

TEXARKANA INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2024

TEXARKANA INDEPENDENT SCHOOL DISTRICT

Annual Financial Report Table of Contents Year Ended June 30, 2024

	Page(s)	Exhibit
Certificate of Board	i	
Independent Auditor's Report	ii-iv	
Management's Discussion and Analysis	v-xiv	
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	1	A-1
Statement of Activities	2-3	B-1
Governmental Fund Financial Statements:		
Balance Sheet	4-5	C-1
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	6	C-2
Statement of Revenues, Expenditures, and Changes in Fund Balances	7-8	C-3
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	9	C-4
Proprietary Fund Financial Statements:		
Statement of Net Position	10	D-1
Statement of Revenues, Expenses, and Changes in Fund Net Position	11	D-2
Statement of Cash Flows	12	D-3
Fiduciary Fund Financial Statements:		
Statement of Fiduciary Net Position	13	E-1
Statement of Changes in Fiduciary Fund Net Position	14	E-2
Notes to the Financial Statements	15-51	
Required Supplementary Information:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - General Fund	52	G-1
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - Child Nutrition Program	53	G-2
Schedule of the District's Proportionate Share of the Net Pension Liability - Teacher Retirement System of Texas	54-55	G-6
Schedule of District's Contributions for Pensions - Teacher Retirement System of Texas	56-57	G-7
Schedule of the District's Proportionate Share of the Net OPEB Liability - Teacher Retirement System of Texas	58-59	G-8
Schedule of District's Contributions for Other Postemployment Benefits (OPEB) - Teacher Retirement System of Texas	60-61	G-9

TEXARKANA INDEPENDENT SCHOOL DISTRICT

Annual Financial Report Table of Contents (Continued) Year Ended June 30, 2024

Notes to Required Supplementary Information	62	
Other Supplementary Information:		
Non-major Governmental Funds:		
Combining Balance Sheet	63-67	H-1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	68-72	H-2
Non-major Enterprise Funds:		
Combining Statement of Net Position	73-74	H-6
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	75-76	H-7
Combining Statement of Cash Flows	77-78	H-8
Custodial Funds:		
Combining Statement of Fiduciary Net Position	79-80	H-9
Combining Statement of Changes in Fiduciary Net Position	81-82	H-10
Private Purpose Trust Funds:		
Combining Statement of Fiduciary Net Position	83-84	H-11
Combining Statement of Changes in Fiduciary Net Position	85-86	H-12
Required TEA Schedules:		
Schedule of Delinquent Taxes Receivable	87-88	J-1
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - Debt Service Fund	89	J-3
Use of Funds Report – Select State Allotment Programs	90	J-4
Federal Awards Section:		
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	91-92	
Independent Auditor’s Report on Compliance for Each Major Program; Report On Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	93-95	
Schedule of Findings and Questioned Costs	96-97	
Schedule of Prior Year Audit Findings	98	
Schedule of Expenditures of Federal Awards	99-100	K-1
Notes to Schedule of Expenditures of Federal Awards	101	

Certificate of Board

Certificate of Board

Texarkana Independent School District
Name of School District

Bowie
County

019-907
County-District-Region No.

We, the undersigned, certify that the attached annual financial report of the above named school district was reviewed and /X/ approved - / / disapproved for the year ended June 30, 2024, at a meeting of the board of school trustees of such school district on the 13th day of November, 2024.
(Check One)



Signature of Board Secretary



Signature of Board President

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

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Texarkana Independent School District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages v through xiv, budgetary comparison schedule – general fund on page 52, budgetary comparison schedule – child nutrition on page 53, Schedule of the District’s Proportionate Share of the Net Pension Liability (TRS) on pages 54-55, Schedule of the District’s Contributions for Pensions (TRS) on pages 56-57, Schedule of the District’s Proportionate Share of the Net OPEB Liability (TRS) on pages 58-59, and Schedule of the District’s Contributions for Other Postemployment Benefits (OPEB) (TRS) on pages 60-61 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Required Supplementary Information (Continued)

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS

Texarkana, Texas
November 7, 2024

Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the Annual Financial and Compliance Report, we, the managers of Texarkana Independent School District (the District), discuss and analyze the District's financial performance for the year ended June 30, 2024. Please read it in conjunction with the independent auditors' report on pages ii and iv, and the District's Basic Financial Statements, which begin on page 1.

USING THIS ANNUAL REPORT

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

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

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

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

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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

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

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

- ◆ Proprietary funds—The District reports the activities for which it charges users (whether outside customers or other units of the District) in proprietary funds using the same accounting methods employed in the Statement of Net Position and the Statement of Activities. In fact, the District's enterprise funds (one category of proprietary funds) are the business-type activities reported in the government-wide statements but containing more detail and additional information, such as cash flows.

The District as Trustee

Reporting the District's Fiduciary Responsibilities

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

In 2024 and 2023, the ending net position of our governmental activities was \$29,337,046 and \$17,845,495 respectively.

In 2024 and 2023, the ending net position of our business-type activities was \$945,848 and \$1,105,375 respectively. This amount is relatively insignificant to the overall operations of the District, but it represents efforts to find other sources of revenue that will help alleviate a portion of the taxpayer's burden.

Some of the major highlights of the 2023-24 school year included the following:

- The District's General Fund Balance was increased during the 2023-24 fiscal year by \$750,891. This increase is largely due to ESSER funding. The District was able to meet the budgeted Average Daily Attendance (ADA) for students at 6,056. This level of ADA is back to pre-COVID level percentage at 93% of enrollment.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Table I
Texarkana Independent School District

NET POSITION

	Governmental Activities		Business-type Activities		Totals		% Change
	2023	2024	2023	2024	2023	2024	
Current and other assets	\$ 204,187,070	\$ 166,583,376	\$ 1,112,141	\$ 946,770	\$ 205,299,211	\$ 167,530,146	-18.40%
Capital assets	103,642,299	136,405,523	72,833	37,246	103,715,132	136,442,769	31.56%
Total assets	<u>307,829,369</u>	<u>302,988,899</u>	<u>1,184,974</u>	<u>984,016</u>	<u>309,014,343</u>	<u>303,972,915</u>	-1.63%
Deferred Outflows of Resources	23,455,113	25,804,176	-	-	23,455,113	25,804,176	10.02%
Long-term liabilities	248,225,690	248,322,823	38,409	3,002	248,264,099	248,325,825	0.02%
Other liabilities	36,515,317	25,439,445	41,190	35,166	36,556,507	25,474,611	-30.31%
Total liabilities	<u>284,741,007</u>	<u>273,762,268</u>	<u>79,599</u>	<u>38,168</u>	<u>284,820,606</u>	<u>273,800,436</u>	-3.87%
Deferred Inflows of Resources	28,697,980	25,693,761	-	-	28,697,980	25,693,761	-10.47%
Net Position:							
Invested in capital assets net of related debt	(102,266,020)	(59,968,756)	-	-	(102,266,020)	(59,968,756)	-41.36%
Restricted	155,705,537	127,971,535	-	-	155,705,537	127,971,535	-17.81%
Unrestricted	(35,594,022)	(38,665,733)	1,105,375	945,848	(34,488,647)	(37,719,885)	9.37%
Total net position	<u>\$ 17,845,495</u>	<u>\$ 29,337,046</u>	<u>\$ 1,105,375</u>	<u>\$ 945,848</u>	<u>\$ 18,950,870</u>	<u>\$ 30,282,894</u>	<u>59.80%</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

**Table II
Texarkana Independent School District**

Changes In Net Position

	Governmental Activities		Business-type Activities		Totals		% Change
	2023	2024	2023	2024	2023	2024	
Revenues :							
Program Revenues:							
Charges for Services	\$ 1,246,942	2,085,869	\$ 260,976	\$ 312,391	\$ 1,507,918	\$ 2,398,260	59.04%
Operating grants and contributions	31,446,780	30,716,163			31,446,780	30,716,163	-2.32%
General Revenues:							
Maintenance and operations taxes	24,361,241	20,445,970			24,361,241	20,445,970	-16.07%
Debt service taxes	6,579,187	12,280,853			6,579,187	12,280,853	86.66%
State aid – formula grants	37,346,436	48,092,643			37,346,436	48,092,643	28.77%
Grants not Restricted	9,596,548	7,850,387			9,596,548	7,850,387	
Investment Earnings	3,931,730	8,488,208			3,931,730	8,488,208	115.89%
Miscellaneous	1,127,118	940,196			1,127,118	940,196	-16.58%
Total Revenue	<u>115,635,982</u>	<u>130,900,289</u>	<u>260,976</u>	<u>312,391</u>	<u>115,896,958</u>	<u>131,212,680</u>	<u>13.21%</u>
Expenses:							
Instruction, curriculum and media services	62,776,127	66,255,985			62,776,127	66,255,985	5.54%
Instructional and school leadership	6,665,416	7,260,793			6,665,416	7,260,793	8.93%
Student support services	4,509,105	4,889,193			4,509,105	4,889,193	8.43%
Child nutrition	7,469,141	9,332,336			7,469,141	9,332,336	24.95%
Co-curricular activities	3,480,247	3,512,952			3,480,247	3,512,952	0.94%
General administration	4,605,275	4,580,890			4,605,275	4,580,890	-0.53%
Plant maintenance, security & data processing	13,636,614	13,069,553			13,636,614	13,069,553	-4.16%
Community services	990,728	1,185,031			990,728	1,185,031	19.61%
Debt services	4,693,948	8,010,086			4,693,948	8,010,086	70.65%
Payments to Fiscal Agent and Intergovernmental Charges	690,707	790,278			690,707	790,278	14.42%
Other business-type activities	466,388	521,641	478,561	471,918	944,949	993,559	5.14%
Total Expenses	<u>109,983,696</u>	<u>119,408,738</u>	<u>478,561</u>	<u>471,918</u>	<u>110,462,257</u>	<u>119,880,656</u>	<u>8.53%</u>
Increase (decrease) in net position	5,652,286	11,491,551	(217,585)	(159,527)	5,434,701	11,332,024	108.51%
Net position at beginning of year	12,193,209	17,845,495	1,322,963	1,105,375	13,516,172	18,950,870	40.21%
Net position at end of year	<u>\$ 17,845,495</u>	<u>\$ 29,337,046</u>	<u>\$ 1,105,378</u>	<u>\$ 945,848</u>	<u>\$ 18,950,873</u>	<u>\$ 30,282,894</u>	<u>59.80%</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

- During the 2023-24 school year, the District continued an agreement with K12 Virtual Schools, LLC. This agreement allows the District to offer a virtual environment for learning to students across the state of Texas. Enrollment for the District for the 2023-24 school year was 412 students. State Funding for the majority of these students has been remitted to K12 Virtual Schools, LLC to operate the campus.
- During 2023-23, the District spent approximately \$660,000 on deferred maintenance projects. These included enhancements to the THS practice field lighting, new district overflow bus parking lot, summer painting and several campus lighting upgrades. Some of these projects were still in progress on June 30, 2024.
- The state's school financial accountability rating system, known as the School Financial Integrity Rating System of Texas (FIRST), ensures that Texas public schools are held accountable for the quality of their financial management practices and that they improve those practices. The system is designed to encourage Texas public schools to better manage their financial resources to provide the maximum allocation possible for direct instructional purposes. The District received an "A-Superior Rating" rating and status for the fiscal year ending 2022-23.
- The District was awarded a total of \$29,832,468 in ESSER funds from the CRRSA and ARP acts approved by the United States Congress in 2020-21, with the amount to carry over and use for 2023-24 being \$9,565,300. During the 2023-24 school year, the District was able to use these funds for necessary staffing due to learning loss, substantial HVAC repairs and replacement, implementation of the 1:1 Chromebook Initiative, Safety and Security personnel and the continuation of Solution Tree and Kagan Structures to improve educational experiences district wide. This marked the completion of ESSER funding for the District and the reallocation and attrition of these positions and expenditures has been implemented in the 2024-2025 fiscal year.
- The District was awarded a total of \$3,286,566 in Texas COVID Learning Acceleration Supports (TCLAS) funds. This program includes funding and targeted supports for LEAs to accelerate student learning in the wake of COVID-19, utilizing state and federal resources. One streamlined application was used; the program includes nine separate decision sets. These grants allowed the District to strategically plan performance management, acquire innovative instructional materials, create stronger teacher pipelines, create more time in the classroom for students whose learning was adversely impacted by the pandemic, and explore different innovative school models. The grant programs were wrapped up in the 2023-2024 fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

- On May 15, 2023, the District was awarded the Continuation Innovative Services Students with Autism Grant in the amount of \$2,515,101. The purpose of this grant is to increase local capacity of LEAs to appropriately serve students with autism by providing innovative services that improve functional and/or academic outcomes for students with autism. During the application process, the District created an SSA to include the following districts: Liberty-Eylau; Redwater; Maud; Cass County SSA - Atlanta, Avinger, Bloomburg, Hughes Springs, and McLeod; Western Bowie County Co-op, - Avery, DeKalb, Hooks, Hubbard, Leary, Malta, New Boston, Red Lick, Simms; Queen City ISD. A total of \$2,119,993 was expended in the 2023-24 school year, with the remaining amount to be used in the 2024-25 fiscal year to complete the grant.
- The District was awarded the 21st Century Community Learning Centers (CCLC) Grant on July 1, 2024, totaling \$1,699,395. The purpose of the 21st CCLC program is to provide extended learning opportunities outside of the regular school day to students in need of academic assistance. The program is aimed at students who attend high-need, high-poverty and low-performing schools. The overall program is inclusive of specific core elements based on recommended principles and effective strategies to ensure successful programs that will assist students in meeting academic standards in core subjects (math, reading, science, social studies) so they can graduate from high school prepared for college and/or the workforce. The District utilized all funds for the continuation of the ACE program, which was implemented in the 2021-22 school year. The ACE program provides no-cost activities after school and during the summer for K-12 students in our Title I campuses.
- During the 2023-2024 school year, the District was awarded a total of \$735,662 in Safety and Security federal funding to be utilized in ensuring the District meets the minimal safety requirements set forth by the State after the Uvalde Independent School District shooting in the 2021-2022 school year. These funds will be used in conjunction with Bond 2022 funds to complete the installation of fencing across the district, place bullet resistant film on all exterior windows, improve security measures on exterior doors and employ school marshals and additional police officers.
- In the 2022-2023 school year, Texarkana ISD was selected by the Texas Education Agency (TEA) to participate in the System of Great Schools Network (SGS) to ensure that more students have access to better schools every year by increasing the number of high-quality options. This has allowed the District to improve multiple processes and initiatives across all campuses and departments to allow room for more efficiency and more powerful outcomes for students. With this partnership the District has worked with the two organizations to apply and be granted multiple empowering grants.

2023-2024 School Action Fund-Planning and Implementation TMS - \$200,000
2024-2025 School Action Fund-Planning and Implementation Parks Elem - \$185,000
2024-2025 Stronger Connections Grant - \$840,000
2023-2024 Strong Foundations Planning - \$200,000
2024-2025 Stronger OST - \$56,600
2024-2025 School Action Fund Continuation TMS - \$500,000

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

- A Chapter 313 agreement was entered into by the District and TCI Texarkana, Inc. (Comptroller Application #1646 for the 2024 Tax Year). The Property Value Limitation Agreement approved by the District's Board of Trustees on November 16, 2023, for the TCI Texarkana, LLC project. The 2024-25 school year is the first of 10 years that the \$30 million value limitation will be in effect under the Agreement. The total amount owed to the District for 2023-24 is \$1,019,891: \$499,518 for revenue protection, and a \$520,373 supplemental payment.

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented in the balance sheet on page 4) reported a combined fund balance of \$143.4 million. Fund Balance in the General Fund increased to \$15.3 million.

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

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

The District's General Fund balance of \$15.3 million reported on page 4 differs from the General Fund's budgeted fund balance of \$14.0 million reported in the budgetary comparison schedule on page 52.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2024, the District had \$244 million invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance.

Debt

At the end of 2023-24 school year, the District had \$196.8 million in bonds and notes outstanding, versus \$203.5 million last year. The District's general obligation bond rating has been the highest possible, due to Permanent School Fund Guarantees by the State of Texas.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

NEXT YEAR'S BUDGETS AND RATES

The District's elected officials considered many factors when setting the fiscal-year 2024-25 budget and tax rate. In the wake of COVID-19, the District experienced a decline in attendance, uncertainty about long-term enrollment trends, and inflationary pressures. In order to prepare for a variety of contingencies, some vacant positions were not filled.

The 2024 property tax rate has been slightly decreased by the adoption of a tax rate of \$1.2090, which is effectively a (2.30) percent decrease in the tax rate. This rate includes \$0.7552 for the purpose of maintenance and operation, and \$0.4538 for the purpose of payment of principal and interest on debts. The total tax rate for the previous year was \$1.2113.

Lack of action by the legislature to increase state funding continues to affect district operations. These factors were taken into account when adopting the General Fund budget for the 2024-25 school year. Amounts available for appropriation in the General Fund budget are \$79 million.

If these estimates are realized, the District's budgetary General Fund-Fund Balance is expected to decrease, due to no additional state funding along with increases in expenditures.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office, at Texarkana Independent School District, 4241 Summerhill Rd., Texarkana, Texas.

Basic Financial Statements

Government-wide Financial Statements

TEXARKANA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

EXHIBIT A-1

Data	1	2	3	4
Control	Primary Government			Component Unit
Codes	Governmental	Business	Total	Nonmajor
	Activities	Type		Component
		Activities		Unit
ASSETS				
1110	\$ 79,878,514	\$ 924,618	\$ 80,803,132	\$ 217,601
1120	64,771,936	-	64,771,936	426,572
1210	2,160,882	-	2,160,882	-
1230	(538,641)	-	(538,641)	-
1240	19,814,533	-	19,814,533	-
1290	112,565	-	112,565	-
1300	294,470	22,152	316,622	-
1410	4,155	-	4,155	-
1490	84,962	-	84,962	-
Capital Assets:				
1510	6,577,761	-	6,577,761	-
1520	86,190,699	-	86,190,699	-
1530	5,339,814	-	5,339,814	-
1550	-	37,246	37,246	-
1553	668,891	-	668,891	-
1580	37,628,358	-	37,628,358	-
1800	-	-	-	159,780
1910	-	-	-	89,538
1000	302,988,899	984,016	303,972,915	893,491
DEFERRED OUTFLOWS OF RESOURCES				
1701	805,906	-	805,906	-
1705	15,582,757	-	15,582,757	-
1706	9,415,513	-	9,415,513	-
1700	25,804,176	-	25,804,176	-
LIABILITIES				
2110	10,721,043	796	10,721,839	119,600
2130	-	34,244	34,244	-
2140	3,349,476	-	3,349,476	-
2150	488,240	-	488,240	-
2160	6,912,410	-	6,912,410	-
2177	21,928	-	21,928	-
2180	1,509,785	126	1,509,911	-
2300	2,436,563	-	2,436,563	-
Noncurrent Liabilities:				
2501	4,557,710	-	4,557,710	-
Due Within One Year: Loans, Note, Leases, etc. Due in More than One Year:				
2502	192,252,999	3,002	192,256,001	-
2540	35,797,569	-	35,797,569	-
2545	15,714,545	-	15,714,545	-
2000	273,762,268	38,168	273,800,436	119,600
DEFERRED INFLOWS OF RESOURCES				
2605	1,962,027	-	1,962,027	-
2606	23,731,734	-	23,731,734	-
2600	25,693,761	-	25,693,761	-
NET POSITION				
3200	(59,968,756)	-	(59,968,756)	-
Restricted:				
3820	1,772,326	-	1,772,326	-
3850	9,009,927	-	9,009,927	-
3860	116,138,902	-	116,138,902	-
3870	1,050,380	-	1,050,380	-
3890	-	-	-	249,318
3900	(38,665,733)	945,848	(37,719,885)	524,573
3000	\$ 29,337,046	\$ 945,848	\$ 30,282,894	\$ 773,891

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

TEXARKANA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	1	Program Revenues	
		3	4
	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
11 Instruction	\$ 62,941,067	\$ 554,651	\$ 12,736,558
12 Instructional Resources and Media Services	414,348	-	52,933
13 Curriculum and Instructional Staff Development	2,900,570	-	796,629
21 Instructional Leadership	1,313,234	-	1,205,493
23 School Leadership	5,947,559	-	374,821
31 Guidance, Counseling, and Evaluation Services	3,146,770	-	1,503,779
32 Social Work Services	345	-	210
33 Health Services	929,564	-	168,590
34 Student (Pupil) Transportation	812,514	-	22,640
35 Food Services	9,332,336	446,814	8,488,028
36 Extracurricular Activities	3,512,952	891,839	60,160
41 General Administration	4,580,890	-	104,933
51 Facilities Maintenance and Operations	10,793,872	180,929	638,303
52 Security and Monitoring Services	1,755,364	-	311,521
53 Data Processing Services	520,317	-	-
61 Community Services	1,185,031	11,636	1,248,411
72 Debt Service - Interest on Long-Term Debt	8,008,144	-	4,202
73 Debt Service - Bond Issuance Cost and Fees	1,942	-	-
81 Capital Outlay	-	-	2,998,952
93 Payments Related to Shared Services Arrangements	790,278	-	-
99 Other Intergovernmental Charges	521,641	-	-
[TG] Total Governmental Activities:	119,408,738	2,085,869	30,716,163
BUSINESS-TYPE ACTIVITIES:			
01 Food Service Catering	266,056	177,157	-
02 Print Shop Activity	199,045	124,693	-
03 Public Relations Activity Fund	6,817	10,541	-
[TB] Total Business-Type Activities:	471,918	312,391	-
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 119,880,656	\$ 2,398,260	\$ 30,716,163
Component Unit:			
1C Nonmajor Component Unit	161,910	-	-
[TC] TOTAL COMPONENT UNITS:	\$ 161,910	\$ -	\$ -
Data Control Codes	General Revenues:		
MT	Taxes:		
DT	Property Taxes, Levied for General Purposes		
SF	Property Taxes, Levied for Debt Service		
GC	State Aid - Formula Grants		
IE	Grants and Contributions not Restricted		
MI	Investment Earnings		
TR	Miscellaneous Local and Intermediate Revenue		
CN	Total General Revenues		
NB	Change in Net Position		
NE	Net Position - Beginning		
	Net Position - Ending		

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

Net (Expense) Revenue and Changes in Net Position			
6	7	8	9
	Primary Government		Component Unit
Governmental Activities	Business Type Activities	Total	Component Unit
\$ (49,649,858)	\$ -	\$ (49,649,858)	\$ -
(361,415)	-	(361,415)	-
(2,103,941)	-	(2,103,941)	-
(107,741)	-	(107,741)	-
(5,572,738)	-	(5,572,738)	-
(1,642,991)	-	(1,642,991)	-
(135)	-	(135)	-
(760,974)	-	(760,974)	-
(789,874)	-	(789,874)	-
(397,494)	-	(397,494)	-
(2,560,953)	-	(2,560,953)	-
(4,475,957)	-	(4,475,957)	-
(9,974,640)	-	(9,974,640)	-
(1,443,843)	-	(1,443,843)	-
(520,317)	-	(520,317)	-
75,016	-	75,016	-
(8,003,942)	-	(8,003,942)	-
(1,942)	-	(1,942)	-
2,998,952	-	2,998,952	-
(790,278)	-	(790,278)	-
(521,641)	-	(521,641)	-
(86,606,706)	-	(86,606,706)	-
-	(88,899)	(88,899)	-
-	(74,352)	(74,352)	-
-	3,724	3,724	-
-	(159,527)	(159,527)	-
(86,606,706)	(159,527)	(86,766,233)	-
-	-	-	(161,910)
-	-	-	(161,910)
20,445,970	-	20,445,970	-
12,280,853	-	12,280,853	-
48,092,643	-	48,092,643	-
7,850,387	-	7,850,387	-
8,488,208	-	8,488,208	41,619
940,196	-	940,196	204,914
98,098,257	-	98,098,257	246,533
11,491,551	(159,527)	11,332,024	84,623
17,845,495	1,105,375	18,950,870	689,268
\$ 29,337,046	\$ 945,848	\$ 30,282,894	\$ 773,891

Governmental Fund Financial Statements

TEXARKANA INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

Data Control Codes	10 General Fund	50 Child Nutrition	60 Debt Service Fund
ASSETS			
1110 Cash and Cash Equivalents	\$ 3,864,457	\$ 4,951,491	\$ 745,650
1120 Investments - Current	5,404,193	-	7,524,683
1210 Property Taxes - Current	1,551,729	-	609,153
1230 Allowance for Uncollectible Taxes	(426,206)	-	(112,435)
1240 Due from Other Governments	14,112,506	102,322	-
1260 Due from Other Funds	1,020,015	-	557,050
1290 Other Receivables	112,458	107	-
1300 Inventories	39,109	255,361	-
1410 Prepayments	4,155	-	-
1490 Other Current Assets	84,962	-	-
1000 Total Assets	<u>\$ 25,767,378</u>	<u>\$ 5,309,281</u>	<u>\$ 9,324,101</u>
LIABILITIES			
2110 Accounts Payable	\$ 641,938	\$ 34,922	\$ -
2150 Payroll Deductions and Withholdings Payable	324,926	18,643	-
2160 Accrued Wages Payable	5,271,327	228,029	-
2170 Due to Other Funds	1,577,065	-	-
2180 Due to Other Governments	1,466,563	-	43,222
2300 Unearned Revenue	1,223,844	-	270,952
2000 Total Liabilities	<u>10,505,663</u>	<u>281,594</u>	<u>314,174</u>
FUND BALANCES			
Nonspendable Fund Balance:			
3410 Inventories	39,109	255,361	-
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	1,772,326	-
3480 Retirement of Long-Term Debt	-	-	9,009,927
Committed Fund Balance:			
3510 Construction	-	3,000,000	-
Assigned Fund Balance:			
3590 Other Assigned Fund Balance	-	-	-
3600 Unassigned Fund Balance	15,222,606	-	-
3000 Total Fund Balances	<u>15,261,715</u>	<u>5,027,687</u>	<u>9,009,927</u>
4000 Total Liabilities and Fund Balances	<u>\$ 25,767,378</u>	<u>\$ 5,309,281</u>	<u>\$ 9,324,101</u>

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

60 Capital Projects	Other Funds	Total Governmental Funds
\$ 67,283,510	\$ 3,033,406	\$ 79,878,514
51,843,060	-	64,771,936
-	-	2,160,882
-	-	(538,641)
-	5,599,705	19,814,533
-	-	1,577,065
-	-	112,565
-	-	294,470
-	-	4,155
-	-	84,962
<u>\$ 119,126,570</u>	<u>\$ 8,633,111</u>	<u>\$ 168,160,441</u>
\$ 5,987,668	\$ 4,056,515	\$ 10,721,043
-	144,671	488,240
-	1,413,054	6,912,410
-	21,928	1,598,993
-	-	1,509,785
-	1,946,563	3,441,359
<u>5,987,668</u>	<u>7,582,731</u>	<u>24,671,830</u>
-	-	294,470
-	-	1,772,326
-	-	9,009,927
113,138,902	-	116,138,902
-	1,050,380	1,050,380
-	-	15,222,606
<u>113,138,902</u>	<u>1,050,380</u>	<u>143,488,611</u>
<u>\$ 119,126,570</u>	<u>\$ 8,633,111</u>	<u>\$ 168,160,441</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2024

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$ 143,488,611
1 Capital assets and Right-to-Use Lease Assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$205,875,306 and the accumulated depreciation was (\$102,233,007). In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to decrease net position.	(102,266,019)
2 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the capital outlays and debt principal payments is to decrease net position. Similarly, the principal payments on Right-to-Use Lease Assets and SBITA Assets are not expenses, rather they are decreases in the Right-to-Use Lease Liabilities and the SBITA Liabilities. These payments must be reclassified and shown as reductions to these liabilities increasing Net Position.	46,320,845
3 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. At the beginning of the year, the net position related to TRS was a Deferred Resource Outflow in the amount of \$13,327,587, a Deferred Resource Inflow in the amount of \$2,913,040 and a net pension liability in the amount of \$28,530,295. The impact of this on Net Position is (18,115,748). Changes from the current year reporting of the TRS plan resulted in a decrease in net position in the amount of (\$4,061,091). The combination of the beginning of the year amounts and the changes during the year resulted in a difference between the ending fund balance and the ending net position in the amount of (\$22,176,839) .	(22,176,839)
4 The District participates in the TRS-Care plan for retirees through TRS. The District's share of the TRS plan resulted in a net OPEB liability of \$15,714,545, a deferred outflow of \$9,415,513 and a deferred inflow of \$23,731,734. This resulted in a difference between the ending fund balance and the ending net position of (30,030,766).	(30,030,766)
5 The current year depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(7,003,582)
6 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase(decrease) net position.	1,004,796
29 Net Position of Governmental Activities	\$ 29,337,046

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

TEXARKANA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	10 General Fund	50 Child Nutrition	60 Debt Service Fund
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 23,376,225	\$ 699,066	\$ 12,683,273
5800 State Program Revenues	55,734,243	75,357	1,440,776
5900 Federal Program Revenues	2,833,925	7,826,859	-
5020 Total Revenues	<u>81,944,393</u>	<u>8,601,282</u>	<u>14,124,049</u>
EXPENDITURES:			
Current:			
0011 Instruction	46,851,895	-	-
0012 Instructional Resources and Media Services	219,236	-	-
0013 Curriculum and Instructional Staff Development	2,170,222	-	-
0021 Instructional Leadership	121,197	-	-
0023 School Leadership	5,857,375	-	-
0031 Guidance, Counseling, and Evaluation Services	1,732,470	-	-
0032 Social Work Services	477	-	-
0033 Health Services	524,024	-	-
0034 Student (Pupil) Transportation	656,439	-	-
0035 Food Services	-	10,329,956	-
0036 Extracurricular Activities	3,037,300	-	-
0041 General Administration	4,356,271	-	-
0051 Facilities Maintenance and Operations	10,598,462	138,532	-
0052 Security and Monitoring Services	1,760,691	-	-
0053 Data Processing Services	436,708	-	-
0061 Community Services	45,426	-	-
Debt Service:			
0071 Principal on Long-Term Liabilities	261,137	44,000	4,535,447
0072 Interest on Long-Term Liabilities	9,533	-	9,309,627
0073 Bond Issuance Cost and Fees	-	-	1,942
Capital Outlay:			
0081 Facilities Acquisition and Construction	-	-	-
Intergovernmental:			
0093 Payments to Fiscal Agent/Member Districts of SSA	790,278	-	-
0099 Other Intergovernmental Charges	521,641	-	-
6030 Total Expenditures	<u>79,950,782</u>	<u>10,512,488</u>	<u>13,847,016</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,993,611</u>	<u>(1,911,206)</u>	<u>277,033</u>
OTHER FINANCING SOURCES (USES):			
7912 Sale of Real and Personal Property	30,605	-	-
7913 Right-to-Use Lease and SBITA Proceeds	367,816	125,606	-
7915 Transfers In	-	-	1,641,141
8911 Transfers Out (Use)	(1,641,141)	-	-
7080 Total Other Financing Sources (Uses)	<u>(1,242,720)</u>	<u>125,606</u>	<u>1,641,141</u>
1200 Net Change in Fund Balances	750,891	(1,785,600)	1,918,174
0100 Fund Balance - July 1 (Beginning)	14,510,824	6,813,287	7,091,753
3000 Fund Balance - June 30 (Ending)	<u>\$ 15,261,715</u>	<u>\$ 5,027,687</u>	<u>\$ 9,009,927</u>

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

	60 Capital Projects	Other Funds	Total Governmental Funds
\$	6,718,101	\$ 1,828,097	\$ 45,304,762
	-	3,382,325	60,632,701
	-	15,914,028	26,574,812
	6,718,101	21,124,450	132,512,275
	-	11,453,215	58,305,110
	-	45,032	264,268
	-	748,044	2,918,266
	-	1,180,901	1,302,098
	-	169,840	6,027,215
	-	1,393,213	3,125,683
	-	-	477
	-	148,035	672,059
	-	-	656,439
	-	-	10,329,956
	268,499	671,272	3,977,071
	-	-	4,356,271
	-	278,585	11,015,579
	-	249,163	2,009,854
	-	-	436,708
	-	1,224,062	1,269,488
	-	102,738	4,943,322
	-	5,680	9,324,840
	-	-	1,942
	34,577,874	2,998,952	37,576,826
	-	-	790,278
	-	-	521,641
	34,846,373	20,668,732	159,825,391
	(28,128,272)	455,718	(27,313,116)
	-	-	30,605
	-	61,341	554,763
	-	-	1,641,141
	-	-	(1,641,141)
	-	61,341	585,368
	(28,128,272)	517,059	(26,727,748)
	141,267,174	533,321	170,216,359
\$	113,138,902	\$ 1,050,380	\$ 143,488,611

TEXARKANA INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$ (26,727,748)
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the current year capital outlays and debt principal payments is to decrease the change net position. Similarly, current year principal payments on Right-to-Use Leases and SIBTAs are also reclassified as reductions to the Right-To-Use Lease Liability and the SBITA liability which will result in a decrease in the change in Net Position.	46,320,845
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position.	(7,003,582)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease the change in net position.	128,092
Current year changes due to GASB 68 increased revenues in the amount of \$2,956,342 but also increased expenditures in the amount of \$7,017,433. The net effect on the change in the ending net position was a decrease in the amount of \$4,061,091.	(4,061,091)
Current year changes due to GASB 75 decreased revenues in the amount of \$4,704,788 but also decreased expenditures in the amount of \$7,539,823. The net effect on the change in the ending net position was a decrease in the amount of \$2,835,035.	2,835,035
Change in Net Position of Governmental Activities	\$ 11,491,551

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

Proprietary Fund Financial Statements

TEXARKANA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Business-Type Activities
	Total Enterprise Funds
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 924,618
Inventories	22,152
Total Current Assets	946,770
Noncurrent Assets:	
Capital Assets:	
Right-to-Use Lease Asset, Net	37,246
Total Noncurrent Assets	37,246
Total Assets	984,016
LIABILITIES	
Current Liabilities:	
Accounts Payable	796
Right-to-Use Lease Liabilities Payable	34,244
Due to Other Governments	126
Total Current Liabilities	35,166
Noncurrent Liabilities:	
Right-to-Use Lease Liability - Long Term	3,002
Total Noncurrent Liabilities	3,002
Total Liabilities	38,168
NET POSITION	
Unrestricted Net Position	945,848
Total Net Position	\$ 945,848

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

TEXARKANA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Business-Type Activities
	Total Enterprise Funds
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 306,847
State Program Revenues	5,544
Total Operating Revenues	<u>312,391</u>
OPERATING EXPENSES:	
Payroll Costs	80,833
Professional and Contracted Services	118,501
Supplies and Materials	234,261
Other Operating Costs	2,044
Depreciation Expense	148
Debt Service	36,131
Total Operating Expenses	<u>471,918</u>
Operating Income (Loss)	(159,527)
Total Net Position - July 1 (Beginning)	<u>1,105,375</u>
Total Net Position - June 30 (Ending)	<u><u>\$ 945,848</u></u>

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

TEXARKANA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

EXHIBIT D-3

	Business-Type Activities
	Total Enterprise Funds
<u>Cash Flows from Operating Activities:</u>	
Cash Received from User Charges	\$ 308,936
Cash Payments to Employees for Services	(70,600)
Cash Payments for Suppliers	(407,164)
Net Cash Used for Operating Activities	(168,828)
Net Decrease in Cash and Cash Equivalents	(168,828)
Cash and Cash Equivalents at Beginning of Year	1,093,446
Cash and Cash Equivalents at End of Year	\$ 924,618
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u>Used for Operating Activities:</u>	
Operating Income (Loss):	\$ (159,527)
Adjustments to Reconcile Operating Income to Net Cash Used for Operating Activities:	
Depreciation	148
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Inventories	(3,456)
Increase (decrease) in Accounts Payable	(5,993)
Net Cash Used for Operating Activities	\$ (168,828)

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

Fiduciary Fund Financial Statements

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2024

	Private Purpose Trust Funds	Total Custodial Funds
ASSETS		
Cash and Cash Equivalents	\$ 405,373	\$ 668,908
Due from Other Funds	21,928	-
Furniture and Equipment. Net	42,574	8,212
Total Assets	<u>469,875</u>	<u>\$ 677,120</u>
LIABILITIES		
Accounts Payable	<u>2,744</u>	<u>3,489</u>
Total Liabilities	<u>2,744</u>	<u>3,489</u>
NET POSITION		
Restricted for Other Purposes	<u>467,131</u>	<u>673,631</u>
Total Net Position	<u>\$ 467,131</u>	<u>\$ 673,631</u>

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

TEXARKANA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Private Purpose Trust Funds	Total Custodial Funds
ADDITIONS:		
Enterprising Services Revenue	\$ 159,301	\$ 547,587
Earnings from Temporary Deposits	7,657	-
Contributions, Gifts and Donations	3,360	-
Total Additions	<u>170,318</u>	<u>547,587</u>
DEDUCTIONS:		
Payroll Costs	-	234,951
Professional and Contracted Services	-	9,444
Supplies and Materials	120,879	143,044
Other Deductions	14,625	119,885
Total Deductions	<u>135,504</u>	<u>507,324</u>
Change in Fiduciary Net Position	34,814	40,263
Total Net Position - July 1 (Beginning)	<u>432,317</u>	<u>633,368</u>
Total Net Position - June 30 (Ending)	<u><u>\$ 467,131</u></u>	<u><u>\$ 673,631</u></u>

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

Notes to the Financial Statements

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

A. Summary of Significant Accounting Policies

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

1. Reporting Entity

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

Discretely Presented Component Unit

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

2. Government-Wide and Fund Financial Statements

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

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

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

A. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

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

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

A. Summary of Significant Accounting Policies (Continued)

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

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are both measurable and available.

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

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

4. Fund Accounting

The District reports the following major governmental funds:

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

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

A. Summary of Significant Accounting Policies (Continued)

4. Fund Accounting (Continued)

Additionally, the District reports the following fund types:

Governmental Funds:

- a. **Special Revenue Funds** – The District accounts for resources restricted to, or designated for, specific purposes by the District or a grantor in a special revenue fund. Most Federal and some State financial assistance are accounted for in the Special Revenue Funds. Unused balances are subject to being returned to the grantor at the close of the specified project period.
- b. **Permanent Funds** – The District accounts for donations for which the donor has stipulated that the principal may not be expended and where the income may only be used for purposes that support the District's programs. The District has no Permanent Funds.

Proprietary Funds:

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

Fiduciary Funds:

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

5. Other Accounting Policies

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

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

A. Summary of Significant Accounting Policies (Continued)

5. Other Accounting Policies (Continued)

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

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

- d. Although the District’s policy allows some employees to accumulate earned but unused vacation and sick pay benefits, there is no recorded liability since these benefits will not require a cash outlay.
- e. Capital assets, which include land, buildings, furniture and equipment, right-to-use leased assets, and SBITAS are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The District records any right-to-use lease asset and SBITA with an individual net present value of more than \$15,000 and an estimated term in excess of one year.

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

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

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

Leases and SBITAs of the District are amortized using the straight-line method over the following estimated lives:

<u>Assets</u>	<u>Years</u>
Leases	3
SBITAs	2-5

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

A. Summary of Significant Accounting Policies (Continued)

5. Other Accounting Policies (Continued)

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

6. Budgetary Data

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

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

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

A reconciliation of fund balances at June 30, 2024, for both budgeted and unbudgeted special revenue funds is as follows:

Budgeted Funds - Child Nutrition Special Revenue Fund	\$ 5,027,687
Unbudgeted Funds	-
All Special Revenue Funds	\$ 5,027,687

7. Encumbrance Accounting

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at June 30, and encumbrances outstanding at that time are to be either cancelled or appropriately provided for in the subsequent year's budget. As of June 30, 2024, the District had committed to \$137,242,805 in Capital Projects purchase orders. The majority of these encumbrances were with contractors for the four major bond projects including Parks Elementary, Dunbar Early Education Center, Texas High School Career and Technology Education (CTE) facility and renovations at Wake Village Elementary School. Construction for these projects is estimated to be completed by August 2025.

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

A. Summary of Significant Accounting Policies (Continued)

8. Estimates

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

9. Fund Equity

Unassigned fund equity for governmental funds indicates available amounts for the budgeting of future operations. The committed fund equity for governmental funds indicates committed funds that have been earmarked by Board Resolution for specific purposes and are therefore not available for general expenditures to be appropriated in the following period unless amended by future board action. Restricted fund balance is that portion of fund equity which is not available for appropriation or which has been legally separated for specific purposes. As of June 30, 2024, the nonspendable fund balance included \$39,109 for inventories in the general fund and \$255,361 for inventories in the child nutrition program in the Special Revenue Fund. The Child Nutrition Fund has restricted a total of \$1,772,326 for federal and state fund grant restrictions. The Debt Service Fund has restricted a total of \$9,009,927 for retirement of funded indebtedness as of June 30, 2024. Amounts totaling \$113,138,902 and \$3,000,000 have been committed for authorized construction programs in the Capital Projects Fund and Food Service Fund, respectively. The remaining non-major funds have other assigned fund balance of \$1,050,380 for the campus activity funds.

10. Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2024, the District purchased commercial insurance to cover general liabilities. There were no significant reductions to coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

11. Other Post-Employment Benefits (OPEB)

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

12. Pensions

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

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

B. Reconciliation of Government-Wide and Fund Financial Statements

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

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

<u>Capital Assets</u>	<u>Historic Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Value at the Beginning of the Year</u>	<u>Change in Net Position</u>
<u>At the Beginning of the Year</u>				
Land	\$ 6,425,668	\$ -	\$ 6,425,668	
Buildings	172,918,638	89,698,976	83,219,662	
Furniture and Equipment	15,975,773	11,775,249	4,200,524	
Right-to-Use Lease Asset	642,971	410,304	232,667	
SBITA Asset	1,597,581	348,476	1,249,105	
Construction in Progress	<u>8,314,673</u>	<u>-</u>	<u>8,314,673</u>	
Change in Net Assets				<u>\$ 103,642,299</u>
Long-term Liabilities				
<u>At the Beginning of the Year</u>			<u>Payable at the Beginning of the Year</u>	
Bonds Payable and Accretion on Capital Appreciation Bonds			\$ (174,299,984)	
Notes Payable			(9,560,917)	
Accrued Interest on Notes and Bonds			(3,421,310)	
Premium and Discount on Issuance of Bonds			(18,345,352)	
Right-to-Use Lease Liability			(238,602)	
SBITA Liability			(1,049,535)	
Deferred Gain/Loss on Refunding			<u>1,007,383</u>	
Change in Net Position				<u>\$ (205,908,319)</u>
Net Adjustment to Net Position				<u><u>\$ (102,266,019)</u></u>

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

B. Reconciliation of Government-Wide and Fund Financial Statements

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

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

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

	Adjustment to Net Position	Adjustment to Changes in Net Position	Ending Impact on Net Position
Net Pension Liability	\$ (28,530,295)	\$ (7,267,274)	\$ (35,797,569)
Deferred Inflow	(2,913,040)	951,013	(1,962,027)
Deferred Outflow	13,327,587	2,255,170	15,582,757
Net Adjustment to Net Position	<u>\$ (18,115,748)</u>	<u>\$ (4,061,091)</u>	<u>\$ (22,176,839)</u>

	Adjustment to Net Position	Adjustment to Changes in Net Position	Ending Impact on Net Position
Net OPEB Liability	\$ (16,201,004)	\$ 486,459	\$ (15,714,545)
Deferred Inflow	(25,784,940)	2,053,206	(23,731,734)
Deferred Outflow	9,120,143	295,370	9,415,513
Net Adjustment to Net Position	<u>\$ (32,865,801)</u>	<u>\$ 2,835,035</u>	<u>\$ (30,030,766)</u>

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

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

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

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

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

<u>Current Year Capital Outlay</u>	<u>Amount</u>	<u>Adjustments to Changes in Net Position</u>	<u>Adjustments to Net Position</u>
Land	\$ 152,093		
Buildings & Improvements	8,219,578		
Furniture & Equipment	2,497,883		
Right-to-Use Lease Asset	(232,667)		
SBITA Asset	(183,767)		
Construction in Progress (Net Change)	<u>29,313,685</u>		
 Total Capital Outlay	 <u>\$ 39,766,805</u>	 <u>\$ 39,766,805</u>	 <u>\$ 39,766,805</u>
 <u>Debt and Principal Activity</u>			
Bond Principal Payments	3,195,000		
Loan Principal Payments	<u>1,340,447</u>		
 Total Principal Activity	 <u>\$ 4,535,447</u>	 <u>\$ 4,535,447</u>	 <u>\$ 4,535,447</u>
 <u>Other Items</u>			
Change in Accrued Interest Payable	\$ 71,834		
Change in Right-to-Use Lease Liability	238,602		
Change in SBITA Liability	463,294		
Change in Bond Premium and Accretion:			
Deferred Amount on Refunding Bonds	(201,477)		
Accretion on Cap Appreciation (Net)	610,524		
Amortization of Premium on Bonds (Net)	<u>835,816</u>		
 Total Other Items	 <u>\$ 2,018,593</u>	 <u>\$ 2,018,593</u>	 <u>\$ 2,018,593</u>
 Total Adjustment to Net Position		 <u><u>\$ 46,320,845</u></u>	 <u><u>\$ 46,320,845</u></u>

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

<u>Adjustments to Revenue and Deferred Revenue</u>	<u>Amount</u>	<u>Adjustments to Change in Net Position</u>	<u>Adjustments to Net Position</u>
Taxes Collected from Prior Year Levies	(1,085,332)	\$ (1,085,332)	\$ -
Uncollected Taxes (assumed collectible)	427,756	427,756	427,756
PY Uncollected Taxes (assumed collectible)	577,040	577,040	577,040
PY Tax Collections	208,628	208,628	-
Total Changes		<u>\$ 128,092</u>	<u>\$ 1,004,796</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

C. Bonds

Bonded indebtedness of the District is reflected in the General Long-Term Debt Account Group, and current requirements for principal and interest expenditures are accounted for in the Debt Service Fund. Proceeds of long-term issues are reflected as "Other Resources" in the operating statement of the recipient fund. As of June 30, 2024 bonds in the amount of \$45,000,000 have been authorized but not yet issued.

On March 18, 2015, the District issued Unlimited Tax School Building & Refunding Bonds, Series 2015 to refund \$15,781,155 of the Unlimited Tax School Building Bonds, Series 2007. The total issue was \$42,930,000, \$27,150,000 for School Building and \$15,780,000 for refunding. The refunding bonds issued provided the District with a net present value cash flow savings of \$3,460,000 and an economic gain of \$2,804,431. As of June 30, 2024, \$26,870,000 of the bonds are outstanding.

On February 22, 2023, the District issued Unlimited Tax School Building Bonds, Series 2023. The total issue was \$137,690,000. As of June 30, 2024, \$137,005,000 of the bonds are outstanding.

A summary of changes in general long-term debt for the year ended June 30, 2024, is as follows:

Description	Interest Rate Payable	Original Issued	Outstanding 6/30/2023	Issued	Retired	Outstanding 6/30/2024
Unlimited Tax Refunding Bonds - Series 2015	2.00% - 5.00%	27,150,000	22,235,000	-	935,000	21,300,000
Unlimited Tax School Building & Refunding Bonds - Series 2015	2.00% - 5.00%	15,780,000	7,145,000	-	1,575,000	5,570,000
Unlimited Tax School Building & Bonds - Series 2023	4.00% - 5.00%	137,690,000	137,690,000	-	685,000	137,005,000
Totals			<u>\$ 167,070,000</u>	<u>\$ -</u>	<u>\$ 3,195,000</u>	<u>\$ 163,875,000</u>

Debt Service requirements are as follows:

Years Ending June 30,	Principal	Interest	Total
2025	\$ 2,850,000	\$ 8,831,888	\$ 11,681,888
2026	3,255,000	8,902,500	12,157,500
2027	2,795,000	9,316,300	12,111,300
2028	2,700,000	9,373,350	12,073,350
2029	5,382,461	9,451,039	14,833,500
2030-2034	26,180,000	29,970,100	56,150,100
2035-2039	32,665,000	22,840,500	55,505,500
2040-2044	26,325,000	15,766,800	42,091,800
2045-2049	32,015,000	10,067,600	42,082,600
2050-2053	29,707,539	3,123,600	32,831,139
Total Bonded Debt	<u>\$ 163,875,000</u>	<u>\$ 127,643,677</u>	<u>\$ 291,518,677</u>

There was \$7,251,671 in bond interest expense paid for during the year.

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

D. Capital Asset Activity

Governmental capital asset activity for the District for the year ended June 30, 2024, was as follows:

	Balance 6/30/2023	Additions	Reductions	Balance 6/30/2024
Governmental Activities:				
Land	\$ 6,425,668	\$ 152,093	\$ -	\$ 6,577,761
Building and Improvements	172,918,638	8,219,578	-	181,138,216
Furniture and Equipment	15,975,773	2,520,122	464,806	18,031,089
Construction in Progress	8,314,673	37,533,551	8,219,866	37,628,358
Intangible SBITA Asset	1,597,581	554,763	920,802	1,231,542
Intangible Right-to-Use Lease Asset	642,971	-	642,971	-
Totals at Historical Cost	205,875,304	48,980,107	10,248,445	244,606,966
Less Accumulated Depreciation				
Buildings and Improvements	89,698,976	5,248,541	-	94,947,517
Furniture and Equipment	11,775,249	1,358,594	442,568	12,691,275
Less Accumulated Amortization for				
Intangible SBITA Asset	348,476	396,449	182,274	562,651
Less Accumulated Amortization for				
Intangible Right-to-Use Lease Asset	410,304	-	410,304	-
Total Accumulated Depreciation	102,233,005	7,003,584	1,035,146	108,201,443
Governmental Activities				
Capital Assets, Net	<u>\$ 103,642,299</u>	<u>\$ 41,976,523</u>	<u>\$ 9,213,299</u>	<u>\$ 136,405,523</u>

Business-type capital asset activity for the District for the year ended June 30, 2024, was as follows:

	Balance 6/30/2023	Additions	Reductions	Balance 6/30/2024
Business-type Activities:				
Building and Improvements	\$ 9,200	\$ -	\$ -	\$ 9,200
Furniture and Equipment	244,585	-	26,666	217,919
Intangible Right-to-Use Lease Asset	103,142	-	-	103,142
Totals at Historical Cost	356,927	-	26,666	330,261
Less Accumulated Depreciation				
Buildings and Improvements	9,051	149	-	9,200
Furniture and Equipment	244,585	-	26,666	217,919
Less Accumulated Amortization for				
Intangible Right-to-Use Lease Asset	30,457	35,439	-	65,896
Total Accumulated Depreciation	284,093	35,588	26,666	293,015
Business-type Activities				
Capital Assets, Net	<u>\$ 72,834</u>	<u>(35,588)</u>	<u>-</u>	<u>\$ 37,246</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

D. Capital Asset Activity (Continued)

Fiduciary capital asset activity for the District for the year ended June 30, 2024, was as follows:

	Balance 6/30/2023	Additions	Reductions	Balance 6/30/2024
Fiduciary Activities:				
Furniture and Equipment	\$ 69,077	\$ -	\$ -	\$ 69,077
Totals at Historical Cost	<u>69,077</u>	<u>-</u>	<u>-</u>	<u>69,077</u>
Less Accumulated Depreciation				
Furniture and Equipment	4,474	13,816	-	18,290
Total Accumulated Depreciation	<u>4,474</u>	<u>13,816</u>	<u>-</u>	<u>18,290</u>
Fiduciary Activities				
Capital Assets, Net	<u>\$ 64,603</u>	<u>\$ (13,816)</u>	<u>\$ -</u>	<u>\$ 50,786</u>

Depreciation expense was charged to governmental functions as follows:

	Governmental	
	SBITAs	Fixed Assets
Instruction	\$ 167,058	\$ 5,185,842
Instructional Resource & Media Services	76,997	73,590
Curriculum & Instructional Staff Development	4,719	7,925
Health Services	-	262,427
Student Transportation	-	164,163
Food Services	38,591	516,843
General Administration	12,419	281,994
Plant Maintenance and Operations	-	79,251
Data Processing Services	83,609	-
Security and Monitoring Services	13,056	35,100
Total	<u>\$ 396,449</u>	<u>\$ 6,607,135</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

D. Capital Asset Activity (Continued)

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

	Business-Type		Fiduciary
	Fixed Assets	ROU Leases	Fixed Assets
Instruction	\$ -	\$ -	\$ 7,957
Instructional Resource & Media Services	149	-	-
Cocurricular/Extracurricular Activities	-	-	5,859
General Administration	-	35,439	-
Total	<u>\$ 149</u>	<u>\$ 35,439</u>	<u>\$ 13,816</u>

E. Changes in Long-term Liabilities

Long-term activity for the year ending June 30, 2024 was as follows:

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds	\$ 167,070,000	\$ -	\$ 3,195,000	\$ 163,875,000	\$ 2,850,000
Accretion on Capital Appreciation Bonds	7,229,984	1,149,476	1,760,000	6,619,460	(927,127)
Bond Premium	18,345,352	-	835,817	17,509,535	921,637
Loans	9,560,916	-	1,340,446	8,220,470	1,311,721
SBITAs	1,049,537	554,763	1,018,058	586,242	401,479
Leases	<u>238,602</u>	<u>-</u>	<u>238,602</u>	<u>-</u>	<u>-</u>
Total Governmental Activities Long-term Liabilities	<u>\$ 203,494,391</u>	<u>\$ 1,704,239</u>	<u>\$ 8,387,923</u>	<u>\$ 196,810,709</u>	<u>\$ 4,557,710</u>

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

F. General Fund Federal Source Revenues

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

Program or Source	Federal Assistance	
	Listing Number	Amount
Medicaid - School Health and Related Services (SHARS)	N/A	\$ 756,848
Medicaid Administrative Claims	93.778	22,592
ECF Funding	39.002	520,000
E-Rate	N/A	110,013
Indirect Costs:		
Child Nutrition - Lunch	10.553	538,688
Child and Adult Care Food Program	10.558	69,536
ESSA, Title I, Part A	84.010A	100,256
2023-2024 School Action Fund	84.010A	7,540
TTL I 1003 School Improvement Grant	84.010A	161
2021-2023 TTL I, 1003 ESF-Focused Support Grant	84.010A	1,489
IDEA-B, Formula	84.027A	69,229
COVID- 19, IDEA-B, Formula, ARP	84.027X	881
IDEA-B, Discretionary	84.027A	613
IDEA-B, Preschool	84.173A	1,317
Title III, Part A, Immigrant, ELA	84.365A	3,415
Title II, Part-A - Supporting Effective Instruction	84.367A	3,705
Perkins V: Strengthening CTE For 21st Century	84.048A	3,488
Title IV, Part A, Subpart I	84.424A	4,038
Nita M. Lowey 21st CCLC	84.287C	594
ARP ESSER III	84.425U	569,359
TCLAS-ESSER III	84.425U	50,163
Total		<u>\$ 2,833,925</u>

G. Property Taxes

Property taxes are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The District levies its taxes on October 1 in conformity with Subtitle E, Texas Property Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. The assessed value of the property tax roll on January 1, 2023, upon which the levy for the 2023-2024 fiscal year was based, was \$2,865,116,206. Delinquent taxes are subject to both penalty and interest charges plus delinquent collection fees for attorney costs.

The tax rates assessed for the year ended June 30, 2024, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$0.7575 and \$0.4538 per \$100 valuation, for a total of \$1.2113 per \$100 valuation.

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

G. Property Taxes (Continued)

Total tax collections for the year ended June 30, 2024, were 96% of the current year adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based on historical experience in collecting taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. As of June 30, 2024, property taxes receivable, net of estimated uncollectible taxes, totaled \$1,125,523 and \$496,718 for the General and Debt Service Funds, respectively.

H. Pension Plan Obligations

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

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

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

The information provided in the Notes to the Financial Statements in the 2023 ACFR for TRS provides the following information regarding the Pension Plan Fiduciary net position as of August 31, 2023.

<u>Net Pension Liability</u>	<u>Total</u>
Total Pension Liability	\$ 255,860,886,500
Less: Plan Fiduciary Net Position	<u>(187,170,535,558)</u>
Net Pension Liability	<u>\$ 68,690,350,942</u>
 Net Position as percentage of Total Pension Liability	 73.15%

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

H. Pension Plan Obligations (Continued)

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

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

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

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 2019 thru 2025.

	<u>Contribution Rates</u>	
	<u>2023</u>	<u>2024</u>
Member	8.00%	8.25%
Non-Employer Contributing Entity (State)	8.00%	8.25%
Employers	8.00%	8.25%
Texarkana 2024 Employer Contributions	\$	2,839,234
Texarkana 2024 Member Contributions	\$	5,069,439
Texarkana 2023 NECE On-Behalf Contributions	\$	3,158,549

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

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

H. Pension Plan Obligations (Continued)

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

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

In addition to the employer contributions listed above, there is a surcharge an employer is subject to:

- All public schools must contribute 1.8 percent of the member’s salary beginning in fiscal year 2023, gradually increasing to 2 percent in fiscal year 2025.
- When employing a retiree of TRS, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions – The total pension liability in the August 31, 2023, actuarial valuation was determined using the following actuarial assumption:

Valuation Date	August 31, 2022 rolled forward to August 31, 2023
Actuarial Cost method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term Expected Rate	7.00%
Municipal Bond Rate	4.13%
Last year ending August 31 in Projection Period (100 years)	2122
Inflation	2.30%
Salary Increases	2.95% to 8.95% including inflation
Ad hoc Post Employment Benefit Changes	None

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2022. For a full description of these assumptions please see the actuarial valuation report dated November 22, 2022.

Discount Rate – A single discount rate of 7.00 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00%. The projection of cash flows used to determine the single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the Legislature during the 2019 legislative session. It is assumed that future employer and state contributions will be 9.50% of payroll in fiscal year 2024 increasing to 9.56% of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

H. Pension Plan Obligations (Continued)

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

The long-term rate of return on pension plan investments is 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System’s target asset allocation as of August 31, 2023, are summarized below:

Asset Class	Target Allocation** %	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.0 %	4.0 %	1.0 %
Non-U.S. Developed	13.0	4.5	0.9
Emerging Markets	9.0	4.8	0.7
Private Equity*	14.0	7.0	1.5
Stable Value			
Government Bonds	16.0 %	2.5%	0.5 %
Absolute Return*	0.0	3.6	0.0
Stable Value Hedge Funds	5.0	4.1	0.2
Real Return			
Real Estate	15.0 %	4.9 %	1.1 %
Energy, Natural Resources and Infrastructure	6.0	4.8	0.4
Commodities	0.0	4.4	0.0
Risk Parity	8.0 %	4.5 %	0.4 %
Asset Allocation Leverage			
Cash	2.0 %	3.7%	0.0 %
Asset Allocation Leverage	(6.0)	4.4	(0.1)
Inflation Expectation			2.3 %
Volatility Drag****			(0.9) %
Expected Return	100.0 %		8.0%

*Absolute Return includes Credit Sensative Investments.

**Target allocations are based on the FY2023 policy model.

***Capital Market Assumptions come from Aon Hewitt (as of 6/30/2023).

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

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

H. Pension Plan Obligations (Continued)

Discount Rate Sensitivity Analysis – The following table presents the Net Pension Liability of the plan using the discount rate of 7.00 percent, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
TISD's proportionate share of the net pension liability:	\$53,519,349	\$35,797,569	\$21,061,900

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – On June 30, 2024, the District reported a liability of \$35,797,569 for its proportionate share of TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 35,797,569
State's proportionate share that is associated with the District	42,208,514
Total	<u>\$ 78,006,083</u>

The net pension liability was measured as of August 31, 2022 and rolled forward to August 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2022, through August 31, 2023.

On August 31, 2023, the employer's proportion of the collective net pension liability was 0.052114408% which was a decrease of 0.004057256% from its proportion measured as of August 31, 2022.

Changes Since the Prior Actuarial Valuation – The actuarial assumptions and methods are the same as used in the determination of the prior year's net pension liability.

The Texas 2023 Legislature passed legislation that provides a one-time stipend to certain retired teachers. The stipend was paid to retirees beginning in September of 2023. The Legislature appropriated funds to pay for this one-time stipend so there will be no impact on the net pension liability of TRS. In addition, the Legislature also provided for a cost-of-living adjustment (COLA) to retirees which was approved during the November 2023 election which will be paid in January 2024. Therefore, this contingent liability was not reflected as of August 31, 2023.

For the year ended June 30, 2024, the District recognized pension expense of \$13,899,867 and revenue of \$6,373,120 for support provided by the State.

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

H. Pension Plan Obligations (Continued)

On June 30, 2024, the District reported its proportionate share of the TRS deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ 1,275,480	\$ 433,469
Changes in actuarial assumptions	3,385,749	828,570
Difference between projected and actual investment earnings	5,209,415	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	3,364,732	699,988
Contributions paid to TRS subsequent to the measurement date	2,347,381	-
Total	\$ 15,582,757	\$ 1,962,027

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

Year ended June 30:	Pension Expense Amount
2024	\$ (2,436,631)
2025	(1,628,034)
2026	(4,961,660)
2027	(1,895,659)
2028	(351,364)
Thereafter	-

I. Deposits and Investments

District Policies and Legal and Contractual Provisions Governing Deposits

Custodial Credit Risk for Deposits – State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with FDIC insurance or pledged securities, as approved by the School Depository Act, with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be pledged in the name of the governmental entity and held by the entity or its agent. At June 30, 2024, the District and the component unit's deposits were covered by FDIC insurance or pledged securities held by the depository's agent for the benefit of the District.

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

I. Deposits and Investments (Continued)

District Policies and Legal and Contractual Provisions Governing Investments

Compliance with the Public Funds Investment Act

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

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

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

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

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

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

The fair value hierarchy gives the highest priority to Level I assets and the lowest priority to Level III assets. As of June 30, 2024, Texarkana Independent School District and its component unit had the following investments:

	<u>Governmental & Custodial Funds</u>		<u>Component Unit</u>	
	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Carrying Value</u>
Level II Investments				
First Public Investment Pool	\$ 63,409,249	\$ 63,409,249	\$ -	\$ -
Bank Held Investments	1,362,688	1,362,688	426,572	426,572
Total Level II Investments	<u>64,771,936</u>	<u>64,771,936</u>	<u>426,572</u>	<u>426,572</u>
Investments measured at NAV	-	-	89,538	89,538
Total Investments	<u>\$ 64,771,936</u>	<u>\$ 64,771,936</u>	<u>\$ 516,110</u>	<u>\$ 516,110</u>

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

I. Deposits and Investments (Continued)

The bank held investments listed above include the following:

	District	Component Unit
Certificates of Deposit	\$ 1,362,688	\$ 426,572
Money Market Accounts	-	-
Total Bank Held Investments	\$ 1,362,688	\$ 426,572

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

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

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

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

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

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

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

J. Investment in Beneficial Interest in the Arkansas Community Foundation

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

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

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

The following table summarizes investments for which fair value is measured using the net asset value per share as a practical expedient as of June 30, 2024:

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Arkansas Community Foundation	\$ 89,538	N/A	N/A	N/A

K. Depository Contract Law

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

At June 30, 2024, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts) was \$79,943,826 and the bank balance was \$80,694,172. At year end, the District's cash deposits were covered by FDIC insurance or by pledged collateral held by the District's agent banks.

L. Due from Other Governments

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of June 30, 2024, are summarized on the following page.

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

L. Due from Other Governments (Continued)

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

	State Entitlements	Federal & State Grants	Taxing Authority	Total
General Fund	\$ 11,964,610	\$ 1,032,566	\$ 1,115,329	\$ 14,112,506
Special Revenue Fund	-	5,702,027	-	5,702,027
Total	<u>\$ 11,964,610</u>	<u>\$ 6,734,593</u>	<u>\$ 1,115,329</u>	<u>\$ 19,814,533</u>

M. Interfund Receivables and Payables

Interfund balances at June 30, 2024, consisted of the following individual fund receivables and payables for the Governmental, Business Type and Trust and Fiduciary Funds:

	Receivable	Payable
General Fund		
Debt Service Fund	\$ -	\$ 960,934
General Fund	1,020,015	616,131
Fiduciary Funds	-	21,928
Total General Fund	<u>1,020,015</u>	<u>1,598,993</u>
Debt Service Fund		
General Fund	<u>557,050</u>	-
Total Debt Service Fund	<u>557,050</u>	-
Fiduciary Funds		
General Fund	<u>21,928</u>	-
Total Fiduciary Fund	<u>21,928</u>	-
Grand Totals	<u>\$ 1,598,993</u>	<u>\$ 1,598,993</u>

N. Concentration of Credit Risks

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

O. Accumulated Unpaid Vacation and Sick Leave Benefits

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

P. Health Care Coverage

As disclosed above, as of October 1, 2002, the District began participating in the State Insurance Program. In accordance with the new plan provisions, the District paid \$290 in premiums on behalf of each employee. The remaining premiums were paid by the employees based upon the coverage elections.

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Q. Loans

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

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

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

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

A summary of the long-term loan activity for the year ended June 30, 2024, is as follows:

<u>Year Approved</u>	<u>Loan Purpose</u>	<u>Interest Rate</u>	<u>Total Loans Authorized</u>	<u>Amt Outstanding 6/30/2023</u>	<u>Borrowed</u>	<u>Retired</u>	<u>Amt Outstanding 6/30/2024</u>
Payable from Debt Service Fund							
2019	Maintenance	2.50%	\$ 1,000,000	\$ 830,000	\$ -	\$ 45,000	785,000
2019	Maintenance	2.00%	1,000,000	745,000	-	60,000	685,000
2018	Maintenance	2.84%	4,925,000	4,290,000	-	220,000	4,070,000
2011	Maintenance	2.96%	7,797,730	2,429,546	-	581,250	1,848,295
2010	Maintenance	2.95%	6,512,905	1,266,370	-	434,196	832,174
				<u>\$ 9,560,916</u>	<u>\$ -</u>	<u>\$ 1,340,446</u>	<u>\$ 8,220,470</u>

Interest expense for 2024 was \$297,956.

Debt service requirements are as follows:

<u>Year Ended June 30,</u>	<u>Debt Service</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,311,721	\$ 252,006	\$ 1,563,727
2026	1,427,052	210,237	1,637,289
2027	1,500,514	169,642	1,670,156
2028	1,505,000	132,331	1,637,331
2029	1,555,000	85,981	1,640,981
2030-2034	610,000	126,425	736,425
2035-2038	311,183	28,200	339,383
	<u>\$ 8,220,470</u>	<u>\$ 1,004,822</u>	<u>\$ 9,225,292</u>

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

R. Right-to-Use Lease Obligations

The District has two lease agreements reported in the business-type activity funds for the lease of equipment. Both of these leases have a term of three years. The interest rate used in determining the net present value of the lease liability range was 3.25%. As of June 30, 2024, the District had no governmental right-to-use leases.

A summary of the business-type right-to-use lease activity for the year ended June 30, 2024, is as follows:

<u>Asset Type</u>	Right-to-Use Lease Asset 6/30/2023	Additions	Deductions	Lease Asset 6/30/2024
Copier/Printer	\$ 103,142	\$ -	\$ -	\$ 103,142
<u>Asset Type</u>	Accumulated Amortization 6/30/2023	Additions	Deductions	Accumulated Amortization 6/30/2024
Copier/Printer	\$ (30,457)	\$ (35,439)	\$ -	\$ (65,896)
ROU Leased Asset (net)	<u>\$ 72,685</u>	<u>\$ (35,439)</u>	<u>\$ -</u>	<u>\$ 37,246</u>
<u>Asset Type</u>	Right-to-Use Lease Liability 6/30/2023	Additions	Deductions	Amt Outstanding 6/30/2024
Copier/Printer	\$ 72,685	\$ -	\$ 35,439	\$ 37,246

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

Year Ended June 30,	Business-Type	
	Principal Due	Interest Due
2025	34,244	724
2026	3,002	8
	<u>\$ 37,246</u>	<u>\$ 732</u>

Business-type lease interest expense for the year ended June 30, 2024 was \$1,855.

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

S. Subscription-Based Information Technology Arrangements

The District has several subscription-based information technology arrangements (SBITA) used to provide instruction to students as well as for other operational purposes of the District. All of these arrangements have a term of three years. The interest rates used in determining the net present value of the subscription liability ranges from 2.82% to 5.18%.

A summary of the subscription-based information technology arrangements (SBITA) activity for the year ended June 30, 2024, is as follows:

<u>Asset Type</u>	Right-to-Use SBITA Asset 6/30/2023	Additions	Deductions	Right-to-Use SBITA Asset 6/30/2024
Education	\$ 1,248,685	\$ 240,459	\$ 706,222.00	\$ 782,922
Food Service	-	125,606	-	125,606
Extracurricular	53,577	-	53,577	-
Administration	147,609	40,423	147,609	40,423
Security	35,443	-	13,394	22,049
Data Processing	112,267	148,275	-	260,542
	<u>\$ 1,597,581</u>	<u>\$ 554,763</u>	<u>\$ 920,802</u>	<u>\$ 1,231,542</u>
<u>Asset Type</u>	Accumulated Amortization 6/30/2023	Additions	Deductions	Accumulated Amortization 6/30/2024
Education	\$ (277,633)	\$ (248,774)	\$ (146,248)	\$ (380,159)
Food Service	-	(38,591)	-	(38,591)
Extracurricular	(8,222)	-	(8,222)	-
Administration	(25,592)	(12,419)	(25,592)	(12,419)
Security	(2,816)	(13,056)	(2,212)	(13,660)
Data Processing	(34,213)	(83,609)	-	(117,822)
	<u>\$ (348,476)</u>	<u>\$ (396,449)</u>	<u>\$ (182,274)</u>	<u>\$ (562,651)</u>
SBITA Asset (net)	<u>\$ 1,249,105</u>	<u>\$ 158,314</u>	<u>\$ 738,528</u>	<u>\$ 668,890</u>
<u>Asset Type</u>	SBITA Liability 6/30/2023	Additions	Deductions	SBITA Liability 6/30/2024
Education	\$ 799,607	\$ 240,459	\$ 705,524	\$ 334,542
Food Service	-	125,606	44,000	81,606
Extracurricular	35,007	-	35,007	-
Administration	109,271	40,423	123,431	26,263
Security	31,852	-	20,085	11,767
Data Processing	73,800	148,275	90,011	132,064
	<u>\$ 1,049,537</u>	<u>\$ 554,763</u>	<u>\$ 1,018,058</u>	<u>\$ 586,242</u>

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

S. Subscription-Based Information Technology Arrangements (Continued)

Amounts due for the SBITA obligations are as follows:

Year Ended June 30,	Principal Due	Interest Due
2025	\$ 401,479	\$ 11,713
2026	184,763	26
	\$ 586,242	\$ 11,739

T. Litigation

As of June 30, 2024, the District was the named defendant in two lawsuits arising in the normal course of business. The District is expected to be dismissed from one lawsuit, while the other lawsuit is pending a final settlement agreement with the court. The District anticipates any settlements to be paid from insurance proceeds. Accordingly, no liability has been reported in the financial statements.

U. Workers' Compensation

On September 1, 2011, Texarkana ISD opted out of the self-funded workers' compensation program with other member school districts. The District's current coverage is with TASB Risk Management Fund for a fixed rate of \$256,162 from July 1, 2023 thru July 1, 2024. The District is still responsible for past liabilities with Claims Administrative Services. The accrued liability for Claims Administrative Services self-insurance of \$6,367 includes incurred but not reported claims. This liability reported in the fund as of June 30, 2024 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicated that it is probable that a liability has been incurred as of the date of the financial statements, and the amount of loss can be due to changes in legal doctrines, and damage awards. This process used in computing the liability does not result necessarily in an exact amount. The liability booked was the discounted estimate of the actuary at the mean funding level.

Changes in the workers' compensation claims liability in fiscal years ended June 30, 2024 and 2023 are represented below:

	2024	2023
Beginning of Fiscal Year Liability	\$ 8,716	\$ 12,531
Current Year Claims and Changes	(1,667)	(3,380)
Claims Payments	(682)	(435)
End of Fiscal Year Liability	\$ 6,367	\$ 8,716

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

V. Deferred Inflows of Resources and Unearned Revenues

Deferred revenue of the individual funds of the District at June 30, 2024, consisted of the following:

	General Fund	Special Revenue	Debt Service	Total
Net Tax Revenue	\$ 1,223,844	\$ -	\$ 270,952	\$ 1,494,796
Textbook Allotment (IMA)	-	496,781	-	496,781
Advanced Placement Allotment	-	89	-	89
Tigers Children's Clinic	-	43,328	-	43,328
Public School CCS	-	1,390,251	-	1,390,251
Head Start	-	16,115	-	16,115
	<u>\$ 1,223,844</u>	<u>\$ 1,946,563</u>	<u>\$ 270,952</u>	<u>\$ 3,441,359</u>

W. Medicare Prescription Drug, Improvement, and Modernization Act

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public Schools Retired Employee Group Insurance program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. These on behalf payments have been recorded as equal revenues and expenditures in the amount of \$321,420, \$326,579, and \$235,286 for 2024, 2023, and 2022, respectively.

X. Revenues from Local and Intermediate Sources

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

	General	Special Revenue	Debt Service	Capital Projects	Total
Property Taxes	\$ 20,440,989	-	\$ 12,101,931	-	\$ 32,542,921
Investment Income	1,345,464	245,524	424,643	6,718,101	8,733,731
Penalties & Interest	269,067	-	156,699	-	425,767
Tuition & Fees	65,227	501,029	-	-	566,256
Rent	61,119	-	-	-	61,119
Food Service	-	446,814	-	-	446,814
Gifts and Bequests	17,400	-	-	-	17,400
Athletic	144,248	-	-	-	144,248
Student Activity	11,899	735,722	-	-	747,621
Intermediate	119,810	-	-	-	119,810
Insurance Recovery	52,100	-	-	-	52,100
Other	848,900	598,074	-	-	1,446,974
	<u>\$ 23,376,225</u>	<u>\$ 2,527,163</u>	<u>\$ 12,683,273</u>	<u>\$ 6,718,101</u>	<u>\$ 45,304,762</u>

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

Y. Defined Other Post-Employment Benefit Plans

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

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

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

Components of the net OPEB liability of the TRS-Care plan as of August 31, 2023, are as follows:

<u>Net OPEB Liability</u>	<u>Total</u>
Total OPEB Liability	\$ 26,028,070,267
Less: Plan Fiduciary Net Position	<u>(3,889,765,203)</u>
Net OPEB Liability	<u><u>\$ 22,138,305,064</u></u>
 Net Position as percentage of Total OPEB Liability	 14.94%

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

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

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

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

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

TRS-Care Monthly Premium Rates

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

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

Texas Insurance Code, section 1575.202 establishes the state’s contribution rate, which is 1.25% of the employee’s salary. Section 1575.203 establishes the active employee’s rate which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public or charter school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act, which is 0.75 percent of each active employee’s pay for fiscal year 2023. The table below shows contributions to the TRS-Care plan by type of contributor.

	<u>2023</u>	<u>2024</u>
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding Remitted by Employers	1.25%	1.25%
District's 2024 FY Employer Contributions	\$	616,051
District's 2024 FY Member Contributions	\$	401,565
District's 2023 NECE On-Behalf Contributions	\$	743,014

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

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$21.3 million in fiscal year 2023 provided by Rider 14 of the Senate Bill GAA of the 87th Legislature. These amounts were re-appropriated from amounts received by the pension and TRS-Care funds in excess of the state’s actual obligation and then transferred to TRS-Care.

Actuarial Assumptions. The actuarial valuation was performed as of August 31, 2022. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2023. The actuarial valuation was determined using the following actuarial assumptions:

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2021. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2022 TRS pension actuarial valuation that was rolled forward to August 31, 2023:

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

The active mortality rates were based on PUB(2010), Amount-Weighted, Below Median Income, Teacher male and female tables (with a two-year set forward for males). The post-retirement mortality rates for healthy lives were based on the 2021 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-2021.

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2022 rolled forward to August 31, 2023
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	4.13% as of August 31, 2023
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Salary Increases	2.95% - 8.95%, including inflation
Ad Hoc Post Employment Benefit Changes	None

Discount Rate. A single discount rate of 4.13 percent was used to measure the total OPEB liability. This was an increase of 0.22 percent in the discount rate since the previous year.

Because the investments were held in cash and there is no intentional objective to advance fund the benefits, the Single Discount Rate is equal to the prevailing municipal bond rate.

The source of the municipal bond rate is the Fidelity “20-year Municipal GO AA Index” as of August 31, 2023 using the Fixed Income Market Data/Yield Curve/ Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

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

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the net OPEB liability if the discount rate used was 1 percentage point lower than and 1 percentage point higher than the discount rate that was used in measuring the Net OPEB liability.

	1% Decrease (3.13%)	Current Single Discount Rate (4.13%)	1% Increase (5.13%)
District's proportionate share of the net OPEB liability	\$ 18,508,462	\$ 15,714,545	\$ 13,434,643

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

On June 30, 2024, the District reported a liability of \$15,714,545 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's Proportionate share of the collective net OPEB liability	\$ 15,714,545
State's proportionate share that is associated with the District	18,962,014
Total	<u>\$ 34,676,559</u>

The Net OPEB liability was measured as of August 31, 2022, and rolled forward to August 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer's proportion of the net OPEB liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2022, through August 31, 2023.

On August 31, 2023, the employer's proportion of the collective net OPEB liability was 0.070983507%, which is an increase of 0.003321462% from its proportion measured as of August 31, 2022.

The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the health rates assumed.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 12,940,142	\$ 15,714,545	\$ 19,283,825

Changes Since the Prior Actuarial Valuation:

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

- The single discount rate changed from 3.91 percent as of August 31, 2022 to 4.13 percent as of August 31, 2023, accompanied by revised demographic and economic assumptions based on the TRS experience study.

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

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

Changes of Benefit Terms:

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

The amount of OPEB expense recognized by the District in the reporting period was \$3,423,057.

For the year ended August 31, 2023, the District recognized OPEB expense of \$4,053,678 and revenue of \$743,014 for support provided by the State.

On June 30, 2024, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ 710,964	\$ 13,220,813
Changes in actuarial assumptions	2,144,921	9,622,433
Difference between projected and actual investment earnings	6,789	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	6,045,218	888,488
Contributions paid to TRS subsequent to the measurement date	507,621	-
Total	\$ 9,415,513	\$ 23,731,734

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

Year ended June 30:	Pension Expense Amount
2024	\$ (3,526,967)
2025	(2,806,216)
2026	(1,830,435)
2027	(2,281,498)
2028	(1,981,005)
Thereafter	(2,397,721)

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

Z. Interfund Transfers

Interfund transfers for the year ended June 30, 2024, are as follows:

Fund	Transfer In	Transfer Out
General Fund:	\$ -	\$ 1,641,141
General Fund	-	1,641,141
Debt Service Fund:	1,641,141	-
Debt Service Fund	1,641,141	-
	\$ 1,641,141	\$ 1,641,141

AA. Tax Abatements

The District entered into a property tax abatement agreement with a local business under Texas Tax Code, Title 3. Subtitle B. Chapter 313. Texas Economic Development Act (the Act) beginning November 16, 2022, through December 31, 2035. Under the Act, Texas school districts may grant property tax abatements according to the category of taxable value of property in the District for the preceding tax year. Texarkana Independent School District is considered a Category I district, which limits the minimum amount per qualified investment to \$30 million. The qualified property is limited only from maintenance and operation (M&O) property tax. The tax abatements, which are approved by the Texas Comptroller’s Office and the District’s Board of Trustees, are granted for the purpose of enhancing the local community; improving the public education system; creating high-paying jobs; and advancing economic development goals.

The agreement allows the local business to invest a minimum capital investment totaling \$30,000,000 per year within the District’s boundaries during a qualifying period. Such investments would be limited to taxable value of the lesser of qualified appraised value or the agreements \$1,000,000 to \$30,000,000. The District’s tax abatements expire in increments beginning December 31, 2022, through December 31, 2035.

For the fiscal year ended June 30, 2024, the District foregoes collecting property taxes on an assessed taxable value totaling \$46,342,100 resulting from the M&O tax rate of \$0.7575 per \$100 of taxable value. The qualified property per the agreement had a taxable value of \$76,342,100 and was limited to a taxable value of \$30,000,000. However, in foregoing the property tax revenue, the District receives state funding through the Foundation School Program funding formula to offset the loss of property tax revenues. In addition, the local business receiving such property tax abatements have committed to compensate the District for the loss of M&O revenue, reimburse the District for all non-reimbursed costs for extraordinary education related expenses not funded by state aid, and compensate the District for the greater of \$100 per student per average daily attendance (ADA) or \$50,000 during the term of the agreement.

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

BB. Virtual School

Beginning in the 2022-2023 school year, the District contracted with K12 Virtual Schools, LLC to offer a virtual learning environment to students across the state of Texas. District enrollment for the 2023-2024 school year included 412 virtual students. State funding received by the District for the majority of these students has been remitted to K12 Virtual Schools, LLC to operate the campus as of June 30, 2024.

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

In response to the COVID-19 pandemic, the United States Congress passed a Coronavirus Aid, Relief, and Economic Security Act (CARES Act), an aids package designed to help the economy as it suffers from the effects of the COVID-19 pandemic. Part of the CARES Act was the Elementary and Secondary School Emergency Relief (ESSER) funding which could be used by school districts to cover expenses incurred on or after March 13, 2020. The District was able to apply for this grant through TEA starting in June of 2020. Entitlement for this grant was determined by the District's proportionate share of the state's Title I, Part A grant received for the year ended June 30, 2020. The District was able to apply for the second round of funding, ESSER II, beginning in 2020. TISD was awarded total federal funding of \$9,188,881. Of this amount, \$4,829,210 was expended in the 2021-2022 year and \$3,318,439 was spent in the 2022-2023 year. The remainder was spent this year.

The district was also awarded ESSER III funding in February 2022 in the amount of \$20,643,587. Of this award amount, the district spent \$4,486,481 during the 2021-2022 year, \$6,800,121 in the 2022-2023 year, and \$7,900,809 in the 2023-2024 year. The remaining funds will be spent by the district before the grant end date.

DD. Subsequent Events

Management has evaluated subsequent events through November 7, 2024, the date the financial statements were available to be issued and has determined the following event requiring disclosure: on October 31, 2024, the District issued Adjustable Rate Unlimited Tax School Building Bonds, Series 2024. The total issue was \$45,000,000.

EE. Contingent Liability

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

Required Supplementary Information

TEXARKANA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 28,960,117	\$ 24,544,511	\$ 23,376,225	\$ (1,168,286)
5800 State Program Revenues	47,039,310	55,123,780	55,734,243	610,463
5900 Federal Program Revenues	2,070,000	3,105,000	2,833,925	(271,075)
5020 Total Revenues	78,069,427	82,773,291	81,944,393	(828,898)
EXPENDITURES:				
Current:				
0011 Instruction	45,411,340	46,921,271	46,851,895	69,376
0012 Instructional Resources and Media Services	386,172	334,568	219,236	115,332
0013 Curriculum and Instructional Staff Development	3,338,507	2,271,521	2,170,222	101,299
0021 Instructional Leadership	116,931	141,931	121,197	20,734
0023 School Leadership	5,885,681	5,906,029	5,857,375	48,654
0031 Guidance, Counseling, and Evaluation Services	1,738,471	1,762,471	1,732,470	30,001
0032 Social Work Services	62,080	12,080	477	11,603
0033 Health Services	546,582	546,582	524,024	22,558
0034 Student (Pupil) Transportation	464,775	874,575	656,439	218,136
0036 Extracurricular Activities	2,937,446	3,150,400	3,037,300	113,100
0041 General Administration	4,292,785	4,605,915	4,356,271	249,644
0051 Facilities Maintenance and Operations	10,248,194	10,758,747	10,598,462	160,285
0052 Security and Monitoring Services	1,198,046	1,890,204	1,760,691	129,513
0053 Data Processing Services	137,280	657,280	436,708	220,572
0061 Community Services	49,500	50,852	45,426	5,426
Debt Service:				
0071 Principal on Long-Term Liabilities	-	415,400	261,137	154,263
0072 Interest on Long-Term Liabilities	-	9,600	9,533	67
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	790,279	790,278	790,278	-
0099 Other Intergovernmental Charges	480,000	530,000	521,641	8,359
6030 Total Expenditures	78,084,069	81,629,704	79,950,782	1,678,922
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,642)	1,143,587	1,993,611	850,024
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	30,605	30,605
7913 Right-to-Use Lease and SBITA Proceeds	-	-	367,816	367,816
8911 Transfers Out (Use)	(1,639,419)	(1,640,419)	(1,641,141)	(722)
7080 Total Other Financing Sources (Uses)	(1,639,419)	(1,640,419)	(1,242,720)	397,699
1200 Net Change in Fund Balances	(1,654,061)	(496,832)	750,891	1,247,723
0100 Fund Balance - July 1 (Beginning)	14,510,824	14,510,824	14,510,824	-
3000 Fund Balance - June 30 (Ending)	\$ 12,856,763	\$ 14,013,992	\$ 15,261,715	\$ 1,247,723

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
 FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 1,300,000	\$ 1,444,000	\$ 699,066	\$ (744,934)
5800 State Program Revenues	275,000	275,000	75,357	(199,643)
5900 Federal Program Revenues	5,650,000	6,089,782	7,826,859	1,737,077
5020 Total Revenues	7,225,000	7,808,782	8,601,282	792,500
EXPENDITURES:				
Current:				
0035 Food Services	6,697,573	13,482,388	10,329,956	3,152,432
0051 Facilities Maintenance and Operations	500,000	200,000	138,532	61,468
Debt Service:				
0071 Principal on Long-Term Liabilities	-	65,000	44,000	21,000
6030 Total Expenditures	7,197,573	13,747,388	10,512,488	3,234,900
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	27,427	(5,938,606)	(1,911,206)	4,027,400
OTHER FINANCING SOURCES (USES):				
7913 Right-to-Use Lease and SBITA Proceeds	-	-	125,606	125,606
1200 Net Change in Fund Balances	27,427	(5,938,606)	(1,785,600)	4,153,006
0100 Fund Balance - July 1 (Beginning)	6,183,287	6,813,287	6,813,287	-
3000 Fund Balance - June 30 (Ending)	\$ 6,210,714	\$ 874,681	\$ 5,027,687	\$ 4,153,006

TEXARKANA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2024

	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021
District's Proportion of the Net Pension Liability (Asset)	0.052114408%	0.048057151%	0.042176716%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 35,797,569	\$ 28,530,295	\$ 10,740,917
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	42,208,514	38,442,975	17,524,618
Total	<u>\$ 78,006,083</u>	<u>\$ 66,973,270</u>	<u>\$ 28,265,535</u>
District's Covered Payroll	\$ 61,683,172	\$ 57,539,284	\$ 53,028,070
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	58.03%	49.58%	20.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.15%	75.62%	88.79%

Note: GASB Codification, Vol. 2, P20.183 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2023 for year 2024, August 31, 2022 for year 2023, August 31, 2021 for year 2022, August 31, 2020 for year 2021, August 31, 2019 for year 2020, August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, August 31, 2015 for year 2016 and August 31, 2014 for year 2015.

FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
0.043362728%	0.045942704%	0.043882251%	0.043607001%	0.042579704%	0.0451433%	0.0302714%
\$ 23,224,192	\$ 23,882,454	\$ 24,153,856	\$ 13,943,170	\$ 16,090,237	\$ 15,957,556	\$ 8,085,909
37,218,405	32,678,873	35,726,107	21,455,491	24,641,300	24,042,933	20,777,771
<u>\$ 60,442,597</u>	<u>\$ 56,561,327</u>	<u>\$ 59,879,963</u>	<u>\$ 35,398,661</u>	<u>\$ 40,731,537</u>	<u>\$ 40,000,489</u>	<u>\$ 28,863,680</u>
\$ 52,764,746	\$ 47,700,440	\$ 45,511,968	\$ 44,631,358	\$ 41,757,954	\$ 41,337,593	\$ 39,650,152
44.01%	50.07%	53.07%	31.24%	38.53%	38.60%	20.39%
75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

TEXARKANA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023	2022
Contractually Required Contribution	\$ 2,839,234	\$ 2,774,354	\$ 2,242,397
Contribution in Relation to the Contractually Required Contribution	(2,839,234)	(2,774,354)	(2,242,397)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 61,715,971	\$ 61,450,985	\$ 56,819,799
Contributions as a Percentage of Covered Payroll	4.60%	4.51%	3.95%

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

	2021	2020	2019	2018	2017	2016	2015
\$	1,794,309	\$ 1,877,521	\$ 1,646,864	\$ 1,501,629	\$ 1,435,637	\$ 1,353,476	\$ 1,238,865
	(1,794,309)	(1,877,521)	(1,646,864)	(1,501,629)	(1,435,637)	(1,353,476)	(1,238,865)
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	52,060,707	\$ 52,487,767	\$ 47,132,909	\$ 45,155,158	\$ 44,394,809	\$ 41,530,144	\$ 40,954,566
	3.45%	3.58%	3.49%	3.33%	3.23%	3.26%	3.02%

TEXARKANA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2024

	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.070983507%	0.067662045%	0.061668239%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 15,714,545	\$ 16,201,004	\$ 23,788,195
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	18,962,014	19,762,679	31,870,880
Total	<u>\$ 34,676,559</u>	<u>\$ 35,963,683</u>	<u>\$ 55,659,075</u>
District's Covered Payroll	\$ 61,683,172	\$ 57,539,284	\$ 53,028,070
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	25.48%	28.16%	44.86%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	14.94%	11.52%	6.18%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. The amounts for FY 2024 are for the measurement date of August 31, 2023. The amounts for FY 2023 are for the measurement date of August 31, 2022. The amounts reported for FY 2022 are for measurement date August 31, 2021. The amounts reported for FY 2021 are for the measurement date of August 31, 2020. The amounts for FY 2020 are for the measurement date August 31, 2019. The amounts for FY 2019 are for the measurement date August 31, 2018. The amounts for FY 2018 are based on the August 31, 2017 measurement date.

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

<u>FY 2021</u> <u>Plan Year 2020</u>	<u>FY 2020</u> <u>Plan Year 2019</u>	<u>FY 2019</u> <u>Plan Year 2018</u>	<u>FY 2018</u> <u>Plan Year 2017</u>
0.063815449%	0.062106044%	0.060147532%	0.057887354%
\$ 24,259,134	\$ 29,370,707	\$ 30,032,213	\$ 25,173,039
32,598,461	39,027,103	36,330,124	33,091,458
<u>\$ 56,857,595</u>	<u>\$ 68,397,810</u>	<u>\$ 66,362,337</u>	<u>\$ 58,264,497</u>
\$ 52,764,746	\$ 47,700,440	\$ 45,511,968	\$ 44,631,358
45.98%	61.57%	65.99%	56.40%
4.99%	2.66%	1.57%	0.91%

TEXARKANA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023	2022
Contractually Required Contribution	\$ 616,051	\$ 612,567	\$ 545,383
Contribution in Relation to the Contractually Required Contribution	(616,051)	(612,567)	(545,383)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 61,715,971	\$ 61,450,985	\$ 56,819,799
Contributions as a Percentage of Covered Payroll	1.00%	1.00%	0.96%

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

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

	2021	2020	2019	2018	2017
\$	469,143	\$ 486,354	\$ 441,526	\$ 392,108	\$ 298,575
	(469,143)	(486,354)	(441,526)	(392,108)	(298,575)
\$	-	\$ -	\$ -	\$ -	\$ -
\$	52,060,707	\$ (52,487,787)	\$ (47,132,909)	\$ 45,155,158	\$ 44,394,809
	0.90%	0.93%	0.94%	0.87%	0.67%

Notes to Required Supplementary Information

TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024

A. Notes to the General Fund Budgetary Schedule

The District originally budgeted for a total of \$75,084,069 in expenditures in the general fund. The final amended budget for general fund expenditures was \$81,629,704. Original budgeted total expenditures were increased by approximately \$6,500,000 to account for various additional grants received and added board approved expenditures during the year across multiple functions.

B. Notes to the Child Nutrition Budgetary Schedule

The District originally budgeted for a total of \$7,197,573 in expenditures in the child nutrition fund. The final amended budget for child nutrition expenditures was \$13,747,388. Original budgeted function 36 expenditures were increased by approximately \$6,700,000 to account for expenditures approved during the year for facility upgrades.

C. Notes to Schedules for TRS Pension

Changes of Benefit Terms:

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

Changes of Assumptions:

The actuarial assumption and methods are the same as used in the determination of the prior year's net pension liability.

D. Notes to Schedules for the TRS OPEB Plan

Changes of Benefit Terms:

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

Changes of Assumptions:

The single discount rate changed from 3.91 percent as of August 31, 2022 to 4.13 percent as of August 31, 2023, accompanied by revised demographic economic assumptions based on the TRS experience study.

Other Supplementary Information

Non-major Governmental Funds

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2024

Data Control Codes	211 Title I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
ASSETS			
1110 Cash and Cash Equivalents	\$ -	\$ -	\$ -
1240 Due from Other Governments	634,900	438,676	-
1000 Total Assets	<u>\$ 634,900</u>	<u>\$ 438,676</u>	<u>\$ -</u>
LIABILITIES			
2110 Accounts Payable	\$ 195,818	\$ 279,280	\$ -
2150 Payroll Deductions and Withholdings Payable	43,433	11,281	-
2160 Accrued Wages Payable	395,649	148,115	-
2170 Due to Other Funds	-	-	-
2300 Unearned Revenue	-	-	-
2000 Total Liabilities	<u>634,900</u>	<u>438,676</u>	<u>-</u>
FUND BALANCES			
Assigned Fund Balance:			
3590 Other Assigned Fund Balance	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ 634,900</u>	<u>\$ 438,676</u>	<u>\$ -</u>

244 Perkins V	255 Title II, A Supporting Instruction	263 Title III, A English Lang. Acquisition	265 Title IV, B 21st CCLC	279 ESSER III TCLAS	280 ESSER III Homeless Children	282 ESSER III	284 IDEA B Formula ARP Act
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22,232	127,057	1,896	439,264	175,681	-	2,394,119	-
<u>\$ 22,232</u>	<u>\$ 127,057</u>	<u>\$ 1,896</u>	<u>\$ 439,264</u>	<u>\$ 175,681</u>	<u>\$ -</u>	<u>\$ 2,394,119</u>	<u>\$ -</u>
\$ 22,232	\$ 79,953	\$ 1,816	\$ 241,987	\$ 37,457	\$ -	\$ 2,099,784	\$ -
-	2,130	10	22,493	16,131	-	34,674	-
-	44,974	70	174,784	122,093	-	259,661	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>22,232</u>	<u>127,057</u>	<u>1,896</u>	<u>439,264</u>	<u>175,681</u>	<u>-</u>	<u>2,394,119</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 22,232</u>	<u>\$ 127,057</u>	<u>\$ 1,896</u>	<u>\$ 439,264</u>	<u>\$ 175,681</u>	<u>\$ -</u>	<u>\$ 2,394,119</u>	<u>\$ -</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2024

Data Control Codes	289 Title IV Part A Subpart I	315 SSA IDEA, Part B Discretionary	386 Regional Day School for the Deaf	397 Advanced Placement Incentives
ASSETS				
1110 Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 87
1240 Due from Other Governments	45,990	-	10,252	-
1000 Total Assets	<u>\$ 45,990</u>	<u>\$ -</u>	<u>\$ 10,252</u>	<u>\$ 87</u>
LIABILITIES				
2110 Accounts Payable	\$ 16,368	\$ -	\$ 10,252	\$ -
2150 Payroll Deductions and Withholdings Payable	2,944	-	-	-
2160 Accrued Wages Payable	26,678	-	-	-
2170 Due to Other Funds	-	-	-	-
2300 Unearned Revenue	-	-	-	87
2000 Total Liabilities	<u>45,990</u>	<u>-</u>	<u>10,252</u>	<u>87</u>
FUND BALANCES				
Assigned Fund Balance:				
3590 Other Assigned Fund Balance	-	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ 45,990</u>	<u>\$ -</u>	<u>\$ 10,252</u>	<u>\$ 87</u>

410 State Instructional Materials	412 Public School Child Care Services	419 Head Start Ready To Read	425 Bullet Resistance Shield Grant	428 Tiger Children's Clinic	429 TCLAS - GR	435 SSA Regional Day School - Deaf	461 Campus Activity Funds
\$ 497,822	\$ 1,399,895	\$ 16,526	\$ -	\$ 43,328	\$ -	\$ -	\$ 1,075,748
-	-	-	-	-	45,657	10,640	-
<u>\$ 497,822</u>	<u>\$ 1,399,895</u>	<u>\$ 16,526</u>	<u>\$ -</u>	<u>\$ 43,328</u>	<u>\$ 45,657</u>	<u>\$ 10,640</u>	<u>\$ 1,075,748</u>
\$ 1,041	\$ 323	\$ 410	\$ -	\$ -	\$ 18,550	\$ 10,640	\$ 3,440
-	223	-	-	-	1,905	-	-
-	9,098	-	-	-	25,202	-	-
-	-	-	-	-	-	-	21,928
496,781	1,390,251	16,116	-	43,328	-	-	-
<u>497,822</u>	<u>1,399,895</u>	<u>16,526</u>	<u>-</u>	<u>43,328</u>	<u>45,657</u>	<u>10,640</u>	<u>25,368</u>
-	-	-	-	-	-	-	1,050,380
-	-	-	-	-	-	-	1,050,380
<u>\$ 497,822</u>	<u>\$ 1,399,895</u>	<u>\$ 16,526</u>	<u>\$ -</u>	<u>\$ 43,328</u>	<u>\$ 45,657</u>	<u>\$ 10,640</u>	<u>\$ 1,075,748</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2024

Data Control Codes	459 Autism Grant	Total Nonmajor Governmental Funds
ASSETS		
1110 Cash and Cash Equivalents	\$ -	\$ 3,033,406
1240 Due from Other Governments	1,253,341	5,599,705
1000 Total Assets	<u>\$ 1,253,341</u>	<u>\$ 8,633,111</u>
LIABILITIES		
2110 Accounts Payable	\$ 1,037,164	\$ 4,056,515
2150 Payroll Deductions and Withholdings Payable	9,447	144,671
2160 Accrued Wages Payable	206,730	1,413,054
2170 Due to Other Funds	-	21,928
2300 Unearned Revenue	-	1,946,563
2000 Total Liabilities	<u>1,253,341</u>	<u>7,582,731</u>
FUND BALANCES		
Assigned Fund Balance:		
3590 Other Assigned Fund Balance	-	1,050,380
3000 Total Fund Balances	<u>-</u>	<u>1,050,380</u>
4000 Total Liabilities and Fund Balances	<u>\$ 1,253,341</u>	<u>\$ 8,633,111</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	211 Title I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
REVENUES:			
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-
5900 Federal Program Revenues	2,811,044	1,746,427	33,245
5020 Total Revenues	<u>2,811,044</u>	<u>1,746,427</u>	<u>33,245</u>
EXPENDITURES:			
Current:			
0011 Instruction	2,341,750	877,968	-
0012 Instructional Resources and Media Services	45,032	-	-
0013 Curriculum and Instructional Staff Development	95,650	-	-
0021 Instructional Leadership	-	-	-
0023 School Leadership	169,840	-	-
0031 Guidance, Counseling, and Evaluation Services	-	877,657	33,245
0033 Health Services	-	-	-
0036 Extracurricular Activities	-	-	-
0051 Facilities Maintenance and Operations	-	-	-
0052 Security and Monitoring Services	-	-	-
0061 Community Services	158,772	-	-
Debt Service:			
0071 Principal on Long-Term Liabilities	-	50,157	-
0072 Interest on Long-Term Liabilities	-	1,986	-
Capital Outlay:			
0081 Facilities Acquisition and Construction	-	-	-
6030 Total Expenditures	<u>2,811,044</u>	<u>1,807,768</u>	<u>33,245</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(61,341)	-
OTHER FINANCING SOURCES (USES):			
7913 Right-to-Use Lease and SBITA Proceeds	-	61,341	-
1200 Net Change in Fund Balance	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-
3000 Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

244 Perkins V	255 Title II, A Supporting Instruction	263 Title III, A English Lang. Acquisition	265 Title IV, B 21st CCLC	279 ESSER III TCLAS	280 ESSER III Homeless Children	282 ESSER III	284 IDEA B Formula ARP Act
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
137,062	365,000	86,154	1,698,800	411,781	57,143	7,803,413	22,247
137,062	365,000	86,154	1,698,800	411,781	57,143	7,803,413	22,247
137,062	365,000	86,154	1,064,856	411,781	57,143	3,458,808	22,247
-	-	-	-	-	-	-	-
-	-	-	2,092	-	-	313,941	-
-	-	-	631,852	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	482,311	-
-	-	-	-	-	-	140,687	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	278,585	-
-	-	-	-	-	-	73,854	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	52,581	-
-	-	-	-	-	-	3,694	-
-	-	-	-	-	-	2,998,952	-
137,062	365,000	86,154	1,698,800	411,781	57,143	7,803,413	22,247
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	289 Title IV Part A Subpart I	315 SSA IDEA, Part B Discretionary	386 Regional Day School for the Deaf	397 Advanced Placement Incentives
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ 70,972	\$ -
5800 State Program Revenues	-	-	1,957	-
5900 Federal Program Revenues	233,110	16,851	-	-
5020 Total Revenues	<u>233,110</u>	<u>16,851</u>	<u>72,929</u>	<u>-</u>
EXPENDITURES:				
Current:				
0011 Instruction	233,110	16,851	71,929	-
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	1,000	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	-	-	-
0033 Health Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0061 Community Services	-	-	-	-
Debt Service:				
0071 Principal on Long-Term Liabilities	-	-	-	-
0072 Interest on Long-Term Liabilities	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	<u>233,110</u>	<u>16,851</u>	<u>72,929</u>	<u>-</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
7913 Right-to-Use Lease and SBITA Proceeds	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
3000 Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

410 State Instructional Materials	412 Public School Child Care Services	419 Head Start Ready To Read	425 Bullet Resistance Shield Grant	428 Tiger Children's Clinic	429 TCLAS - GR	435 SSA Regional Day School - Deaf	461 Campus Activity Funds
\$ -	\$ 491,974	\$ -	\$ -	\$ 9,086	\$ -	\$ -	\$ 1,256,065
324,775	45,217	34,610	11,304	-	256,711	115,334	17
-	491,751	-	-	-	-	-	-
324,775	1,028,942	34,610	11,304	9,086	256,711	115,334	1,256,082
324,775	-	-	-	-	58,120	115,334	67,751
-	-	-	-	-	-	-	-
-	-	-	-	-	34,586	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	7,348	-	-	-
-	-	-	-	-	-	-	671,272
-	-	-	-	-	-	-	-
-	-	-	11,304	-	164,005	-	-
-	1,028,942	34,610	-	1,738	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
324,775	1,028,942	34,610	11,304	9,086	256,711	115,334	739,023
-	-	-	-	-	-	-	517,059
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	517,059
-	-	-	-	-	-	-	533,321
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,050,380

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	459 Autism Grant	Total Nonmajor Governmental Funds
REVENUES:		
5700 Total Local and Intermediate Sources	\$ -	\$ 1,828,097
5800 State Program Revenues	2,592,400	3,382,325
5900 Federal Program Revenues	-	15,914,028
5020 Total Revenues	<u>2,592,400</u>	<u>21,124,450</u>
EXPENDITURES:		
Current:		
0011 Instruction	1,742,576	11,453,215
0012 Instructional Resources and Media Services	-	45,032
0013 Curriculum and Instructional Staff Development	300,775	748,044
0021 Instructional Leadership	549,049	1,180,901
0023 School Leadership	-	169,840
0031 Guidance, Counseling, and Evaluation Services	-	1,393,213
0033 Health Services	-	148,035
0036 Extracurricular Activities	-	671,272
0051 Facilities Maintenance and Operations	-	278,585
0052 Security and Monitoring Services	-	249,163
0061 Community Services	-	1,224,062
Debt Service:		
0071 Principal on Long-Term Liabilities	-	102,738
0072 Interest on Long-Term Liabilities	-	5,680
Capital Outlay:		
0081 Facilities Acquisition and Construction	-	2,998,952
6030 Total Expenditures	<u>2,592,400</u>	<u>20,668,732</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	455,718
OTHER FINANCING SOURCES (USES):		
7913 Right-to-Use Lease and SBITA Proceeds	-	61,341
1200 Net Change in Fund Balance	-	517,059
0100 Fund Balance - July 1 (Beginning)	-	533,321
3000 Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ 1,050,380</u>

Non-major Enterprise Funds

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 JUNE 30, 2024

	711 Food Service Activity	713 Print Shop Activity
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 225,064	\$ 391,077
Inventories	21,912	-
Total Current Assets	<u>246,976</u>	<u>391,077</u>
Noncurrent Assets:		
Capital Assets:		
Right-to-Use Lease Asset, Net	-	37,246
Total Noncurrent Assets	<u>-</u>	<u>37,246</u>
Total Assets	<u>246,976</u>	<u>428,323</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	755	41
Right-to-Use Lease Liabilities Payable	-	34,244
Due to Other Governments	-	-
Total Current Liabilities	<u>755</u>	<u>34,285</u>
Noncurrent Liabilities:		
Right-to-Use Lease Liability - Long Term	-	3,002
Total Noncurrent Liabilities	<u>-</u>	<u>3,002</u>
Total Liabilities	<u>755</u>	<u>37,287</u>
NET POSITION		
Unrestricted Net Position	<u>246,221</u>	<u>391,036</u>
Total Net Position	<u>\$ 246,221</u>	<u>\$ 391,036</u>

714 Public Relations Activity	715 School Improvement Activity	716 Police Department Activity	720 Texas A&M Food Service Activity	730 TC Food Service Activity	Total Nonmajor Enterprise Funds
\$ 6,765	\$ 570	\$ 464	\$ 287,508	\$ 13,170	\$ 924,618
240	-	-	-	-	22,152
<u>7,005</u>	<u>570</u>	<u>464</u>	<u>287,508</u>	<u>13,170</u>	<u>946,770</u>
-	-	-	-	-	37,246
-	-	-	-	-	<u>37,246</u>
<u>7,005</u>	<u>570</u>	<u>464</u>	<u>287,508</u>	<u>13,170</u>	<u>984,016</u>
-	-	-	-	-	796
-	-	-	-	-	34,244
10	-	-	-	116	126
<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116</u>	<u>35,166</u>
-	-	-	-	-	3,002
-	-	-	-	-	<u>3,002</u>
<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116</u>	<u>38,168</u>
6,995	570	464	287,508	13,054	945,848
<u>\$ 6,995</u>	<u>\$ 570</u>	<u>\$ 464</u>	<u>\$ 287,508</u>	<u>\$ 13,054</u>	<u>\$ 945,848</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	711 Food Service Activity	713 Print Shop Activity
OPERATING REVENUES:		
Local and Intermediate Sources	\$ 172,465	\$ 123,841
State Program Revenues	4,692	852
Total Operating Revenues	<u>177,157</u>	<u>124,693</u>
OPERATING EXPENSES:		
Payroll Costs	70,602	10,231
Professional and Contracted Services	4,430	114,071
Supplies and Materials	188,832	38,612
Other Operating Costs	2,044	-
Depreciation Expense	148	-
Debt Service	-	36,131
Total Operating Expenses	<u>266,056</u>	<u>199,045</u>
Operating Income (Loss)	(88,899)	(74,352)
Total Net Position - July 1 (Beginning)	<u>335,120</u>	<u>465,388</u>
Total Net Position - June 30 (Ending)	<u>\$ 246,221</u>	<u>\$ 391,036</u>

714 Public Relations Activity	715 School Improvement Activity	716 Police Department Activity	720 Texas A&M Food Service Activity	730 TC Food Service Activity	Total Nonmajor Enterprise Funds
\$ 10,541	\$ -	\$ -	\$ -	\$ -	\$ 306,847
-	-	-	-	-	5,544
10,541	-	-	-	-	312,391
-	-	-	-	-	80,833
-	-	-	-	-	118,501
6,817	-	-	-	-	234,261
-	-	-	-	-	2,044
-	-	-	-	-	148
-	-	-	-	-	36,131
6,817	-	-	-	-	471,918
3,724	-	-	-	-	(159,527)
3,271	570	464	287,508	13,054	1,105,375
\$ 6,995	\$ 570	\$ 464	\$ 287,508	\$ 13,054	\$ 945,848

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	711	713
	Food	Print
	Service	Shop
	Activity	Activity
<u>Cash Flows from Operating Activities:</u>		
Cash Received from User Charges	\$ 173,702	\$ 124,693
Cash Payments to Employees for Services	(70,600)	-
Cash Payments for Suppliers	(199,057)	(201,290)
Net Cash Provided by (Used for) Operating Activities	<u>(95,955)</u>	<u>(76,597)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(95,955)	(76,597)
Cash and Cash Equivalents at Beginning of Year	321,019	467,674
Cash and Cash Equivalents at End of Year	<u>\$ 225,064</u>	<u>\$ 391,077</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>		
<u>Provided By (Used For) Operating Activities:</u>		
Operating Income (Loss):	\$ (88,899)	\$ (74,352)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used For) Operating Activities:		
Depreciation	148	-
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Inventories	(3,456)	-
Increase (decrease) in Accounts Payable	(3,748)	(2,245)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (95,955)</u>	<u>\$ (76,597)</u>

714 Public Relations Activity	715 School Improvement Activity	716 Police Department Activity	720 Texas A&M Food Service Activity	730 TC Food Service Activity	Total Nonmajor Enterprise Funds
\$ 10,541	\$ -	\$ -	\$ -	\$ -	\$ 308,936
-	-	-	-	-	(70,600)
(6,817)	-	-	-	-	(407,164)
<u>3,724</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(168,828)</u>
3,724	-	-	-	-	(168,828)
3,041	570	464	287,508	13,170	1,093,446
<u>\$ 6,765</u>	<u>\$ 570</u>	<u>\$ 464</u>	<u>\$ 287,508</u>	<u>\$ 13,170</u>	<u>\$ 924,618</u>
\$ 3,724	\$ -	\$ -	\$ -	\$ -	\$ (159,527)
-	-	-	-	-	148
-	-	-	-	-	(3,456)
-	-	-	-	-	(5,993)
<u>\$ 3,724</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (168,828)</u>

Custodial Funds

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 JUNE 30, 2024

	830 Dual Credit THS	873 5K THS Fundraiser	874 Distinguished Alumni Fund	876 Texas High Club
ASSETS				
Cash and Cash Equivalents	\$ 268,127	\$ -	\$ 12,656	\$ 365,982
Capital Assets:				
Furniture and Equipment, Net	-	-	-	8,212
Total Assets	<u>268,127</u>	<u>-</u>	<u>12,656</u>	<u>374,194</u>
LIABILITIES				
Accounts Payable	-	-	-	3,489
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,489</u>
NET POSITION				
Restricted for Other Purposes	268,127	-	12,656	370,705
Total Net Position	<u>\$ 268,127</u>	<u>\$ -</u>	<u>\$ 12,656</u>	<u>\$ 370,705</u>

879 Texas Middle School Club	Total Custodial Funds
\$ 22,143	\$ 668,908
-	8,212
<u>22,143</u>	<u>677,120</u>
-	3,489
-	<u>3,489</u>
22,143	673,631
<u>\$ 22,143</u>	<u>\$ 673,631</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	830 Dual Credit THS	873 5K THS Fundraiser	874 Distinguished Alumni Fund	876 Texas High Club
ADDITIONS:				
Enterprising Services Revenue	\$ 259,135	\$ 2,287	\$ -	\$ 284,689
Total Additions	<u>259,135</u>	<u>2,287</u>	<u>-</u>	<u>284,689</u>
DEDUCTIONS:				
Payroll Costs	234,951	-	-	-
Professional and Contracted Services	2,396	-	-	7,048
Supplies and Materials	-	2,287	-	138,654
Other Deductions	-	-	-	119,885
Total Deductions	<u>237,347</u>	<u>2,287</u>	<u>-</u>	<u>265,587</u>
Change in Net Position	21,788	-	-	19,102
Net Position - July 1 (Beginning)	<u>246,339</u>	<u>-</u>	<u>12,656</u>	<u>351,603</u>
Net Position - June 30 (Ending)	<u>\$ 268,127</u>	<u>\$ -</u>	<u>\$ 12,656</u>	<u>\$ 370,705</u>

879 Texas Middle School Club	Total Total Custodial Funds
\$ 1,476	\$ 547,587
<u>1,476</u>	<u>547,587</u>
-	234,951
-	9,444
2,103	143,044
-	119,885
<u>2,103</u>	<u>507,324</u>
(627)	40,263
<u>22,770</u>	<u>633,368</u>
<u>\$ 22,143</u>	<u>\$ 673,631</u>

Private Purpose Trust Funds

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 JUNE 30, 2024

	802 Texas High School VIPS Fund	804 Texas Middle School VIPS Fund	805 Highland Park VIPS Fund	807 Theron Jones VIPS Fund
ASSETS				
Cash and Cash Equivalents	\$ 56,145	\$ 23,549	\$ 483	\$ 6,250
Due from Other Funds	-	-	-	-
Capital Assets:				
Furniture and Equipment, Net	-	-	-	-
Total Assets	<u>56,145</u>	<u>23,549</u>	<u>483</u>	<u>6,250</u>
LIABILITIES				
Accounts Payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Restricted for Other Purposes	<u>56,145</u>	<u>23,549</u>	<u>483</u>	<u>6,250</u>
Total Net Position	<u>\$ 56,145</u>	<u>\$ 23,549</u>	<u>\$ 483</u>	<u>\$ 6,250</u>

809 Nash VIPS Fund	811 Spring Lake Park VIPS Fund	813 Wake Village VIPS Fund	815 Dunbar VIPS Fund	816 Morris Elementary VIPS Fund	817 Waggoner Creek VIPS Fund	829 Scholarship Fund	Total Private Purpose Trust Funds
\$ 7,146	\$ 3,491	\$ 3,338	\$ 1,094	\$ 144,018	\$ 8,302	\$ 151,557	\$ 405,373
-	-	-	-	15,678	6,250	-	21,928
-	-	-	-	42,574	-	-	42,574
<u>7,146</u>	<u>3,491</u>	<u>3,338</u>	<u>1,094</u>	<u>202,270</u>	<u>14,552</u>	<u>151,557</u>	<u>469,875</u>
-	-	-	-	2,744	-	-	2,744
-	-	-	-	2,744	-	-	2,744
7,146	3,491	3,338	1,094	199,526	14,552	151,557	467,131
<u>\$ 7,146</u>	<u>\$ 3,491</u>	<u>\$ 3,338</u>	<u>\$ 1,094</u>	<u>\$ 199,526</u>	<u>\$ 14,552</u>	<u>\$ 151,557</u>	<u>\$ 467,131</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	802 Texas High School VIPS Fund	804 Texas Middle School VIPS Fund	805 Highland Park VIPS Fund	807 Theron Jones VIPS Fund
ADDITIONS:				
Enterprising Services Revenue	\$ 13,180	\$ 6,476	\$ -	\$ -
Earnings from Temporary Deposits	-	-	-	-
Contributions, Gifts and Donations	-	-	-	-
Total Additions	<u>13,180</u>	<u>6,476</u>	<u>-</u>	<u>-</u>
DEDUCTIONS:				
Supplies and Materials	3,497	6,715	-	-
Other Deductions	-	-	-	-
Total Deductions	<u>3,497</u>	<u>6,715</u>	<u>-</u>	<u>-</u>
Change in Net Position	9,683	(239)	-	-
Net Position - July 1 (Beginning)	<u>46,462</u>	<u>23,788</u>	<u>483</u>	<u>6,250</u>
Net Position - June 30 (Ending)	<u>\$ 56,145</u>	<u>\$ 23,549</u>	<u>\$ 483</u>	<u>\$ 6,250</u>

809 Nash VIPS Fund	811 Spring Lake Park VIPS Fund	813 Wake Village VIPS Fund	815 Dunbar VIPS Fund	816 Morris Elementary VIPS Fund	817 Waggoner Creek VIPS Fund	829 Scholarship Fund	Total Private Purpose Trust Funds
\$ 12,347	\$ 1,067	\$ 1,900	\$ -	\$ 118,909	\$ 5,422	\$ -	\$ 159,301
-	-	-	-	-	-	7,657	7,657
-	-	-	-	-	-	3,360	3,360
<u>12,347</u>	<u>1,067</u>	<u>1,900</u>	<u>-</u>	<u>118,909</u>	<u>5,422</u>	<u>11,017</u>	<u>170,318</u>
12,821	1,605	4,192	-	87,015	5,034	-	120,879
-	-	-	-	11,625	-	3,000	14,625
<u>12,821</u>	<u>1,605</u>	<u>4,192</u>	<u>-</u>	<u>98,640</u>	<u>5,034</u>	<u>3,000</u>	<u>135,504</u>
(474)	(538)	(2,292)	-	20,269	388	8,017	34,814
<u>7,620</u>	<u>4,029</u>	<u>5,630</u>	<u>1,094</u>	<u>179,257</u>	<u>14,164</u>	<u>143,540</u>	<u>432,317</u>
<u>\$ 7,146</u>	<u>\$ 3,491</u>	<u>\$ 3,338</u>	<u>\$ 1,094</u>	<u>\$ 199,526</u>	<u>\$ 14,552</u>	<u>\$ 151,557</u>	<u>\$ 467,131</u>

Required TEA Schedules

TEXARKANA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2024

Last 10 Years Ended	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2015 and prior years	\$ 1.170000	\$ 0.169000	\$ 1,929,101,050
2016	1.170000	0.255000	1,948,780,352
2017	1.170000	0.255000	1,904,476,997
2018	1.170000	0.255000	1,974,870,987
2019	1.170000	0.255000	2,006,493,789
2020	1.170000	0.255000	2,063,870,404
2021	1.068300	0.255000	2,272,157,652
2022	1.051700	0.255000	2,276,650,848
2023	0.942900	0.255000	2,674,488,506
2024 (School year under audit)	0.757500	0.453800	2,865,116,206
1000 TOTALS			
8000 Total Taxes Refunded Under Section 26.1115, Tax Code			

(10) Beginning Balance 7/1/2023	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2024	(99) Taxes Refunded Under Section 26.1115c
\$ 259,806	\$ -	\$ 16,718	\$ 2,415	\$ (43,516)	\$ 197,157	
60,839	-	2,208	481	(859)	57,291	
63,338	-	1,841	401	(825)	60,271	
78,102	-	4,252	927	(611)	72,312	
88,024	-	5,172	1,127	(140)	81,585	
106,340	-	11,509	2,747	(37)	92,047	
128,224	-	20,823	5,034	(118)	102,249	
209,241	-	50,807	12,319	(6,349)	139,766	
1,184,174	-	718,162	194,221	(39,845)	231,946	
-	34,114,958	19,820,767	11,874,144	(1,293,789)	1,126,258	
<u>\$ 2,178,088</u>	<u>\$ 34,114,958</u>	<u>\$ 20,652,259</u>	<u>\$ 12,093,816</u>	<u>\$ (1,386,089)</u>	<u>\$ 2,160,882</u>	

\$ 571,878

TEXARKANA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 12,499,471	\$ 12,499,471	\$ 12,683,273	\$ 183,802
5800 State Program Revenues	-	1,000,000	1,440,776	440,776
5020 Total Revenues	12,499,471	13,499,471	14,124,049	624,578
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Liabilities	4,534,517	4,544,517	4,535,447	9,070
0072 Interest on Long-Term Liabilities	9,309,627	9,309,627	9,309,627	-
0073 Bond Issuance Cost and Fees	1,942	1,942	1,942	-
6030 Total Expenditures	13,846,086	13,856,086	13,847,016	9,070
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,346,615)	(356,615)	277,033	633,648
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	1,638,419	1,641,141	2,722
7949 Other Resources	1,639,419	-	-	-
7080 Total Other Financing Sources (Uses)	1,639,419	1,638,419	1,641,141	2,722
1200 Net Change in Fund Balances	292,804	1,281,804	1,918,174	636,370
0100 Fund Balance - July 1 (Beginning)	7,091,753	7,091,753	7,091,753	-
3000 Fund Balance - June 30 (Ending)	\$ 7,384,557	\$ 8,373,557	\$ 9,009,927	\$ 636,370

TEXARKANA INDEPENDENT SCHOOL DISTRICT
STATE COMPENSATORY EDUCATION AND BILINGUAL EDUCATION PROGRAM EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2024

Section A: Compensatory Education Programs

AP1	Did your district expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the district have written policies and procedures for its state compensatory education program?	Yes
AP3	Total state allotment funds received for state compensatory education programs during the district's fiscal year.	8,581,075
AP4	Actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24,26,28,29,30)	5,158,890

Section B: Bilingual Education Programs

AP5	Did your district expend any bilingual education program state allotment funds during the district's fiscal year?	Yes
AP6	Does the district have written policies and procedures for its bilingual education program?	Yes
AP7	Total state allotment funds received for bilingual education programs during the district's fiscal year.	505,017
AP8	Actual direct program expenditures for bilingual education programs during the district's fiscal year. (PIC 25)	287,004

Federal Awards Section

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Texarkana Independent School District (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated November 7, 2024.

Report on Internal Control over Financial Reporting

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

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

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

To the Board of School Trustees
Texarkana Independent School District

Report on Compliance and Other Matters

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

Purpose of this Report

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



CERTIFIED PUBLIC ACCOUNTANTS

Texarkana, Texas
November 7, 2024

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Texarkana Independent School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *(OMB) Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

To the Board of School Trustees
Texarkana Independent School District

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

To the Board of School Trustees
Texarkana Independent School District

Report on Internal Control over Compliance (Continued)

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

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

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

Texarkana, Texas
November 7, 2024


CERTIFIED PUBLIC ACCOUNTANTS

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024**

Section I - Summary of Audit Results

Financial Statements

Type of Report the Auditor Issued on Whether the Financial Statements Were Prepared in Accordance with GAAP	Unmodified
---	------------

Internal Control Over Financial Reporting:

Material Weakness(es) Identified	None Reported
----------------------------------	---------------

Significant Deficienc(ies) Identified	None Reported
---------------------------------------	---------------

Noncompliance Material to the Financial Statements	None Reported
--	---------------

Federal Awards

Internal Control over Major Programs:

Material Weakness(es) Identified	None Reported
----------------------------------	---------------

Significant Deficienc(ies) Identified	None Reported
---------------------------------------	---------------

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

Findings Disclosed in the Audit which are Required to be Reported in Government Auditing Standards	None Reported
--	---------------

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

Identification of Major Programs:

Child Nutrition Cluster:	
School Breakfast Program	AL #10.553
National School Lunch Program	AL #10.555
Child & Adult Care Food Program – Cash Assistance	AL #10.558

Dollar Threshold Used to Distinguish between Type A and Type B Programs	\$771,329
---	-----------

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

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024**

Section II - Financial Statement Findings

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

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

Section III - Federal Award Findings and Questioned Costs

Details of findings and questioned costs relating to Federal awards –

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

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
JUNE 30, 2024**

Finding 2023-001

Significant Deficiency

Internal Control and Compliance

Summary:

In the prior year, our review of internal controls disclosed instances in which the District's actual expenditures exceeded the budgeted expenditures. No costs were questioned.

Conclusion:

This finding was corrected and did not occur in the current year.

TEXARKANA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
DEPARTMENT OF THE TREASURY			
<u>Direct Programs:</u>			
Emergency Connectivity Fund Program	32.009	019907	\$ 520,000
Total Direct Programs			<u>520,000</u>
TOTAL DEPARTMENT OF THE TREASURY			<u>520,000</u>
 U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through Texas Education Agency</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	24610101019907	2,629,442
TTL I 1003 School Improvement Grant	84.010A	2361014109907	4,223
2023-2024 School Action Fund	84.010A	23610137019907	197,752
2021-2023 TTL I, 1003 ESF-Focused Support Grant	84.010A	226101577110057	39,073
2023-2025 TTL I, 1003 ESF- Focused Support Grant	84.010A	246101397110055	50,000
Total Assistance Listing Number 84.010			<u>2,920,490</u>
*IDEA - Part B, Formula	84.027A	236600010199076600	275,468
*IDEA - Part B, Formula	84.027A	246600010199076600	1,540,188
*SSA - IDEA - Part B, Discretionary	84.027A	246600110199076673	17,464
*COVID 19 - IDEA, Part B, Formula - (ARP)	84.027X	225350020199075350	23,128
Total Assistance Listing Number 84.027			<u>1,856,248</u>
*IDEA - Part B, Preschool	84.173A	246610010199076610	34,562
Total Special Education Cluster (IDEA)			<u>1,890,810</u>
Career and Technical - Basic Grant	84.048A	23420006019907	17,573
Career and Technical - Basic Grant	84.048A	24420006019907	122,977
Total Assistance Listing Number 84.048			<u>140,550</u>
Title IV, Pt B-21st Cent. Community Learning Cent.	84.287C	246950307110041	1,699,394
Title III, Part A - English Language Acquisition	84.365A	23671001019907	9,468
Title III, Part A - English Language Acquisition	84.365A	24671001019907	80,101
Total Assistance Listing Number 84.365			<u>89,569</u>
ESEA, Title II, Part A, Teacher Principal Training	84.367A	24694501019907	368,705
COVID 19 - ESSER III - School Emergency Relief	84.425U	21528001019907	8,372,772
COVID 19 - Learning Supports - (TCLAS) ESSER III	84.425U	21528042019907	461,944
COVID 19 - ARP Education for Homeless Children	84.425W	21533002019907	57,143
Total Assistance Listing Number 84.425			<u>8,891,859</u>
Title IV, Part A, Subpart I	84.424A	2468010101907	237,148
Total Passed Through Texas Education Agency			<u>16,238,525</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>16,238,525</u>
 U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through Texas Health and Human Services Commission</u>			
Medicaid Administrative Claiming Program - MAC	93.778	HHS000537900035	22,592
Child Care and Development Fund	93.596	019907	491,751
Total Passed Through Texas Health and Human Services Commission			<u>514,343</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>514,343</u>

TEXARKANA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the Texas Department of Agriculture</u>			
*School Breakfast Program	10.553	806780706	1,760,358
*National School Lunch Program - Cash Assistance	10.555	806780706	5,219,088
*USDA Donated Commodities	10.559	806780706	554,709
Total Child Nutrition Cluster			7,534,155
Child & Adult Care Food Program - Cash Assistance	10.558	806780706	900,928
Total Passed Through the Texas Department of Agriculture			8,435,083
TOTAL U.S. DEPARTMENT OF AGRICULTURE			8,435,083
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 25,707,951
*Clustered Programs			

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

**TEXARKANA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2024**

Basis of Presentation

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

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

The District participates in numerous state and federal grant programs governed by various rules and regulations of grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at June 30, 2024, may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingency.

Medicaid Funds

During the year ending June 30, 2024, the District received Medicaid funds of \$756,848 which is not considered a federal award since it is direct cash assistance to individuals.

E-Rate Funding

During the year ending June 30, 2024, the District received a discount on phone and internet bills in the amount of \$110,013 in the general fund. These amounts are reflected as federal revenue in the current year.

Indirect Costs

Indirect costs totaling \$1,424,472 are in the General Fund. The restricted indirect cost rate for the 2023-2024 fiscal year, as approved by The Division of Federal and Fiscal Compliance and Reporting at the Texas Education Agency (TEA), was 3.964%. All Federal indirect costs are calculated using this restricted indirect rate with the exception of the indirect cost associated with the ESSER Grant, which is calculated using the direct unrestricted rate of 12.182%

Reconciliation of Federal Funds

Federal Funds Per K-1	\$ 25,707,951
Medicaid SHARS	756,848
E-Rate Funding	110,013
	\$ 26,574,812

SCHOOLS FIRST QUESTIONNAIRE

EXHIBIT L-1

TEXARKANA INDEPENDENT SCHOOL DISTRICT

Fiscal Year 2024

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 Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If payments were not made or warrant hold not cleared within 30 days of when due, then payments are NOT timely.)	Yes
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, answer is still YES.)	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 and/or substantial doubt about the district's ability to continue as a going concern?	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 district's administration and school board members discuss any changes and/or impact to local, state, and federal funding 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.	6,619,460