651	11,714,651
2042	7,495,000	719,525	8,214,525
2043	3,655,000	496,638	4,151,638
2044	3,755,000	394,625	4,149,625
2045	3,870,000	280,250	4,150,250
2046	3,985,000	167,406	4,152,406
2047	4,095,000	56,306	4,151,306
Totals	\$ 324,710,000	\$ 107,449,410	\$ 432,159,410

As of August 31, 2023, the District did not have any authorized but unissued bonds.

The District defeased certain bonds through the issuance of new bonds and placed the proceeds in an irrevocable trust to provide for all future debt service payments of the old bonds. Securities being utilized to repay the refinanced debt as it becomes due consist solely of U.S. government obligations. Accordingly, the trust account securities and the liability for the defeased bonds are not included in the District's basic financial statements. As of August 31, 2023, there were no outstanding defeased bonds.

The District cash defeased \$2,705,000 of the Series 2010 bonds during the year, which was called on August 15, 2023 and did not remain outstanding as of August 31, 2023.

College Station Independent School District

Notes to the Financial Statements

Leases Payable

The District has entered into a lease agreement as lessee. The lease allows the right-to-use copiers over the term of the lease. The District is required to make monthly payments at its incremental borrowing rate or the interest rate stated or implied within the leases. The lease rate, term and ending lease liability are as follows:

	Interest Rate(s)	Lease Term in Years	Ending Balance
Governmental activities:			
Copiers	4.99%	4.0	\$ 461,750
Total governmental activities			\$ 461,750

The future principal and interest lease payments as of fiscal year end are as follows:

Year Ending August 31,	Principal	Interest	Total Requirements
2024	\$ 134,204	\$ 20,000	\$ 154,204
2025	141,056	13,147	154,203
2026	148,258	5,946	154,204
2027	38,232	318	38,550
Totals	\$ 461,750	\$ 39,411	\$ 501,161

The value of the right-to-use assets as of the end of the current fiscal year was \$757,028 and had accumulated amortization of \$105,080.

Subscription Based Information Technology Arrangements (SBITA)

The District has entered into multiple SBITAs that allow the right-to-use the SBITA vendor's information technology software over the subscription term. The District is required to make annual payments at its incremental borrowing rate or the interest rate stated or implied within the SBITAs. The SBITA rate, term and ending subscription liability are as follows:

	Interest Rate(s)	Lease Term in Years	Ending Balance
Governmental activities:			
Software subscriptions	1.58%	2.0	\$ 76,104
Total governmental activities			\$ 76,104

The future principal and interest SBITA payments as of fiscal year end are as follows:

Year Ending August 31,	Principal	Interest	Total Requirements
2024	\$ 76,104	\$ 1,202	\$ 77,306
Totals	\$ 76,104	\$ 1,202	\$ 77,306

The value of the subscription assets as of the end of the current fiscal year was \$510,983 and had accumulated amortization of \$243,770.

College Station Independent School District

Notes to the Financial Statements

F. Fund Balance

Other committed fund balance includes the following commitments of funds:

Governmental funds:	
General fund - future land purchases	\$ 2,000,000
Campus activity	<u>1,888,386</u>
Total other committed fund balance	<u>\$ 3,888,386</u>

G. Revenues from Local and Intermediate Sources

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

	General	Debt Service	Capital Projects Funds	Nonmajor Governmental Funds	Totals
Property taxes	\$ 115,240,580	\$ 33,108,637	\$ -	\$ -	\$ 148,349,217
Investment income	2,654,764	1,232,142	2,483,282	129,916	6,500,104
Charges for services	864,794	-	-	4,094,174	4,958,968
Gifts and bequests	117,545	-	-	2,027,550	2,145,095
Other	<u>549,550</u>	<u>524</u>	<u>107,700</u>	<u>765,665</u>	<u>1,423,439</u>
Totals	<u>\$ 119,427,233</u>	<u>\$ 34,341,303</u>	<u>\$ 2,590,982</u>	<u>\$ 7,017,305</u>	<u>\$ 163,376,823</u>

Note 4. Other Information

A. Risk Management

General

Like all public school districts, 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. The District has purchased commercial insurance for claims related to all risks.

Health Care Coverage

During the fiscal year ended August 31, 2023, employees of the District were covered by Texas Municipal League Health Benefits Pool (the Pool) a cost sharing risk pool. The District paid a minimum of \$395 in premiums per month, per employee to the Pool. Employees, at their option, authorized payroll withholdings to pay premiums for dependents.

Workers' Compensation

During the fiscal year ended August 31, 2023, the District met its statutory workers' compensation obligations by participating as a self-funded member of the Texas Association of School Boards (TASB) Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and Chapter 504, Texas Labor Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

As a self-funded member of the Fund, the District is solely responsible for all claim costs, both reported and unreported. The Fund provides administrative services to its self-funded members including claims administration and customer service.

College Station Independent School District

Notes to the Financial Statements

The District is protected against higher than expected claims costs through the purchase of stop loss coverage.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund’s Board of Trustees in February of the following year. The Fund’s audited financial statements as of August 31, 2022, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

The liability estimation requires the estimate of loss development over an extended period of time. During the self-insurance period of time, numerous internal and external factors will affect the ultimate settlement value of claims. Due to the inherent uncertainty with regard to the impact of these factors, there can be no guarantee that actual losses will not vary, perhaps significantly, from the estimates. There were no significant reductions in insurance coverage from the prior year or settlements exceeding insurance coverage for each of the past three fiscal years. The following is a summary of the changes in the balances of claims liabilities for workers’ compensation for the past two years:

	Year Ended 8/31/2023	Year Ended 8/31/2022
Unpaid claims, beginning of fiscal year	\$ 624,241	\$ 718,493
Incurred claims (including IBNRs and changes in provisions)	450,991	133,741
Claim payments	(310,217)	(227,993)
Unpaid claims, end of fiscal year	\$ 765,015	\$ 624,241

B. Litigation and Contingencies

The District is generally involved in legal claims or assessments arising principally in the normal course of operations. In the opinion of the District’s management, the District does not expect a loss and such matters will not have a material effect on the District’s financial position, results of operations or liquidity.

The District participates in a number of federal and state financial assistance programs. Although the District’s grant programs have been audited in accordance with the provisions of the Single Audit Act through August 31, 2023, these programs are subject to financial and compliance audits by the grantor agencies. The District is also subject to audit by the TEA of the attendance data upon which payments from the agency are based. These audits could result in questioned costs or refunds to be paid back to the granting agencies.

C. Defined Benefit Pension Plan

Plan Description

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

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

College Station Independent School District

Notes to the Financial Statements

Pension Plan Fiduciary Net Position

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

Benefits Provided

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

Contributions

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

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.

Rates for such plan fiscal years are as follows:

	Contribution Rates	
	2023	2022
Member	8.00%	8.00%
Non-employer contributing entity (State)	8.00%	7.75%
Employers (District)	8.00%	7.75%

The contribution amounts for the District's fiscal year 2023 are as follows:

District contributions	\$ 3,748,319
Member contributions	8,160,161
NECE on-behalf contributions (State)	5,911,552

College Station Independent School District

Notes to the Financial Statements

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.

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

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

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

- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment-after-retirement surcharge.
- Public education employer contribution - all public schools, charter schools and regional education service centers must contribute 1.7% of the member's salary beginning in fiscal year 2022, gradually increasing to 2.0% in fiscal year 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

On August 31, 2023, the District reported a liability of \$41,049,118 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District are as follows:

District's proportionate share of the net pension liability	\$ 41,049,118
State's proportionate share of the net pension liability associated with the District	<u>67,293,413</u>
Total	<u><u>\$ 108,342,531</u></u>

College Station Independent School District

Notes to the Financial Statements

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

At the measurement date of August 31, 2022, the District's proportion of the collective net pension liability was 0.0691442%, which was a decrease of 0.0061934% from its proportion measured as of August 31, 2021.

For the fiscal year ended August 31, 2023, the District recognized pension expense of \$11,259,114 and revenue of \$6,492,708 for support provided by the State.

On August 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 595,209	\$ 894,949
Changes of assumptions	7,648,787	1,906,291
Difference between projected and actual earnings on pension plan investments	4,055,522	-
Changes in proportion and differences between District's contributions and the proportionate share of contributions	4,578,670	4,382,082
District contributions paid subsequent to the measurement date	<u>3,748,319</u>	<u>-</u>
Totals	<u>\$ 20,626,507</u>	<u>\$ 7,183,322</u>

\$3,748,319 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Year Ending August 31,
	<u> </u>
2024	\$ 2,579,500
2025	1,331,039
2026	226,139
2027	4,969,305
2028	<u>588,883</u>
Total	<u>\$ 9,694,866</u>

College Station Independent School District

Notes to the Financial Statements

Actuarial Methods and Assumptions

The actuarial valuation of the total pension liability was performed as of August 31, 2021. Update procedures were used to roll forward the total pension liability to August 31, 2022 and was determined using the following actuarial methods and assumptions:

Actuarial cost method	Individual entry age normal
Asset valuation method	Fair value
Single discount rate	7.00%
Long-term expected rate of return	7.00%
Municipal bond rate as of August 2022	3.91%. Source for the rate is the Fixed Income Market Data / Yield Curve / Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."
Last year ending August 31 in projection period (100 years)	2121
Inflation	2.30%
Salary increases	2.95% to 8.95% including inflation
Ad hoc postemployment benefit changes	None
Mortality rates	The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published projection scale ("U-MP"). The active mortality rates were based on the published PUB(2010) Mortality Tables for Teachers, below median, also with full generational mortality.

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2021 and adopted in July 2022.

College Station Independent School District

Notes to the Financial Statements

Discount Rate and Long-term Expected Rate of Return

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in TRS's target asset allocation as of August 31, 2022 are summarized below:

Asset Class	Target Allocation**	Long-term Expected Geometric Real Rate of Return***	Expected Contribution to Long-term Portfolio Returns
Global equity:			
U.S.	18.00%	4.60%	1.12%
Non-U.S. developed	13.00%	4.90%	0.90%
Emerging markets	9.00%	5.40%	0.75%
Private equity*	14.00%	7.70%	1.55%
Stable value:			
Government bonds	16.00%	1.00%	0.22%
Absolute return*	-	3.70%	-
Stable value hedge funds	5.00%	3.40%	0.18%
Real return:			
Real estate	15.00%	4.10%	0.94%
Energy, natural resources and infrastructure	6.00%	5.10%	0.37%
Commodities	-	3.60%	-
Risk parity:			
Risk parity	8.00%	4.60%	0.43%
Asset allocation leverage:			
Cash	2.00%	3.00%	0.01%
Asset allocation leverage	-6.00%	3.60%	-0.05%
Inflation expectation			2.70%
Volatility drag****			-0.91%
Total	100.00%		8.21%

* Absolute return includes credit sensitive investments.

** Target allocations are based on the FY 2022 policy model.

*** Capital market assumptions come from Aon Hewitt (as of 8/31/2022).

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

College Station Independent School District

Notes to the Financial Statements

Discount Rate Sensitivity Analysis

The following table presents the District's proportionate share of the TRS net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 63,856,863	\$ 41,049,118	\$ 22,562,369

Change of Assumptions Since the Prior Measurement Date

New assumptions were adopted in conjunction with an actuarial experience study since the prior measurement date that affected measurement of the total pension liability during the measurement period. The primary assumption change was the lowering of the single discount rate from 7.25 percent to 7.00 percent.

Change of Benefit Terms Since the Prior Measurement Date

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

D. Defined Other Postemployment Benefit Plan

Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Postemployment Benefit (OPEB) plan that has a special funding situation. TRS-Care was established in 1986 by the Texas Legislature and is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees in accordance with the Texas Insurance Code, Chapter 1575. The Board may adopt rules, plans, procedures and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

OPEB Plan Fiduciary Net Position

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

Benefits Provided

TRS-Care provides health insurance coverage to retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees of TRS is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052.

College Station Independent School District

Notes to the Financial Statements

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

TRS-Care Monthly Premium Rates

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

Contributions

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

Texas Insurance Code, section 1575.202 establishes the State's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the employer. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act.

Rates for such plan fiscal years are as follows:

	<u>Contribution Rates</u>	
	<u>2023</u>	<u>2022</u>
Active employee	0.65%	0.65%
Non-employer contribution entity (State)	1.25%	1.25%
Employers (District)	0.75%	0.75%
Federal/private funding*	1.25%	1.25%

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

The contribution amounts for the District's fiscal year 2023 are as follows:

District contributions	\$ 896,228
Member contributions	662,920
NECE on-behalf contributions (State)	1,174,520

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

The State of Texas also contributed \$549,497, \$387,902 and \$408,935 in 2023, 2022, and 2021, respectively, for on-behalf payments for Medicare Part D.

College Station Independent School District

Notes to the Financial Statements

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

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

On August 31, 2023, the District reported a liability of \$24,246,437 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided by the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District are as follows:

District's proportionate share of the net OPEB liability	\$ 24,246,437
State's proportionate share of the net OPEB liability associated with the District	<u>29,576,843</u>
Total	<u>\$ 53,823,280</u>

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

At the measurement date of August 31, 2022, the employer's proportion of the collective net OPEB liability was 0.1012631%, which was a decrease of 0.0015433% from its proportion measured as of August 31, 2021.

For the fiscal year ended August 31, 2023, the District recognized net OPEB revenue of \$(6,953,935) due to recognition of deferred inflows in excess of deferred outflows and current year expense. OPEB revenue of \$(4,197,193) was recognized for support provided by the State.

On August 31, 2023, the District reported its proportionate share of the TRS' deferred outflows of resources and deferred inflows of resources related to other postemployment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,348,016	\$ 20,199,458
Changes of assumptions	3,693,213	16,844,982
Difference between projected and actual earnings on OPEB plan investments	72,223	-
Changes in proportion and difference between District's contributions and the proportionate share of contributions	3,007,453	2,080,464
District contributions paid subsequent to the measurement date	<u>896,228</u>	<u>-</u>
Totals	<u>\$ 9,017,133</u>	<u>\$ 39,124,904</u>

College Station Independent School District

Notes to the Financial Statements

\$896,228 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended August 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending August 31,	
2024	\$ (5,519,287)
2025	(5,519,024)
2026	(4,490,819)
2027	(3,098,803)
2028	(4,114,352)
Thereafter	<u>(8,261,714)</u>
Total	<u>\$ (31,003,999)</u>

Actuarial Methods and Assumptions

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

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The following assumptions used for the valuation of the TRS-Care OPEB liability are identical to the assumptions employed in the August 31, 2021 TRS pension actuarial valuation that was rolled forward to August 31, 2022:

<u>Demographic Assumptions</u>	<u>Economic Assumptions</u>
Rates of mortality	General inflation
Rates of retirement	Wage inflation
Rates of termination	
Rates of disability	

See Note 4.C. for detail on these assumptions. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

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

The initial medical trend rates were 8.25% for Medicare retirees and 7.25% for non-Medicare retirees. There was an initial prescription drug trend rate of 8.25% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 13 years.

College Station Independent School District

Notes to the Financial Statements

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

Actuarial cost method	Individual entry age normal
Single discount rate	3.91%
Aging factors	Based on plan specific experience
Election rates	Normal retirement: 62% participation prior to age 65 and 25% after age 65. Pre-65 retirees: 30% of pre-65 retirees are assumed to discontinue coverage at age 65.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Ad hoc postemployment benefit changes	None

Discount Rate

A single discount rate of 3.91% was used to measure the total OPEB liability at August 31, 2022. This was an increase of 1.96% in the discount rate since the August 31, 2021 measurement date. The plan is essentially a “pay-as-you-go” plan, and based on the assumption that contributions are made at the statutorily required rates, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments to current plan members and therefore, the single discount rate is equal to the prevailing municipal bond rate. The source for the rate is the Fixed Income Market Data / Yield Curve / Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-Year Municipal GO AA Index” as of August 31, 2022.

Sensitivity Analysis of Rates

Discount Rate

The following table presents the District’s proportionate share of the TRS-Care net OPEB liability, as well as what the District’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that was 1% less than and 1% greater than the discount rate that was used (3.91%) in measuring the net OPEB liability.

	1% Decrease (2.91%)	Current Discount Rate (3.91%)	1% Increase (4.91%)
District's proportionate share of the net OPEB liability	\$ 28,588,472	\$ 24,246,437	\$ 20,728,831

College Station Independent School District

Notes to the Financial Statements

Healthcare Cost Trend Rates

The following table presents the District's proportionate share of net OPEB liability using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% lower or 1% higher than the assumed health-care cost trend rate:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB liability	\$ 19,979,173	\$ 24,246,437	\$ 29,778,395

Change of Assumptions Since the Prior Measurement Date

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

- The discount rate changed from 1.95% as of August 31, 2021 to 3.91% as of August 31, 2022. This change decreased the total OPEB liability.
- Lower participation rates and updates to the health care trend rate assumptions were also factors that decreased the total OPEB liability.

Change of Benefit Terms Since the Prior Measurement Date

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

E. Joint Venture-Shared Services Arrangement

The District participates in the following shared services arrangement:

Brazos Valley Regional Day School Program for the Deaf

The District participates in a shared services arrangement, Brazos Valley Regional Day School Program for the Deaf, with numerous districts for the education of students with a hearing impairment. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, Bryan Independent School District, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent is responsible for the financial activities of the shared services arrangement. The District's portion of expenditures for the fiscal year ended August 31, 2023 totaled \$117,693.

F. Nonmonetary Transactions

During 2023, the District received goods purchased by the State of Texas for the benefit of the District through the Technology and Instructional Materials Allotment program. The instructional materials have been recorded in the amount of \$61,006 in a special revenue fund as both state revenues and expenditures, which represents the amount of consideration given by the State of Texas.

During 2023, the District received goods purchased by the Texas Department of Agriculture (TDA) through the Food Distribution Program (commodities). These commodities have been recorded in the amount of \$595,417 in a special revenue fund as federal revenues, which represents the amount of consideration given by TDA.

College Station Independent School District

Notes to the Financial Statements

Extraordinary Items

During 2023, the District reported certain transactions as extraordinary items that are unusual in nature and infrequent in occurrence:

	<u>General Fund</u>
Insurance recovery for winter and hail storm damage	\$ 1,476,148
Payments for winter and hail storm damage	<u>(1,748,220)</u>
Totals	<u>\$ (272,072)</u>

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**Required Supplementary Information
(Unaudited)**

College Station Independent School District
Schedule of Revenues, Expenditures, and Changes in
Fund Balance – Budget and Actual
General Fund
For the Fiscal Year Ended August 31, 2023

Exhibit G-1

Data Control Codes		1	2	3	Variance with Final Budget
		Budgeted Amounts			Positive
		Original	Final	Actual	(Negative)
REVENUES					
5700	Local and intermediate sources	\$ 111,558,700	\$ 118,685,777	\$ 119,427,233	\$ 741,456
5800	State program revenues	16,055,194	21,842,983	22,063,790	220,807
5900	Federal program revenues	3,150,000	3,925,663	3,911,459	(14,204)
5020	Total revenues	130,763,894	144,454,423	145,402,482	948,059
EXPENDITURES					
Current:					
0011	Instruction	79,255,087	82,812,461	83,007,944	(195,483)
0012	Instructional resources and media services	1,198,550	1,308,998	1,297,197	11,801
0013	Curriculum and instructional staff development	717,353	816,218	758,359	57,859
0021	Instructional leadership	1,956,090	2,065,427	2,070,681	(5,254)
0023	School leadership	7,094,178	7,352,242	7,397,577	(45,335)
0031	Guidance, counseling, and evaluation services	4,667,622	5,126,352	5,202,531	(76,179)
0033	Health services	1,849,572	2,003,773	1,938,167	65,606
0034	Student transportation	4,623,605	4,934,376	4,650,668	283,708
0035	Food services	10,000	15,000	2,238	12,762
0036	Extracurricular activities	5,349,388	5,639,901	5,607,794	32,107
0041	General administration	4,046,339	4,557,423	4,570,816	(13,393)
0051	Plant maintenance and operations	15,432,568	16,615,784	16,604,444	11,340
0052	Security and monitoring services	1,213,251	1,216,711	1,021,608	195,103
0053	Data processing services	3,185,101	2,723,544	3,201,869	(478,325)
0061	Community services	192,565	239,122	195,218	43,904
Debt service:					
0071	Principal on long-term debt	-	182,500	149,058	33,442
0072	Interest on long-term debt	-	16,975	16,975	-
0073	Issuance costs and fees	-	1,328,025	-	1,328,025
Capital outlay:					
0081	Facilities acquisition and construction	-	5,000	5,000	-
Intergovernmental charges:					
0091	Contracted instructional services between public schools	-	3,440,000	920,482	2,519,518
0093	Payments related to shared services arrangements	150,000	117,693	117,693	-
0095	Payments to juvenile justice alternative education programs	12,000	12,000	8,630	3,370
0099	Other intergovernmental charges	1,324,900	1,324,900	1,316,423	8,477
6030	Total expenditures	132,278,169	143,854,425	140,061,372	3,793,053
1100	Excess (deficiency) of revenues over (under) expenditures	(1,514,275)	599,998	5,341,110	4,741,112
OTHER FINANCING SOURCES (USES)					
7913	Issuance of leases	-	-	560,428	560,428
8949	Refunds to taxpayers	-	(600,000)	(547,482)	52,518
7080	Total other financing sources (uses)	-	(600,000)	12,946	612,946
EXTRAORDINARY ITEMS					
7919	Insurance recovery for winter and hail storm damage	-	1,901,148	1,476,148	(425,000)
8913	Payments for winter and hail storm damage	-	(2,219,150)	(1,748,220)	470,930
7080	Total extraordinary items	-	(318,002)	(272,072)	45,930
1200	Net change in fund balance	(1,514,275)	(318,004)	5,081,984	5,399,988
0100	Fund balance - beginning	34,080,323	34,080,323	34,080,323	-
3000	FUND BALANCE - ENDING	\$ 32,566,048	\$ 33,762,319	\$ 39,162,307	\$ 5,399,988

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

College Station Independent School District

Exhibit G-2

Schedule of the District's Proportionate Share of the Net Pension Liability of a Cost-Sharing Multiple-Employer Pension Plan Teacher Retirement System of Texas For the Last Nine Fiscal Years*

Year	District's Proportion of Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State's Proportionate Share of the Net Pension Liability Associated with the District	Total	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.0691442%	\$ 41,049,118	\$ 67,923,413	\$ 108,972,531	\$ 93,618,435	43.85%	75.62%
2022	0.0753375%	19,185,806	30,232,659	49,418,465	91,641,814	20.94%	88.79%
2021	0.0623180%	33,376,266	71,709,152	105,085,418	88,475,028	37.72%	75.54%
2020	0.0716106%	37,225,409	61,296,657	98,522,066	82,679,455	45.02%	75.24%
2019	0.0704920%	38,800,522	65,098,630	103,899,152	78,588,520	49.37%	73.74%
2018	0.0674064%	21,552,941	37,406,346	58,959,287	74,083,764	29.09%	82.17%
2017	0.0685418%	25,900,909	43,719,778	69,620,687	70,905,322	36.53%	78.00%
2016	0.0700071%	24,746,578	39,780,931	64,527,509	65,947,738	37.52%	78.43%
2015	0.0486579%	12,997,198	33,701,919	46,699,117	63,148,855	20.58%	83.25%

* The amounts presented for the fiscal years were determined as of the Plan's fiscal year end, August 31 of the prior year. Ten years of data is not available.

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

Exhibit G-3

<u>Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>District's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2023	\$ 3,748,319	\$ (3,748,319)	\$ -	\$ 102,002,006	3.67%
2022	3,225,572	(3,225,572)	-	93,618,435	3.45%
2021	3,068,014	(3,068,014)	-	91,641,814	3.35%
2020	2,378,062	(2,378,062)	-	88,475,028	2.69%
2019	2,509,106	(2,509,106)	-	82,679,455	3.03%
2018	2,385,146	(2,385,146)	-	78,588,520	3.03%
2017	2,209,189	(2,209,189)	-	74,083,764	2.98%
2016	2,177,745	(2,177,745)	-	70,905,322	3.07%
2015	2,072,942	(2,072,942)	-	65,947,738	3.14%

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

College Station Independent School District

Exhibit G-4

Schedule of the District's Proportionate Share of the Net OPEB Liability of a Cost-Sharing Multiple-Employer OPEB Plan Teacher Retirement System of Texas For the Last Six Fiscal Years*

Year	District's Proportion of Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	State's Proportionate Share of the Net OPEB Liability Associated with the District	Total	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2023	0.1012631%	\$ 24,246,437	\$ 29,576,843	\$ 53,823,280	\$ 93,618,435	25.90%	11.52%
2022	0.1028063%	39,656,999	53,131,541	92,788,540	91,641,814	43.27%	6.18%
2021	0.1029940%	39,152,652	52,611,780	91,764,432	88,475,028	44.25%	4.99%
2020	0.1577550%	50,022,511	66,468,730	116,491,241	82,679,455	60.50%	2.66%
2019	0.1041698%	52,012,954	65,727,916	117,740,870	78,588,520	66.18%	1.57%
2018	0.0952722%	41,430,286	57,119,812	98,550,098	74,083,764	55.92%	0.91%

* The amounts presented for the fiscal years were determined as of the Plan's fiscal year end, August 31 of the prior year. Ten years of data is not available.

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

Exhibit G-5

<u>Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>District's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2023	\$ 896,228	\$ (896,228)	\$ -	\$ 102,002,006	0.88%
2022	832,091	(832,091)	-	93,618,435	0.89%
2021	828,178	(828,178)	-	91,641,814	0.90%
2020	779,715	(779,715)	-	88,475,028	0.88%
2019	751,461	(751,461)	-	82,679,455	0.91%
2018	717,875	(717,875)	-	78,588,520	0.91%

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

College Station Independent School District
Notes to the Required Supplementary Information

Note 1. Budget

A. Budgetary Information

Each school district in Texas is required by law to prepare annually a budget of anticipated revenues and expenditures for the general fund, debt service fund, and the national school breakfast and lunch program special revenue fund. The Texas Education Code requires the budget to be prepared not later than August 20 and adopted by August 31 of each year. The budgets are prepared on a basis of accounting that is used for reporting in accordance with generally accepted accounting principles.

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

1. Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
3. Prior to September 1, the budget is formally approved and adopted by the Board.

The appropriated budget is prepared by fund and function. The District's campus/department heads may make transfers of appropriations within a campus or department. Transfers of appropriations between campuses or departments require the approval of the District's management. Increasing any one of the functional spending categories, or revenues object accounts and other resources and uses require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level within a fund. All annual appropriations lapse at fiscal year end.

B. Budget to Actual Expenditures

The districts actual expenditures exceeded its final budget in the following functions:

Fund	Function	Final Budget	Actual	Variance
General fund	Instruction	\$ 82,812,461	\$ 83,007,944	\$ (195,483)
General fund	Instructional leadership	2,065,427	2,070,681	(5,254)
General fund	School leadership	7,352,242	7,397,577	(45,335)
General fund	Guidance, counseling, and evaluation services	5,126,352	5,202,531	(76,179)
General fund	General administration	4,557,423	4,570,816	(13,393)
General fund	Data processing services	2,723,544	3,201,869	(478,325)
National School Breakfast and Lunch Program	Food services	8,465,527	8,662,748	(197,221)

Variances are due to refinement of actual expenditures as a result of closing the financial statements subsequent to the final budget amendment.

College Station Independent School District
Notes to the Required Supplementary Information

Note 2. Net Pension Liability and Net OPEB Liability

The following factors significantly affect trends in the amounts reported for the District’s proportionate share of the net pension liability and net OPEB liability:

Changes in Actuarial Assumptions and Inputs

Measurement Date August 31,	Net Pension Liability		Net OPEB Liability
	Discount Rate	Long-term Expected Rate of Return	Discount Rate
2022	7.000%	7.000%	3.910%
2021	7.250%	7.250%	1.950%
2020	7.250%	7.250%	2.330%
2019	7.250%	7.250%	2.630%
2018	6.907%	7.250%	3.690%
2017	8.000%	8.000%	3.420%
2016	8.000%	8.000%	
2015	8.000%	8.000%	
2014	8.000%	8.000%	

Changes in Demographic and Economic Assumptions

For measurement date August 31, 2018 – Net Pension Liability and Net OPEB Liability:

- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement and economic assumptions, including rates of salary increase for individual participants were updated based on the experience study performed for TRS for the period ending August 31, 2017.

Changes in Benefit Terms

For measurement date August 31, 2018 – Net OPEB Liability:

- Changes of benefit terms were made effective September 1, 2017 by the 85th Texas Legislature.

Other Changes

For measurement date August 31, 2022 – Net OPEB Liability:

- The participation rate for pre-65 retirees was lowered from 65% to 62%. The participation rate for post-65 retirees was lowered from 40% to 25%.

For measurement date August 31, 2020 – Net OPEB Liability:

- The participation rate for post-65 retirees was lowered from 50% to 40%.
- The ultimate health care trend rate assumption decreased to reflect the repeal of the excise (Cadillac) tax on high-cost employer health plans.

College Station Independent School District
Notes to the Required Supplementary Information

For measurement date August 31, 2019 – Net Pension Liability:

- With the enactment of SB3 by the 2019 Texas Legislature, an assumption was made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.

For measurement date August 31, 2019 – Net OPEB Liability:

- The participation rate for pre-65 retirees was lowered from 70% to 65%. The participation rate for post-65 retirees was lowered from 75% to 50%. 25% of pre-65 retirees are assumed to discontinue their coverage at age 65.
- The trend rates were reset to better reflect the plan's anticipated experience.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20% to 15%. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20% to 10%.

For measurement date August 31, 2018 – Net OPEB Liability:

- Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018.
- The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020.

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Supplementary Information

College Station Independent School District
 Combining Balance Sheet
 Nonmajor Governmental Funds – Special Revenue Funds
 August 31, 2023

		205	211	224	225
Data Control Codes		ESSA Title I, Part A - Improving Basic Programs			
		Head Start	IDEA - Part B, Formula	IDEA - Part B, Preschool	
ASSETS					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1120	Current investments	-	-	-	-
1240	Due from other governments	207,767	228,012	148,294	35,688
1260	Due from other funds	-	-	-	-
1290	Other receivables	1	19	46	-
1300	Inventories	-	-	-	-
1410	Prepaid items	-	-	18,734	-
1000	TOTAL ASSETS	\$ 207,768	\$ 228,031	\$ 167,074	\$ 35,688
LIABILITIES					
2110	Accounts payable	\$ 3,225	\$ 4,547	\$ 434	\$ -
2170	Due to other funds	204,543	223,484	166,609	35,688
2180	Due to other governments	-	-	31	-
2300	Unearned revenue	-	-	-	-
2000	Total liabilities	207,768	228,031	167,074	35,688
FUND BALANCES					
3450	Restricted - grant funds	-	-	-	-
3545	Committed - other	-	-	-	-
3000	Total fund balances	-	-	-	-
4000	TOTAL LIABILITIES AND FUND BALANCES	\$ 207,768	\$ 228,031	\$ 167,074	\$ 35,688

240	244	255	263	279	281	282	284
National School Breakfast and Lunch Program	Career and Technical - Basic Grant	ESSA Title II, Part A - Teacher and Principal Training and Recruiting	Title III, Part A - English Language Acquisition and Enhancement	Texas COVID Learning Acceleration Supports - ARPA	Elementary and Secondary School Emergency Relief Fund II (CRRSA)	Elementary and Secondary School Emergency Relief Fund III ARPA	IDEA - Part B Formula - ARPA
\$ 2,446,262	\$ -	\$ -	\$ 29,916	\$ -	\$ -	\$ -	\$ -
480,649	-	-	-	-	-	-	-
310,039	22,074	80,980	-	31,506	455,682	370,848	28,580
10,627	-	-	-	-	-	-	-
12,707	-	-	-	-	-	-	-
361,677	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 3,621,961	\$ 22,074	\$ 80,980	\$ 29,916	\$ 31,506	\$ 455,682	\$ 370,848	\$ 28,580
\$ 246,886	\$ -	\$ 14,350	\$ -	\$ 903	\$ -	\$ 78,086	\$ -
-	22,074	66,630	-	30,603	455,682	292,762	28,580
-	-	-	29,916	-	-	-	-
478,607	-	-	-	-	-	-	-
725,493	22,074	80,980	29,916	31,506	455,682	370,848	28,580
2,896,468	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,896,468	-	-	-	-	-	-	-
\$ 3,621,961	\$ 22,074	\$ 80,980	\$ 29,916	\$ 31,506	\$ 455,682	\$ 370,848	\$ 28,580

College Station Independent School District
 Combining Balance Sheet
 Nonmajor Governmental Funds – Special Revenue Funds – Continued
 August 31, 2023

		285	289	385	397
Data Control Codes		IDEA - Part B Preschool ARPA	Federally Funded Special Revenue Funds	Supplemental Visually Impaired	Advanced Placement Incentives
ASSETS					
1110	Cash and cash equivalents	\$ -	\$ 28,457	\$ -	\$ -
1120	Current investments	-	-	-	-
1240	Due from other governments	24,870	52,502	-	-
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepaid items	-	-	-	-
1000	TOTAL ASSETS	<u>\$ 24,870</u>	<u>\$ 80,959</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES					
2110	Accounts payable	\$ 24,870	\$ 2,000	\$ -	\$ -
2170	Due to other funds	-	50,502	-	-
2180	Due to other governments	-	-	-	-
2300	Unearned revenue	-	28,457	-	-
2000	Total liabilities	24,870	80,959	-	-
FUND BALANCES					
3450	Restricted - grant funds	-	-	-	-
3545	Committed - other	-	-	-	-
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 24,870</u>	<u>\$ 80,959</u>	<u>\$ -</u>	<u>\$ -</u>

410	427	428	429	461	481	482	
Instructional Materials Allotment Fund	Workforce Investment Act Dislocated Workers Grant	Texas COVID Learning Acceleration Supports - General Revenue	State-Funded Special Revenue Funds	Campus Activity Funds	Education Foundation Grant	Adam Foundation Security Grant	Total Nonmajor Funds (See Exhibit C-1)
\$ 16,180	\$ -	\$ -	\$ 3,202	\$ 1,978,165	\$ 53,801	\$ 1,000,000	\$ 5,555,983
-	-	-	-	-	-	-	480,649
-	6,225	40,633	96	-	-	-	2,043,796
-	-	-	-	3,093	-	-	13,720
-	-	-	-	1,863	-	-	14,636
-	-	-	-	-	-	-	361,677
-	-	-	-	-	-	-	18,734
<u>\$ 16,180</u>	<u>\$ 6,225</u>	<u>\$ 40,633</u>	<u>\$ 3,298</u>	<u>\$ 1,983,121</u>	<u>\$ 53,801</u>	<u>\$ 1,000,000</u>	<u>\$ 8,489,195</u>
\$ 4,205	\$ -	\$ 1,415	\$ -	\$ 94,735	\$ 2,170	\$ -	\$ 477,826
-	6,225	39,218	96	-	3,093	-	1,625,789
-	-	-	-	-	-	-	29,947
-	-	-	-	-	-	-	507,064
4,205	6,225	40,633	96	94,735	5,263	-	2,640,626
11,975	-	-	3,202	-	48,538	1,000,000	3,960,183
-	-	-	-	1,888,386	-	-	1,888,386
11,975	-	-	3,202	1,888,386	48,538	1,000,000	5,848,569
<u>\$ 16,180</u>	<u>\$ 6,225</u>	<u>\$ 40,633</u>	<u>\$ 3,298</u>	<u>\$ 1,983,121</u>	<u>\$ 53,801</u>	<u>\$ 1,000,000</u>	<u>\$ 8,489,195</u>

College Station Independent School District
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds – Special Revenue Funds
For the Fiscal Year Ended August 31, 2023

		205	211	224	225
Data Control Codes		ESSA Title I, Part A - Improving Basic Programs			
		Head Start	IDEA - Part B, Formula	IDEA - Part B, Preschool	
REVENUES					
5700	Local and intermediate sources	\$ 1,997	\$ 776	\$ 575	\$ 28
5800	State program revenues	-	-	-	-
5900	Federal program revenues	3,033,940	1,656,967	2,133,002	66,546
5020	Total revenues	3,035,937	1,657,743	2,133,577	66,574
EXPENDITURES					
Current:					
0011	Instruction	1,239,335	1,390,177	1,500,599	33,001
0012	Instructional resources and media services	-	4,178	-	-
0013	Curriculum and instructional staff development	314,770	235,482	7,000	-
0021	Instructional leadership	188,521	-	39,898	-
0023	School leadership	-	6,054	-	-
0031	Guidance, counseling, and evaluation services	849	1,852	586,080	33,573
0032	Social work services	13,638	-	-	-
0033	Health services	221,521	-	-	-
0034	Student transportation	8,281	20,000	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	10,163	-	-	-
0051	Plant maintenance and operations	273,235	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	765,624	-	-	-
Debt service:					
0071	Principal on long-term debt	-	-	-	-
6030	Total expenditures	3,035,937	1,657,743	2,133,577	66,574
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)					
7940	Issuance of subscriptions	-	-	-	-
7080	Total other financing sources (uses)	-	-	-	-
1200	Net change in fund balances	-	-	-	-
0100	Fund balances - beginning	-	-	-	-
3000	FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

240	244	255	263	279	281	282	284
National School Breakfast and Lunch Program	Career and Technical - Basic Grant	ESSA Title II, Part A - Teacher and Principal Training and Recruiting	Title III, Part A - English Language Acquisition and Enhancement	Texas COVID Learning Acceleration Supports - ARPA	Elementary and Secondary School Emergency Relief Fund II (CRRSA)	Elementary and Secondary School Emergency Relief Fund III ARPA	IDEA - Part B Formula - ARPA
\$ 3,202,041	\$ 225	\$ 217	\$ 9	\$ -	\$ -	\$ 30	\$ -
38,322	-	-	-	-	-	-	-
5,980,385	153,361	334,514	77,985	807,279	1,377,091	2,755,331	528,627
9,220,748	153,586	334,731	77,994	807,279	1,377,091	2,755,361	528,627
-	135,903	141,046	72,499	732,911	1,047,023	553,199	237,935
-	-	-	-	-	13,964	1,415	-
-	-	166,835	5,495	74,368	33,171	835,869	-
-	13,352	-	-	-	13,218	125,864	-
-	-	26,850	-	-	42,664	25,100	-
-	4,331	-	-	-	47,533	295,728	290,692
-	-	-	-	-	-	-	-
-	-	-	-	-	22,345	6,150	-
-	-	-	-	-	52,009	44,524	-
8,662,748	-	-	-	-	47,491	-	-
-	-	-	-	-	9,648	192,564	-
-	-	-	-	-	14,979	-	-
108,787	-	-	-	-	-	394,775	-
-	-	-	-	-	2,032	81,569	-
-	-	-	-	-	21,872	204,891	-
-	-	-	-	-	9,142	-	-
-	-	-	-	-	-	6,387	-
8,771,535	153,586	334,731	77,994	807,279	1,377,091	2,768,035	528,627
449,213	-	-	-	-	-	(12,674)	-
-	-	-	-	-	-	12,674	-
-	-	-	-	-	-	12,674	-
449,213	-	-	-	-	-	-	-
2,447,255	-	-	-	-	-	-	-
\$ 2,896,468	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

College Station Independent School District
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds – Special Revenue Funds – Continued
For the Fiscal Year Ended August 31, 2023

		285	289	385	397
<u>Data Control Codes</u>		<u>IDEA - Part B Preschool ARPA</u>	<u>Federally Funded Special Revenue Funds</u>	<u>Supplemental Visually Impaired</u>	<u>Advanced Placement Incentives</u>
REVENUES					
5700	Local and intermediate sources	\$ -	\$ 50	\$ -	\$ -
5800	State program revenues	-	-	5,275	-
5900	Federal program revenues	24,870	159,392	-	-
5020	Total revenues	24,870	159,442	5,275	-
EXPENDITURES					
Current:					
0011	Instruction	24,870	62,093	5,275	-
0012	Instructional resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	43,860	-	7,938
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling, and evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	53,489	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
Debt service:					
0071	Principal on long-term debt	-	-	-	-
6030	Total expenditures	24,870	159,442	5,275	7,938
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-	(7,938)
OTHER FINANCING SOURCES (USES)					
7940	Issuance of subscriptions	-	-	-	-
7080	Total other financing sources (uses)	-	-	-	-
1200	Net change in fund balances	-	-	-	(7,938)
0100	Fund balances - beginning	-	-	-	7,938
3000	FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

410	427	428	429	461	481	482	
Instructional Materials Allotment Fund	Workforce Investment Act Dislocated Workers Grant	Texas COVID Learning Acceleration Supports - General Revenue	State-Funded Special Revenue Funds	Campus Activity Funds	Education Foundation Grant	Adam Foundation Security Grant	Total Nonmajor Funds (See Exhibit C-2)
\$ 11,186	\$ -	\$ 31	\$ -	\$ 2,434,926	\$ 365,214	\$ 1,000,000	\$ 7,017,305
354,689	26,762	795,904	6,589	-	-	-	1,227,541
-	11,830	-	-	-	-	-	19,101,120
365,875	38,592	795,935	6,589	2,434,926	365,214	1,000,000	27,345,966
470,795	-	46,033	6,532	567,491	367,462	-	8,634,179
-	-	-	-	102,979	-	-	122,536
-	-	749,902	-	26,771	-	-	2,501,461
-	-	-	-	162	-	-	381,015
-	-	-	-	79,328	-	-	179,996
-	-	-	-	208,121	-	-	1,468,759
-	-	-	-	-	-	-	13,638
-	-	-	-	2,940	-	-	252,956
-	-	-	-	-	-	-	124,814
-	-	-	-	-	-	-	8,710,239
-	-	-	-	1,427,474	-	-	1,629,686
345	-	-	-	-	-	-	25,487
-	-	-	-	-	-	-	776,797
-	-	-	-	513	-	-	137,603
-	-	-	-	-	-	-	226,763
-	38,592	-	-	2,550	-	-	815,908
70,920	-	-	-	-	-	-	77,307
542,060	38,592	795,935	6,532	2,418,329	367,462	-	26,079,144
(176,185)	-	-	57	16,597	(2,248)	1,000,000	1,266,822
140,737	-	-	-	-	-	-	153,411
140,737	-	-	-	-	-	-	153,411
(35,448)	-	-	57	16,597	(2,248)	1,000,000	1,420,233
47,423	-	-	3,145	1,871,789	50,786	-	4,428,336
\$ 11,975	\$ -	\$ -	\$ 3,202	\$ 1,888,386	\$ 48,538	\$ 1,000,000	\$ 5,848,569

College Station Independent School District
Combining Statement of Net Position
Nonmajor Enterprise Fund
August 31, 2023

Exhibit I-1

Data Control Codes		Business-type Activities			Total Nonmajor Enterprise Fund
		713	714	715	
		Community Education	Kids Klub	Community Sports Camps	
	ASSETS				
	Current assets:				
1110	Cash and cash equivalents	\$ 35,849	\$ 483,999	\$ 50,888	\$ 570,736
	Total current assets	35,849	483,999	50,888	570,736
	Noncurrent assets:				
	Capital assets:				
1530	Furniture and equipment	7,902	-	-	7,902
1570	Accumulated depreciation and amortization	(7,902)	-	-	(7,902)
	Total noncurrent assets	-	-	-	-
1000	Total assets	35,849	483,999	50,888	570,736
	LIABILITIES				
	Current liabilities:				
2110	Accounts payable	149	7,964	837	8,950
2160	Accrued wages payable	-	51,274	-	51,274
2300	Unearned revenue	-	52,260	-	52,260
2000	Total liabilities	149	111,498	837	112,484
	NET POSITION				
3900	Unrestricted	35,700	372,501	50,051	458,252
3000	TOTAL NET POSITION	\$ 35,700	\$ 372,501	\$ 50,051	\$ 458,252

College Station Independent School District
Combining Statement of Revenues, Expenses,
and Changes in Net Position
Nonmajor Enterprise Fund
For the Fiscal Year Ended August 31, 2023

Exhibit I-2

Data Control Codes		Business-type Activities			Total Nonmajor Enterprise Fund
		713 Community Education	714 Kids Klub	715 Community Sports Camps	
	OPERATING REVENUES				
5739	Tuition	\$ 693,837	\$ 1,247,955	\$ 263,283	\$ 2,205,075
5020	Total revenues	693,837	1,247,955	263,283	2,205,075
	OPERATING EXPENSES:				
6100	Payroll costs	470,870	1,037,946	204,698	1,713,514
6200	Professional and contracted services	17,057	16,301	-	33,358
6300	Supplies and materials	9,928	19,973	22,411	52,312
6400	Other operating costs	162,552	140,802	8,592	311,946
6030	Total expenses	660,407	1,215,022	235,701	2,111,130
1300	Change in net position	33,430	32,933	27,582	93,945
0100	Net position - beginning	2,270	339,568	22,469	364,307
3300	NET POSITION - ENDING	<u>\$ 35,700</u>	<u>\$ 372,501</u>	<u>\$ 50,051</u>	<u>\$ 458,252</u>

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College Station Independent School District
Combining Statement of Cash Flows
Nonmajor Enterprise Fund
For the Fiscal Year Ended August 31, 2023

Exhibit I-3

	Business-type Activities			Total Nonmajor Enterprise Fund
	713 Community Education	714 Kids Klub	715 Community Sports Camps	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from user charges	\$ 693,910	\$ 1,299,283	\$ 263,283	\$ 2,256,476
Cash payments for employee services and benefits	(470,870)	(1,037,496)	(204,698)	(1,713,064)
Cash payments for other operating expenses	(199,582)	(173,360)	(30,187)	(403,129)
Net cash provided by (used for) operating activities	23,458	88,427	28,398	140,283
Net increase (decrease) in cash and cash equivalents	23,458	88,427	28,398	140,283
Cash and cash equivalents at the beginning of the year	12,391	395,572	22,490	430,453
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	\$ 35,849	\$ 483,999	\$ 50,888	\$ 570,736
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES				
Operating income (loss)	\$ 33,430	\$ 32,933	\$ 27,582	\$ 93,945
Effect of increases and decreases in current assets and liabilities:				
(Increase) decrease in other receivables	73	58	-	131
Increase (decrease) in accounts payable	(10,045)	3,716	816	(5,513)
Increase (decrease) in accrued wages payable	-	450	-	450
Increase (decrease) in unearned revenue	-	51,270	-	51,270
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 23,458	\$ 88,427	\$ 28,398	\$ 140,283

College Station Independent School District

Schedule of Delinquent Taxes Receivable

For the Fiscal Year Ended August 31, 2023

Year Ended August 31,	1		2		3	
	Tax Rates				Assessed/ Appraised Value For School Tax Purposes	
	Maintenance		Debt Service			
2014 and prior years	\$	Various	\$	Various	\$	Various
2015		1.04000		0.340000		7,186,517,899
2016		1.04000		0.322900		7,674,576,858
2017		1.04000		0.356000		8,452,966,691
2018		1.04000		0.358000		9,430,263,448
2019		1.04000		0.332000		10,102,930,612
2020		0.97000		0.269000		10,675,771,751
2021		0.96600		0.263000		10,868,677,136
2022		0.95220		0.263000		11,279,167,380
2023		0.91510		0.263000		12,610,518,122

1000 TOTALS

8000 - Taxes refunded under section 26.1115, tax code, for owners who received an exemption as provided by section 11.42(f), tax code

Exhibit J-1

10	20	31	32	40	50
Beginning Balance 9/1/2022	Current Year's Total Levy	Maintenance Collections	Debt Service Collections	Entire Year's Adjustments	Ending Balance 8/31/2023
\$ 252,755	\$ -	\$ 10,459	\$ 2,816	\$ (32,425)	\$ 207,055
55,329	-	8,900	2,909	(61)	43,459
64,039	-	8,985	2,790	(53)	52,211
70,622	-	10,023	3,431	(1,559)	55,609
80,143	-	8,963	3,085	(2,683)	65,412
68,569	-	(36,674)	(11,708)	(56,710)	60,241
97,026	-	(68,670)	(19,043)	(110,022)	74,717
163,511	-	(80,701)	(21,972)	(161,021)	105,163
433,002	-	47,355	13,080	(187,811)	184,756
-	148,564,514	114,527,355	32,915,195	(454,002)	667,962
<u>\$ 1,284,996</u>	<u>\$ 148,564,514</u>	<u>\$ 114,435,995</u>	<u>\$ 32,890,583</u>	<u>\$ (1,006,347)</u>	<u>\$ 1,516,585</u>
		\$ 47,749			

College Station Independent School District
Schedule of Revenues, Expenditures, and Changes
in Fund Balance – Budget and Actual
National School Breakfast and Lunch Program
For the Fiscal Year Ended August 31, 2023

Exhibit J-2

<u>Data Control Codes</u>		1	2	3	Variance with Final Budget Positive (Negative)
		<u>Budgeted Amounts</u>		<u>Actual</u>	
		<u>Original</u>	<u>Final</u>		
REVENUES					
5700	Local and intermediate sources	\$ 2,950,946	\$ 3,122,946	\$ 3,202,041	\$ 79,095
5800	State program revenues	30,000	38,321	38,322	1
5900	Federal program revenues	4,621,725	5,055,731	5,980,385	924,654
5020	Total revenues	7,602,671	8,216,998	9,220,748	1,003,750
EXPENDITURES					
Current:					
0035	Food services	7,448,875	8,465,527	8,662,748	(197,221)
0051	Plant maintenance and operations	153,796	153,796	108,787	45,009
0071	Principal on long-term debt	-	40,000	-	40,000
6030	Total expenditures	7,602,671	8,659,323	8,771,535	(112,212)
1200	Net change in fund balance	-	(442,325)	449,213	891,538
0100	Fund balance - beginning	2,447,255	2,447,255	2,447,255	-
3000	FUND BALANCE - ENDING	<u>\$ 2,447,255</u>	<u>\$ 2,004,930</u>	<u>\$ 2,896,468</u>	<u>\$ 891,538</u>

College Station Independent School District
Schedule of Revenues, Expenditures, and Changes
in Fund Balance – Budget and Actual
Debt Service Fund
For the Fiscal Year Ended August 31, 2023

Exhibit J-3

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts			
		Original	Final	Actual	
REVENUES					
5700	Local and intermediate sources	\$ 30,438,095	\$ 33,143,095	\$ 34,341,303	\$ 1,198,208
5800	State program revenues	265,770	425,770	592,185	166,415
5020	Total revenues	30,703,865	33,568,865	34,933,488	1,364,623
EXPENDITURES					
Debt service:					
0071	Principal on long-term debt	18,400,000	19,409,300	18,400,000	1,009,300
0072	Interest on long-term debt	12,288,865	13,984,565	13,984,565	-
0073	Issuance costs and fees	15,000	15,000	4,090	10,910
6030	Total expenditures	30,703,865	33,408,865	32,388,655	1,020,210
1100	Excess (deficiency) of revenues over (under) expenditures	-	160,000	2,544,833	2,384,833
OTHER FINANCING SOURCES (USES)					
8949	Refunds to taxpayers	-	(160,000)	(152,795)	7,205
7080	Total other financing sources (uses)	-	(160,000)	(152,795)	7,205
1200	Net change in fund balance	-	-	2,392,038	2,392,038
0100	Fund balance - beginning	10,211,811	10,211,811	10,211,811	-
3000	FUND BALANCE - ENDING	\$ 10,211,811	\$ 10,211,811	\$ 12,603,849	\$ 2,392,038

College Station Independent School District
 Use of Funds Report – Select State Allotment Programs
 For the Fiscal Year Ended August 31, 2023

Exhibit J-4

<u>Data Codes</u>		<u>Responses</u>
<u>Section A: Compensatory Education Programs</u>		
AP1	Did your LEA expend any state compensatory education program state allotment funds during the District's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the District's fiscal year.	\$ 9,113,686
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$ 4,427,837
<u>Section B: Bilingual Education Programs</u>		
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 1,048,220
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 1,228,286

Overall Compliance, Internal Control Section and Federal Awards

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

To the Board of Trustees of
College Station Independent School District
College Station, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of College Station Independent School District (the District) as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 11, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

The Board of Trustees of
College Station Independent School District

Purpose of this Report

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas
December 11, 2023



**Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance
In Accordance with the Uniform Guidance**

To the Board of Trustees of
College Station Independent School District
College Station, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited College Station Independent School District's (the District) compliance with the types of compliance requirements identified as subject to the audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibility for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

The Board of Trustees of
College Station Independent School District

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

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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas
December 11, 2023

College Station Independent School District

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended August 31, 2023

Section 1. Summary of Auditor's Results

Financial Statements

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

Federal Awards

- | | |
|--------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| 4. Internal control over major programs: | |
| <i>a.</i> Material weakness(es) identified? | None reported |
| <i>b.</i> Significant deficiency(ies) identified that are not considered to be material weaknesses? | No |
| 5. Type of auditor's report issued on compliance with major programs | Unmodified |
| 6. Any audit findings disclosed that are required to be reported in accordance under 2 CFR 200.516(a)? | No |
| 7. Identification of major programs | 93.600 – Head Start
84.425D, 84.425U – ESSER (TCLAS), ESSER II, and ESSER III |
| 8. Dollar threshold used to distinguish between Type A and Type B federal programs | \$750,000 |
| 9. Auditee qualified as a low-risk auditee? | Yes |

Section 2. Financial Statement Findings

None reported

Section 3. Federal Award Findings and Questioned Costs

None reported

College Station Independent School District

Summary Schedule of Prior Audit Findings

For the Fiscal Year Ended August 31, 2023

Prior Year Findings

None reported

College Station Independent School District
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended August 31, 2023

Exhibit K-1

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Child Nutrition Cluster:			
Passed Through Texas Education Agency:			
National School Breakfast Program	10.553	71402201	\$ 119,060
National School Breakfast Program	10.553	71402301	<u>896,562</u>
Total 10.553			1,015,622
National School Lunch Program	10.555	71302201	457,899
National School Lunch Program	10.555	71302301	3,395,693
Passed Through Texas Department of Agriculture:			
COVID 19 - Supply Chain Assistance	10.555	806780706	515,754
National School Lunch Program - Noncash Assistance	10.555	806780706	<u>595,417</u>
Total 10.555			<u>4,964,763</u>
Total Child Nutrition Cluster			<u>5,980,385</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			5,980,385
U.S. DEPARTMENT OF LABOR			
WIOA Cluster:			
Passed Through Texas Workforce Commission:			
WIA Dislocated Workers	17.278	1622ATP002-2	<u>11,830</u>
TOTAL U.S. DEPARTMENT OF LABOR			11,830
U.S. DEPARTMENT OF EDUCATION			
Passed Through Texas Education Agency:			
Title I, Part A - Improving Basic Programs	84.010A	22610101021901	3,266
Title I, Part A - Improving Basic Programs	84.010A	23610101021901	<u>1,713,701</u>
Total 84.010A			1,716,967
Special Education Cluster (IDEA):			
COVID 19 - IDEA - Part B, Formula ARP	84.027X	225350010219015350	14,216
COVID 19 - IDEA - Part B, Formula ARP Carryover	84.027X	225350020219015350	514,411
IDEA - Part B, Formula	84.027A	226600010219016600	23,499
IDEA - Part B, Formula	84.027A	236600010219016600	<u>2,109,503</u>
Total 84.027			2,661,629
COVID 19 - IDEA - Part B, Preschool ARP	84.173X	225360020219015360	24,870
IDEA - Part B, Preschool	84.173A	236610010219016610	<u>66,546</u>
Total 84.173			<u>91,416</u>
Total Special Education Cluster (IDEA)			2,753,045
Career and Technology - Basic Grant	84.048A	22420006021901	80
Career and Technology - Basic Grant	84.048A	23420006021901	<u>153,281</u>
Total 84.048A			153,361
Title III, Part A - English Language Acquisition and Language Enhancement	84.365A	22671001021901	80
Title III, Part A - English Language Acquisition and Language Enhancement	84.365A	23671001021901	<u>77,905</u>
Total 84.365A			77,985

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

College Station Independent School District
 Schedule of Expenditures of Federal Awards – Continued
 For the Fiscal Year Ended August 31, 2023

Exhibit K-1

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Title II, Part A - Teacher & Principal Training & Recruiting	84.367A	22694501021901	1,523
Title II, Part A - Teacher & Principal Training & Recruiting	84.367A	23694501021901	332,991
Total 84.367A			334,514
Title IV - Part A Subpart I	84.424A	23680101021901	159,392
COVID-19 - Coronavirus Response and Relief Supplemental Appropriations - CRRSA (ESSER II)	84.425D	21521001021901	1,876,791
COVID-19 - Coronavirus Learning Acceleration Supports (TCLAS) - ESSER	84.425U	21528042021901	824,279
COVID-19 - American Rescue Plan - ARP (ESSER III)	84.425U	21528001021901	2,880,331
Total 84.425			5,581,401
TOTAL U.S. DEPARTMENT OF EDUCATION			10,776,665
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Direct:			
COVID 19 - Head Start - ARP	93.600	06HE000866-01-C5	72,163
COVID 19 - Head Start - ARP	93.600	06HE000866-01-C6	344,405
Head Start - Reg Grant	93.600	06CH010943-04	2,391,821
Head Start - Reg Grant	93.600	06CH010943-05	225,551
Total 93.600			3,033,940
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			3,033,940
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 19,802,820

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

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College Station Independent School District
Notes to the Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of College Station 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 Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

National School Breakfast and Lunch Program non-cash commodities are recorded at their estimated market value at the time of donation.

Note 2. Indirect Cost Rate

The District has elected not to use the 10% de minimis indirect cost rate as allowed under Uniform Guidance.

Note 3. Reconciliation to the Basic Financial Statements

Presented below is a reconciliation of federal revenues:

Total expenditures of federal awards per Exhibit K-1	\$ 19,802,820
General fund - federal revenue:	
School Health and Related Services	<u>3,209,759</u>
Total federal revenues per Exhibit C-2	<u><u>\$ 23,012,579</u></u>

College Station Independent School District
 Schedule of Required Responses to Selected
 School FIRST Indicators (Unaudited)
 For the Fiscal Year Ended August 31, 2023

Exhibit L-1

<u>Data Codes</u>		<u>Responses</u>
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments.)	Yes
	Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued.	
	Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end	\$ -