

College Station Independent School District

Annual Financial Report

For the Fiscal Year Ended August 31, 2024



College Station Independent School District

Annual Financial Report
For the Fiscal Year Ended August 31, 2024
Table of Contents

| | Page | Exhibit |
|---|------|---------|
| Certificate of the Board..... | iii | |
| Financial Section | | |
| Independent Auditor's Report | 3 | |
| Management's Discussion and Analysis (Unaudited) | 7 | |
| Basic Financial Statements | | |
| Government-wide Financial Statements | | |
| Statement of Net Position | 17 | A-1 |
| Statement of Activities | 18 | B-1 |
| Fund Financial Statements | | |
| Balance Sheet – Governmental Funds | 20 | C-1 |
| Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position | 23 | C-1R |
| Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds..... | 24 | C-2 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 26 | C-3 |
| Statement of Net Position – Proprietary Funds | 27 | D-1 |
| Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds | 28 | D-2 |
| Statement of Cash Flows – Proprietary Funds | 29 | D-3 |
| Statement of Fiduciary Net Position – Fiduciary Fund | 30 | E-1 |
| Statement of Changes in Fiduciary Net Position – Fiduciary Fund | 31 | E-2 |
| Notes to the Financial Statements | 33 | |
| Required Supplementary Information (Unaudited) | | |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund | 68 | G-1 |
| Schedule of the District's Proportionate Share of the Net Pension Liability of a Cost-Sharing Multiple-Employer Pension Plan Teacher Retirement System of Texas | 69 | G-2 |
| Schedule of the District's Contributions to the Teacher Retirement System of Texas Pension Plan..... | 70 | G-3 |
| Schedule of the District's Proportionate Share of the Net OPEB Liability of a Cost-Sharing Multiple-Employer OPEB Plan Teacher Retirement System of Texas | 71 | G-4 |
| Schedule of the District's Contributions to the Teacher Retirement System of Texas OPEB Plan | 72 | G-5 |
| Notes to the Required Supplementary Information..... | 73 | |

College Station Independent School District

Annual Financial Report For the Fiscal Year Ended August 31, 2024 Table of Contents – Continued

| | Page | Exhibit |
|--|------|---------|
| Supplementary Information | | |
| Combining Funds Financial Statements | | |
| Combining Balance Sheet – Nonmajor Governmental Funds – Special Revenue Funds..... | 78 | H-1 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds – Special Revenue Funds..... | 82 | H-2 |
| Combining Statement of Net Position – Nonmajor Enterprise Funds..... | 86 | I-1 |
| Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Enterprise Funds | 87 | I-2 |
| Combining Statement of Cash Flows – Nonmajor Enterprise Funds..... | 89 | I-3 |
| Compliance Schedules | | |
| Schedule of Delinquent Taxes Receivable..... | 90 | J-1 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – National School Breakfast and Lunch Program | 92 | J-2 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund..... | 93 | J-3 |
| Use of Funds Report – Select State Allotment Programs..... | 94 | J-4 |
| Overall Compliance, Internal Control Section and Federal Awards | | |
| 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> | 97 | |
| Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance | 99 | |
| Schedule of Findings and Questioned Costs | 102 | |
| Summary Schedule of Prior Audit Findings | 103 | |
| Schedule of Expenditures of Federal Awards | 104 | K-1 |
| Notes to Schedule of Expenditures of Federal Awards..... | 107 | |
| Other Information | | |
| Schedule of Required Responses to Selected School FIRST Indicators (Unaudited) | 108 | L-1 |

Certificate of the Board

College Station Independent School District

Brazos

021-901

Name of School District

County

Co.-Dist Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and 6 approved 0 disapproved for the fiscal year ended August 31, 2024 at a meeting of the Board of Trustees of such school district on the 17th day of December, 2024.



Signature of Board Secretary



Signature of Board President

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

This Page Intentionally Left Blank

Financial Section

This Page Intentionally Left Blank



Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

The Board of Trustees of
College Station Independent School District

Supplementary Information

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

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

Other Information Included in the Annual Report

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2024 on our consideration of District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas
December 13, 2024

This Page Intentionally Left Blank

Management's Discussion and Analysis (Unaudited)

As management of the College Station Independent School District (the District), we offer readers of the accompanying report this narrative overview and analysis of the financial activities of the District for the fiscal year ended August 31, 2024. In reviewing this report, readers should be mindful that it is often necessary for management to make and use estimates in the preparation of financial statements. Examples of the use of such estimates may be found in amounts reported for depreciation and amortization, net taxes receivable, claims payable of the District's self-insured workers' compensation program, and the net pension and OPEB liability.

Financial Highlights

- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at year-end by \$75,212,669 (net position). Of this amount, \$35,087,874 (unrestricted net position) was in a deficit due to recognition of net pension liability and net OPEB liability as required by GASB 68 and GASB 75, respectively.
- The District's total net position increased by \$12,353,796 due to current operations.
- As of the close of the year, the District's governmental funds had combined ending fund balances of \$166,605,759, an increase of \$74,168,472 from the preceding year.
- At the end of the year, unassigned fund balance of the general fund was \$38,502,510, or 26 percent of the year's total general fund expenditures.
- The District's total bonded debt increased by \$71,200,813 (21 percent) during the year due to an issuance of building bonds.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Government-wide Financial Analysis

As mentioned earlier, net position may, over time, serve as an indicator of a District's changing financial position. At the close of the District's most recent fiscal year, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$75,448,784.

College Station Independent School District's Net Position

| | Governmental Activities | | Business-type Activities | | Totals | |
|--------------------------------------|-------------------------|----------------------|--------------------------|-------------------|----------------------|----------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | Amount | Amount | Amount | Amount | Amount | Amount |
| Current and other assets | \$ 186,366,671 | \$ 112,983,136 | \$ 749,297 | \$ 570,736 | \$ 187,115,968 | \$ 113,553,872 |
| Capital assets, net | 407,587,807 | 394,071,121 | - | - | 407,587,807 | 394,071,121 |
| Total assets | 593,954,478 | 507,054,257 | 749,297 | 570,736 | 594,703,775 | 507,624,993 |
| Total deferred outflows of resources | 36,916,794 | 33,789,608 | - | - | 36,916,794 | 33,789,608 |
| Long-term liabilities outstanding | 499,612,166 | 415,292,386 | - | - | 499,612,166 | 415,292,386 |
| Other liabilities | 16,036,964 | 16,836,163 | 154,121 | 112,484 | 16,191,085 | 16,948,647 |
| Total liabilities | 515,649,130 | 432,128,549 | 154,121 | 112,484 | 515,803,251 | 432,241,033 |
| Total deferred inflows of resources | 40,604,649 | 46,314,695 | - | - | 40,604,649 | 46,314,695 |
| Net position: | | | | | | |
| Net investment in capital assets | 91,476,362 | 85,380,522 | - | - | 91,476,362 | 85,380,522 |
| Restricted for grants | 3,386,300 | 3,960,183 | - | - | 3,386,300 | 3,960,183 |
| Restricted for debt service | 15,437,881 | 13,148,991 | - | - | 15,437,881 | 13,148,991 |
| Unrestricted (deficit) | (35,683,050) | (40,089,075) | 595,176 | 458,252 | (35,087,874) | (39,630,823) |
| Total net position | \$ 74,617,493 | \$ 62,400,621 | \$ 595,176 | \$ 458,252 | \$ 75,212,669 | \$ 62,858,873 |

The largest portion of the District's net position (\$91,476,362) is investment in capital assets (e.g., land and improvements, buildings and improvements, furniture and equipment, right to use assets and construction in progress), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net position that is restricted for debt service and grants totaled \$18,824,181.

Unrestricted net position of (\$35,087,874) is reported as a deficit resulting from the recognition net pension and net OPEB liabilities, as well as related deferred outflows and deferred inflows, as required by GASB Statement No. 68, Pension, and GASB Statement No. 75, OPEB.

Governmental Activities increased the District's net position by \$12,216,872 from current operations and Business-type Activities increased the District's net position by \$136,924. Key elements of this change are as follows:

College Station Independent School District's Changes in Net Position

| | Governmental Activities | | Business-type Activities | | Totals | |
|---|-------------------------|----------------------|--------------------------|-------------------|----------------------|----------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | Amount | Amount | Amount | Amount | Amount | Amount |
| Revenue | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 4,349,246 | \$ 4,958,968 | \$ 2,770,219 | \$ 2,205,075 | \$ 7,119,465 | \$ 7,164,043 |
| Operating grants and contributions | 34,953,964 | 27,588,963 | - | - | 34,953,964 | 27,588,963 |
| General revenues: | | | | | | |
| Property taxes, levied for general purposes | 96,395,300 | 114,864,427 | - | - | 96,395,300 | 114,864,427 |
| Property taxes, levied for debt service | 36,227,065 | 33,013,786 | - | - | 36,227,065 | 33,013,786 |
| Grants and contributions not restricted | 41,381,471 | 17,373,299 | - | - | 41,381,471 | 17,373,299 |
| Investment earnings | 7,484,058 | 6,590,029 | - | - | 7,484,058 | 6,590,029 |
| Miscellaneous | 318,476 | 727,796 | - | - | 318,476 | 727,796 |
| Total revenues | 221,109,580 | 205,117,268 | 2,770,219 | 2,205,075 | 223,879,799 | 207,322,343 |
| Expenses | | | | | | |
| Instruction | 110,815,213 | 100,207,262 | - | - | 110,815,213 | 100,207,262 |
| Instructional resources and media services | 1,394,097 | 1,617,121 | - | - | 1,394,097 | 1,617,121 |
| Curriculum and instructional staff development | 3,845,879 | 3,278,948 | - | - | 3,845,879 | 3,278,948 |
| Instructional leadership | 2,602,267 | 2,312,334 | - | - | 2,602,267 | 2,312,334 |
| School leadership | 8,241,888 | 8,039,554 | - | - | 8,241,888 | 8,039,554 |
| Guidance, counseling, and evaluation services | 6,935,014 | 6,652,940 | - | - | 6,935,014 | 6,652,940 |
| Social work services | 12,981 | 13,638 | - | - | 12,981 | 13,638 |
| Health services | 2,184,305 | 2,137,811 | - | - | 2,184,305 | 2,137,811 |
| Student transportation | 6,006,833 | 5,190,683 | - | - | 6,006,833 | 5,190,683 |
| Food services | 9,736,448 | 8,788,091 | - | - | 9,736,448 | 8,788,091 |
| Extracurricular activities | 8,745,725 | 8,715,562 | - | - | 8,745,725 | 8,715,562 |
| General administration | 5,050,706 | 4,647,558 | - | - | 5,050,706 | 4,647,558 |
| Plant maintenance and operations | 18,952,121 | 17,608,590 | - | - | 18,952,121 | 17,608,590 |
| Security and monitoring services | 2,744,408 | 1,225,394 | - | - | 2,744,408 | 1,225,394 |
| Data processing services | 4,804,961 | 5,270,244 | - | - | 4,804,961 | 5,270,244 |
| Community services | 896,986 | 844,836 | - | - | 896,986 | 844,836 |
| Interest on long-term debt | 11,862,817 | 11,122,677 | - | - | 11,862,817 | 11,122,677 |
| Issuance costs and fees | 737,390 | 4,090 | - | - | 737,390 | 4,090 |
| Facilities repair and maintenance | 1,794,171 | 526,491 | - | - | 1,794,171 | 526,491 |
| Contracted instructional services between schools | 28,145 | 920,482 | - | - | 28,145 | 920,482 |
| Payments related to shared services arrangements | 89,397 | 117,693 | - | - | 89,397 | 117,693 |
| Payments to juvenile justice alternative education programs | 12,034 | 8,630 | - | - | 12,034 | 8,630 |
| Other intergovernmental charges | 1,398,922 | 1,316,423 | - | - | 1,398,922 | 1,316,423 |
| Community education | - | - | 698,053 | 660,407 | 698,053 | 660,407 |
| Kids Klub | - | - | 1,695,270 | 1,215,022 | 1,695,270 | 1,215,022 |
| Community sports camps | - | - | 239,972 | 235,701 | 239,972 | 235,701 |
| Total expenses | 208,892,708 | 190,567,052 | 2,633,295 | 2,111,130 | 211,526,003 | 192,678,182 |
| Change in net position | 12,216,872 | 14,550,216 | 136,924 | 93,945 | 12,353,796 | 14,644,161 |
| Net position - beginning | 62,400,621 | 47,850,405 | 458,252 | 364,307 | 62,858,873 | 48,214,712 |
| Net position - ending | \$ 74,617,493 | \$ 62,400,621 | \$ 595,176 | \$ 458,252 | \$ 75,212,669 | \$ 62,858,873 |

Governmental Activities Revenues, aggregating \$221,109,580, were generated primarily from two sources. Property taxes of \$132,622,365 represent 60 percent of total revenues, while grants and contributions (program and general) totaling \$76,335,435 represent 35 percent of total revenues. The remaining five percent is generated from investment earnings, charges for services, and miscellaneous revenues.

The primary functional expense of the District is Instruction (\$110,815,213), which represents 53 percent of total expenses. The remaining expense categories are individually less than 10 percent of total expenses. There were no significant changes in expenses by function.

Business-type Activities. Business-type activities increased the District's net position by \$136,924, primarily due to increased enrollment in the community programs during the year.

Financial Analysis of the Government's Funds

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

Governmental Funds. At the end of the fiscal year, the District's governmental funds had combined ending fund balances of \$166,841,874, an increase of \$74,404,587 from the preceding year. Comments as to each individual fund's change in fund balance follow.

The general fund is the primary operating fund of the District. At year-end, unassigned fund balance of the general fund was \$38,502,510, while total fund balance was \$43,905,922. To evaluate the general fund's liquidity, it may be helpful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 26 percent of total general fund expenditures, while total fund balance represents 29 percent of that same total. The fund balance of the general fund increased \$4,743,615 during the year, primarily as a result of increased state aid revenues.

The debt service fund ended the year with a total fund balance of \$15,290,392, all of which is restricted for the payment of principal and interest on debt. The debt service fund balance increased \$2,686,543 during the year, primarily due to an increase in property tax collections from higher tax values.

The capital projects fund has a total fund balance of \$101,977,119, all of which is restricted for capital expenditures. The net increase in fund balance during the current year in the capital projects fund was \$67,154,557 due to proceeds from the issuance of building bonds.

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

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

General Fund Budgetary Highlights

The District amends the budget as needed throughout the year. The variations between the original budget and the final amended budget of the general fund included a decrease in property tax revenues of \$3.1 million and State program increased budgeted revenues by \$5.3 million. There was an increase in data processing services that increased budgeted expenditures by 2.5 million.

Capital Assets and Long-term Liabilities

Capital Assets. The District's investment in capital assets for its governmental and business-type activities as of August 31, 2024 was \$407,587,807 (net of accumulated depreciation and amortization). This investment in capital assets includes land and improvements, buildings and improvements, furniture, and equipment, right to use assets and construction in progress.

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

- Furniture and equipment totaling \$8,970,460.
- Construction in progress totaling \$19,419,332 and comprised of multiple renovation projects.

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

| | Governmental Activities | | Business-type Activities | | Totals | |
|----------------------------------|-------------------------|-----------------------|--------------------------|-------------|-----------------------|-----------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | Amount | Amount | Amount | Amount | Amount | Amount |
| Land and improvements | \$ 25,507,272 | \$ 25,507,272 | \$ - | \$ - | \$ 25,507,272 | \$ 25,507,272 |
| Buildings and improvements | 339,258,397 | 343,906,585 | - | - | 339,258,397 | 343,906,585 |
| Furniture and equipment | 14,230,876 | 7,806,763 | - | - | 14,230,876 | 7,806,763 |
| Right to use lease assets | 174,302 | 651,948 | - | - | 174,302 | 651,948 |
| Right to use subscription assets | 3,047,230 | 267,213 | - | - | 3,047,230 | 267,213 |
| Construction in progress | 25,369,730 | 15,931,340 | - | - | 25,369,730 | 15,931,340 |
| Totals | \$ 407,587,807 | \$ 394,071,121 | \$ - | \$ - | \$ 407,587,807 | \$ 394,071,121 |

Commitments. At the end of the current fiscal year, the District's commitments with construction contractors totaled \$134,889.

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

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

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

| | Governmental Activities | | | | | |
|--------------------------------|-------------------------|------------|-----------------------|------------|----------------------|-------|
| | 2024 | | 2023 | | Increase (Decrease) | |
| | Amount | % | Amount | % | Amount | % |
| General obligation bonds (net) | \$ 418,315,619 | 84 | \$ 347,114,806 | 84 | \$ 71,200,813 | 21 |
| Arbitrage liability | 1,635,355 | - | 642,408 | - | 992,947 | 155 |
| Leases payable | 90,733 | - | 461,750 | - | (371,017) | (80) |
| Subscriptions payable | 2,911,649 | 1 | 76,104 | - | 2,835,545 | 3,726 |
| Workers' compensation | 576,132 | - | 765,015 | - | (188,883) | (25) |
| Compensated absences | 938,820 | - | 936,748 | - | 2,072 | - |
| Net pension liability | 51,908,705 | 10 | 41,049,118 | 10 | 10,859,587 | 26 |
| Net OPEB liability | 23,235,153 | 5 | 24,246,437 | 6 | (1,011,284) | (4) |
| Totals | \$ 499,612,166 | 100 | \$ 415,292,386 | 100 | \$ 84,319,780 | |

The District's total debt increased by \$71,200,813 primarily due to sale of building bonds . Net pension liability increased by \$10,859,587 and net OPEB liability decreased by \$1,011,284 during the year due to changing market conditions and assumptions as of the most recent measurement date of the pension plan. Subscriptions payable also increased by \$2,835,545 during the year.

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

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

Economic Factors and Next Year's Budget and Rates

- School year (2024-25) budgeted student enrollment was 14,317, a 0.6 percent decrease from the preceding year. Actual student enrollment is 14,438.
- District staff totals 2,172 employees in 2024-25, excluding substitutes and other part-time employees, of which 1,066 are teachers and 373 are teacher aides and secretaries.
- The District maintains 19 regular education campuses.
- Property values of the District are projected to increase by 9 percent for the 2024-25 year.
- A maintenance and operations tax rate of \$0.6969 and a debt service tax rate of \$0.2760, a total rate of \$0.9729, were adopted for 2024-25. Preceding year rates were \$0.6992, \$0.2630, and \$0.9622, respectively.

All of these factors and others were considered in preparing the District's budget for the 2024-25 fiscal year.

Requests for Information

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

Basic Financial Statements

This Page Intentionally Left Blank

College Station Independent School District

Exhibit A-1

Statement of Net Position

August 31, 2024

| Data Control Codes | | 1 | 2 | 3 |
|---------------------------------------|---|----------------------------|-----------------------------|----------------------|
| | | Primary Government | | |
| | | Governmental Activities | Business-type Activities | Total |
| ASSETS | | | | |
| 1110 | Cash and cash equivalents | \$ 78,495,463 | \$ 749,297 | \$ 79,244,760 |
| 1120 | Current investments | 89,406,724 | - | 89,406,724 |
| 1220 | Property taxes receivable | 1,621,406 | - | 1,621,406 |
| 1230 | Allowance for uncollectible taxes | (16,214) | - | (16,214) |
| 1240 | Due from other governments | 14,023,784 | - | 14,023,784 |
| 1290 | Other receivables | 1,147,544 | - | 1,147,544 |
| 1300 | Inventories | 616,148 | - | 616,148 |
| 1410 | Prepaid items | 1,071,816 | - | 1,071,816 |
| | Capital assets, not being depreciated and amortized: | | | |
| 1510 | Land and improvements | 25,507,272 | - | 25,507,272 |
| 1580 | Construction in progress | 25,369,730 | - | 25,369,730 |
| | Capital assets, net of accumulated depreciation and amortization: | | | |
| 1520 | Buildings and improvements | 339,258,397 | - | 339,258,397 |
| 1530 | Furniture and equipment | 14,230,876 | - | 14,230,876 |
| 1550 | Right to use lease assets | 174,302 | - | 174,302 |
| 1553 | Right to use subscription assets | 3,047,230 | - | 3,047,230 |
| 1000 | Total assets | 593,954,478 | 749,297 | 594,703,775 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| 1705 | Deferred outflows - pension | 24,390,688 | - | 24,390,688 |
| 1706 | Deferred outflows - OPEB | 9,296,669 | - | 9,296,669 |
| 1710 | Deferred charge on refunding | 3,229,437 | - | 3,229,437 |
| 1700 | Total deferred outflows of resources | 36,916,794 | - | 36,916,794 |
| LIABILITIES | | | | |
| 2110 | Accounts payable | 5,724,362 | 17,784 | 5,742,146 |
| 2140 | Interest payable | 983,458 | - | 983,458 |
| 2160 | Accrued wages payable | 8,653,106 | 73,732 | 8,726,838 |
| 2180 | Due to other governments | 24,131 | - | 24,131 |
| 2300 | Unearned revenue | 651,907 | 62,605 | 714,512 |
| | Noncurrent liabilities: | | | |
| 2501 | Due within one year | 29,863,563 | - | 29,863,563 |
| 2502 | Due in more than one year | 394,604,745 | - | 394,604,745 |
| 2540 | Net pension liability | 51,908,705 | - | 51,908,705 |
| 2545 | Net OPEB liability | 23,235,153 | - | 23,235,153 |
| 2000 | Total liabilities | 515,649,130 | 154,121 | 515,803,251 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| 2605 | Deferred inflows - pension | 5,052,758 | - | 5,052,758 |
| 2606 | Deferred inflows - OPEB | 35,551,891 | - | 35,551,891 |
| 2600 | Total deferred inflows of resources | 40,604,649 | - | 40,604,649 |
| NET POSITION | | | | |
| 3200 | Net investment in capital assets | 91,476,362 | - | 91,476,362 |
| 3820 | Restricted for grants | 3,386,300 | - | 3,386,300 |
| 3850 | Restricted for debt service | 15,437,881 | - | 15,437,881 |
| 3900 | Unrestricted (deficit) | (35,683,050) | 595,176 | (35,087,874) |
| 3000 | TOTAL NET POSITION | \$ 74,617,493 | \$ 595,176 | \$ 75,212,669 |

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

College Station Independent School District

Statement of Activities

For the Fiscal Year Ended August 31, 2024

| Data Control Codes | Functions/Programs | 1 Expenses | 3 Program Revenues | |
|---------------------------|--|-----------------------|-----------------------|---|
| | | | Charges for Services | 4 Operating Grants and Contributions |
| PRIMARY GOVERNMENT | | | | |
| | Governmental activities: | | | |
| 0011 | Instruction | \$ 110,815,213 | \$ 340,791 | \$ 14,187,915 |
| 0012 | Instructional resources and media services | 1,394,097 | 20,847 | 150,985 |
| 0013 | Curriculum and instructional staff development | 3,845,879 | 3,244 | 2,491,887 |
| 0021 | Instructional leadership | 2,602,267 | - | 438,258 |
| 0023 | School leadership | 8,241,888 | 10,851 | 531,205 |
| 0031 | Guidance, counseling, and evaluation services | 6,935,014 | 42,320 | 1,397,081 |
| 0032 | Social work services | 12,981 | - | 12,979 |
| 0033 | Health services | 2,184,305 | 389 | 283,873 |
| 0034 | Student transportation | 6,006,833 | 14 | 418,326 |
| 0035 | Food services | 9,736,448 | 3,125,648 | 6,167,211 |
| 0036 | Extracurricular activities | 8,745,725 | 653,537 | 1,431,412 |
| 0041 | General administration | 5,050,706 | 192 | 1,341,198 |
| 0051 | Plant maintenance and operations | 18,952,121 | 150,248 | 639,784 |
| 0052 | Security and monitoring services | 2,744,408 | 194 | 649,100 |
| 0053 | Data processing services | 4,804,961 | - | 70,259 |
| 0061 | Community services | 896,986 | 109 | 749,258 |
| 0072 | Interest on long-term debt | 11,862,817 | - | 2,422,202 |
| 0073 | Issuance costs and fees | 737,390 | - | - |
| 0081 | Facilities repair and maintenance | 1,794,171 | 862 | 1,571,031 |
| 0091 | Contracted instructional services between schools | 28,145 | - | - |
| 0093 | Payments related to shared services arrangement | 89,397 | - | - |
| 0095 | Payments to juvenile justice alternative education programs | 12,034 | - | - |
| 0099 | Other intergovernmental charges | 1,398,922 | - | - |
| TG | Total governmental activities | 208,892,708 | 4,349,246 | 34,953,964 |
| | Business-type activities: | | | |
| 01 | Community education | 698,053 | 698,439 | - |
| 02 | Kids Klub | 1,695,270 | 1,797,527 | - |
| 03 | Community sports camps | 239,972 | 274,253 | - |
| TB | Total business-type activities | 2,633,295 | 2,770,219 | - |
| TP | TOTAL PRIMARY GOVERNMENT | \$ 211,526,003 | \$ 7,119,465 | \$ 34,953,964 |
| | General revenues: | | | |
| MT | Property taxes, levied for general purposes | | | |
| DT | Property taxes, levied for debt service | | | |
| GC | Grants and contributions not restricted to specific programs | | | |
| IE | Investment earnings | | | |
| MI | Miscellaneous | | | |
| TR | Total general revenues | | | |
| CN | Change in net position | | | |
| NB | Net position - beginning | | | |
| NE | NET POSITION - ENDING | | | |

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

| 6 | 7 | 8 |
|--|-------------------------------------|-----------------|
| Net (Expense) Revenue and Changes in Net Position | | |
| Governmental Activities | Business-type Activities | Total |
| \$ (96,286,507) | \$ - | \$ (96,286,507) |
| (1,222,265) | - | (1,222,265) |
| (1,350,748) | - | (1,350,748) |
| (2,164,009) | - | (2,164,009) |
| (7,699,832) | - | (7,699,832) |
| (5,495,613) | - | (5,495,613) |
| (2) | - | (2) |
| (1,900,043) | - | (1,900,043) |
| (5,588,493) | - | (5,588,493) |
| (443,589) | - | (443,589) |
| (6,660,776) | - | (6,660,776) |
| (3,709,316) | - | (3,709,316) |
| (18,162,089) | - | (18,162,089) |
| (2,095,114) | - | (2,095,114) |
| (4,734,702) | - | (4,734,702) |
| (147,619) | - | (147,619) |
| (9,440,615) | - | (9,440,615) |
| (737,390) | - | (737,390) |
| (222,278) | - | (222,278) |
| (28,145) | - | (28,145) |
| (89,397) | - | (89,397) |
| (12,034) | - | (12,034) |
| (1,398,922) | - | (1,398,922) |
| (169,589,498) | - | (169,589,498) |
| - | 386 | 386 |
| - | 102,257 | 102,257 |
| - | 34,281 | 34,281 |
| - | 136,924 | 136,924 |
| (169,589,498) | 136,924 | (169,452,574) |
| 96,395,300 | - | 96,395,300 |
| 36,227,065 | - | 36,227,065 |
| 41,381,471 | - | 41,381,471 |
| 7,484,058 | - | 7,484,058 |
| 318,476 | - | 318,476 |
| 181,806,370 | - | 181,806,370 |
| 12,216,872 | 136,924 | 12,353,796 |
| 62,400,621 | 458,252 | 62,858,873 |
| \$ 74,617,493 | \$ 595,176 | \$ 75,212,669 |

College Station Independent School District

Balance Sheet – Governmental Funds

August 31, 2024

199

| Data Control Codes | | General Fund |
|--------------------------------------|--|-----------------------------|
| ASSETS | | |
| 1110 | Cash and cash equivalents | \$ 35,296,707 |
| 1120 | Current investments | 3,749,271 |
| 1220 | Property taxes receivable | 1,225,794 |
| 1230 | Allowance for uncollectible taxes | (12,258) |
| 1240 | Due from other governments | 11,180,150 |
| 1260 | Due from other funds | 2,154,056 |
| 1290 | Other receivables | 217,160 |
| 1300 | Inventories | 288,208 |
| 1410 | Prepaid items | 1,022,458 |
| 1000 | Total assets | <u>55,121,546</u> |
| 1000a | TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | <u><u>\$ 55,121,546</u></u> |
| LIABILITIES | | |
| 2110 | Accounts payable | \$ 1,236,588 |
| 2160 | Accrued wages payable | 8,653,106 |
| 2170 | Due to other funds | 11,013 |
| 2180 | Due to other governments | 24,131 |
| 2300 | Unearned revenue | 77,250 |
| 2000 | Total liabilities | <u>10,002,088</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| 2620 | Unavailable revenue - property taxes | 1,213,536 |
| 2630 | Unavailable revenue - other | - |
| | Total deferred inflows of resources | <u>1,213,536</u> |
| FUND BALANCES | | |
| 3410 | Nonspendable - inventories | 288,208 |
| 3430 | Nonspendable - prepaid items | 1,022,458 |
| 3450 | Restricted - grant funds | - |
| 3470 | Restricted - capital acquisitions and contractual obligations | - |
| 3480 | Restricted - debt service | - |
| 3510 | Committed - construction | 2,750,000 |
| 3530 | Committed - capital expenditures for equipment | 200,000 |
| 3545 | Committed - other | 1,000,000 |
| 3590 | Assigned - purchases on order | 142,746 |
| 3600 | Unassigned | 38,502,510 |
| 3000 | Total fund balances | <u>43,905,922</u> |
| 4000 | TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | <u><u>\$ 55,121,546</u></u> |

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

Exhibit C-1

| 599 | 699 | 98 | |
|----------------------|--------------------------|----------------------------|--------------------------------|
| Debt Service Fund | Capital Projects Fund | Total Nonmajor Funds | Total Governmental Funds |
| \$ 5,459,284 | \$ 30,318,126 | \$ 5,552,289 | \$ 76,626,406 |
| 9,601,104 | 75,287,119 | 200,952 | 88,838,446 |
| 395,612 | - | - | 1,621,406 |
| (3,956) | - | - | (16,214) |
| 140,307 | - | 2,703,327 | 14,023,784 |
| - | 1,220 | 11,013 | 2,166,289 |
| 828,988 | 62,135 | 30,424 | 1,138,707 |
| - | - | 327,940 | 616,148 |
| - | 119,171 | 5,000 | 1,146,629 |
| <hr/> | <hr/> | <hr/> | <hr/> |
| 16,421,339 | 105,787,771 | 8,830,945 | 186,161,601 |
| <hr/> | <hr/> | <hr/> | <hr/> |
| \$ 16,421,339 | \$ 105,787,771 | \$ 8,830,945 | \$ 186,161,601 |
| <hr/> | <hr/> | <hr/> | <hr/> |
| \$ - | \$ 3,810,652 | \$ 668,686 | \$ 5,715,926 |
| - | - | - | 8,653,106 |
| - | - | 2,155,276 | 2,166,289 |
| - | - | - | 24,131 |
| - | - | 574,657 | 651,907 |
| <hr/> | <hr/> | <hr/> | <hr/> |
| - | 3,810,652 | 3,398,619 | 17,211,359 |
| <hr/> | <hr/> | <hr/> | <hr/> |
| 391,656 | - | - | 1,605,192 |
| 739,291 | - | - | 739,291 |
| <hr/> | <hr/> | <hr/> | <hr/> |
| 1,130,947 | - | - | 2,344,483 |
| <hr/> | <hr/> | <hr/> | <hr/> |
| - | - | - | 288,208 |
| - | - | - | 1,022,458 |
| - | - | 3,386,300 | 3,386,300 |
| - | 101,977,119 | - | 101,977,119 |
| 15,290,392 | - | - | 15,290,392 |
| - | - | - | 2,750,000 |
| - | - | - | 200,000 |
| - | - | 2,046,026 | 3,046,026 |
| - | - | - | 142,746 |
| - | - | - | 38,502,510 |
| <hr/> | <hr/> | <hr/> | <hr/> |
| 15,290,392 | 101,977,119 | 5,432,326 | 166,605,759 |
| <hr/> | <hr/> | <hr/> | <hr/> |
| \$ 16,421,339 | \$ 105,787,771 | \$ 8,830,945 | \$ 186,161,601 |

This Page Intentionally Left Blank

College Station Independent School District
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 August 31, 2024

Exhibit C-1R

| | |
|--|-----------------------|
| TOTAL FUND BALANCES - GOVERNMENTAL FUNDS (EXHIBIT C-1) | \$ 166,605,759 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The governmental capital assets at year-end consist of: | |
| Governmental capital assets costs | \$ 666,313,954 |
| Accumulated depreciation and amortization of governmental capital assets | <u>(258,726,147)</u> |
| | 407,587,807 |
| Prepaid expenditures for subscriptions, which will be expenditures that apply to a future period(s), are reported as capital assets in the governmental-wide statement of net position. | (140,246) |
| Property taxes receivable, which will be collected subsequent to year-end, but are not available soon enough to pay expenditures and, therefore, are deferred in the funds. | 1,605,192 |
| Insurance recovery receivable, which will be collected subsequent to year-end, is not available soon enough after year-end and, therefore, is deferred in the funds. | 739,291 |
| Long-term liabilities, including bonds payable, rebatable arbitrage, leases payable, subscriptions payable, compensated absences, and net pension and OPEB liability, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Liabilities at year-end related to such items, consist of: | |
| Bonds payable, at original par | \$ (393,685,000) |
| Premium on bonds payable | (24,630,619) |
| Rebatable arbitrage | (1,635,355) |
| Accrued interest on the bonds | (983,458) |
| Leases payable | (90,733) |
| Subscriptions payable | (2,911,649) |
| Compensated absences | (938,820) |
| Net pension liability | (51,908,705) |
| Net OPEB liability | <u>(23,235,153)</u> |
| | (500,019,492) |
| An internal service fund is used by the District to charge the costs of workers' compensation benefits to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities. | 1,927,037 |
| Deferred charge on refunding is reported as deferred outflow in the statement of net position and is not reported in the governmental funds as it is not a current financial resource available to pay for current expenditures. | 3,229,437 |
| Deferred outflows of resources for pension represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until then. | 24,390,688 |
| Deferred inflows of resources for pension represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. | (5,052,758) |
| Deferred outflows of resources for OPEB represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until then. | 9,296,669 |
| Deferred inflows of resources for OPEB represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. | <u>(35,551,891)</u> |
| TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES (EXHIBIT A-1) | \$ 74,617,493 |

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

College Station Independent School District
Statement of Revenues, Expenditures, and Changes
in Fund Balances – Governmental Funds
For the Fiscal Year Ended August 31, 2024

199

| <u>Data Control Codes</u> | | <u>General Fund</u> |
|---------------------------|---|-----------------------|
| | REVENUES | |
| 5700 | Local and intermediate sources | \$ 101,214,609 |
| 5800 | State program revenues | 48,193,208 |
| 5900 | Federal program revenues | 2,577,209 |
| | | <hr/> |
| 5020 | Total revenues | 151,985,026 |
| | EXPENDITURES | |
| | Current: | |
| 0011 | Instruction | 86,013,781 |
| 0012 | Instructional resources and media services | 1,365,619 |
| 0013 | Curriculum and instructional staff development | 1,314,164 |
| 0021 | Instructional leadership | 2,309,975 |
| 0023 | School leadership | 7,403,433 |
| 0031 | Guidance, counseling, and evaluation services | 5,590,499 |
| 0032 | Social work services | - |
| 0033 | Health services | 1,925,982 |
| 0034 | Student transportation | 5,196,719 |
| 0035 | Food services | 2,265 |
| 0036 | Extracurricular activities | 5,655,463 |
| 0041 | General administration | 4,852,823 |
| 0051 | Plant maintenance and operations | 17,716,862 |
| 0052 | Security and monitoring services | 2,109,069 |
| 0053 | Data processing services | 5,809,129 |
| 0061 | Community services | 118,852 |
| | Debt service: | |
| 0071 | Principal on long-term debt | 750,446 |
| 0072 | Interest on long-term debt | 18,033 |
| 0073 | Issuance costs and fees | - |
| | Capital outlay: | |
| 0081 | Facilities acquisition and construction | - |
| | Intergovernmental: | |
| 0091 | Contracted instructional services between public schools | 28,145 |
| 0093 | Payments related to shared services arrangements | 89,397 |
| 0095 | Payments to juvenile justice alternative education programs | 12,034 |
| 0099 | Other intergovernmental charges | 1,398,922 |
| | | <hr/> |
| 6030 | Total expenditures | 149,681,612 |
| 1100 | Excess (deficiency) of revenues over (under) expenditures | 2,303,414 |
| | OTHER FINANCING SOURCES (USES) | |
| 7911 | Issuance of bonds | - |
| 7913 | Issuance of leases | 5,550 |
| 7915 | Transfers in | - |
| 7916 | Premium or discount on issuance of bonds | - |
| 7940 | Issuance of subscriptions | 3,220,203 |
| 8911 | Transfers out | - |
| 8949 | Refunds to taxpayers | (274,158) |
| | | <hr/> |
| 7080 | Total other financing sources (uses) | 2,951,595 |
| | EXTRAORDINARY ITEMS | |
| 8913 | Extraordinary loss | (511,394) |
| | Total extraordinary items | <hr/> (511,394) <hr/> |
| 1200 | Net change in fund balances | 4,743,615 |
| 0100 | Fund balances - beginning | 39,162,307 |
| | | <hr/> |
| 3000 | FUND BALANCES - ENDING | \$ 43,905,922 |

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

| 599 | | 699 | | 98 | | | |
|-------------------|----------------|-----------------------|----------------|----------------------|------------|--------------------------|-------------|
| Debt Service Fund | | Capital Projects Fund | | Total Nonmajor Funds | | Total Governmental Funds | |
| \$ 37,996,220 | \$ 2,132,567 | \$ 6,046,087 | \$ 147,389,483 | 2,284,580 | - | 5,353,904 | 55,831,692 |
| - | - | 17,553,935 | 20,131,144 | - | - | - | - |
| 40,280,800 | 2,132,567 | 28,953,926 | 223,352,319 | - | 4,489,844 | 10,588,563 | 101,092,188 |
| - | - | 121,798 | 1,487,417 | - | - | 2,353,743 | 3,667,907 |
| - | - | 325,649 | 2,635,624 | - | - | 247,208 | 7,650,641 |
| - | - | 1,117,974 | 6,708,473 | - | - | 12,981 | 12,981 |
| - | - | 206,576 | 2,132,558 | - | - | 297,336 | 6,470,919 |
| - | 976,864 | 9,278,582 | 9,280,847 | - | - | 1,420,250 | 7,630,114 |
| - | 554,401 | 36,185 | 4,921,333 | - | - | 396,729 | 18,533,747 |
| - | 32,325 | 1,027,810 | 3,136,879 | - | - | - | 7,706,116 |
| - | 420,156 | - | 731,196 | - | 1,896,987 | 612,344 | 26,373,675 |
| - | - | - | 12,052,781 | - | - | - | 737,390 |
| 25,470,000 | - | 153,229 | 26,660,006 | 12,033,546 | - | 1,202 | 28,145 |
| 3,500 | 733,890 | - | 89,397 | - | - | - | 12,034 |
| - | 25,087,588 | 1,572,418 | 1,398,922 | - | - | - | - |
| - | - | - | 37,507,046 | 34,192,055 | 29,770,577 | 251,151,290 | 2,773,754 |
| - | - | - | (87,845) | (87,845) | (87,845) | (87,845) | (87,845) |
| - | - | - | (87,211) | 99,214,045 | 400,408 | 102,478,837 | (87,211) |
| - | - | - | (511,394) | - | - | - | (511,394) |
| - | - | - | (511,394) | - | - | - | (511,394) |
| 2,686,543 | 67,154,557 | (416,243) | 74,168,472 | 12,603,849 | 34,822,562 | 5,848,569 | 92,437,287 |
| \$ 15,290,392 | \$ 101,977,119 | \$ 5,432,326 | \$ 166,605,759 | | | | |

College Station Independent School District
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Fiscal Year Ended August 31, 2024

Exhibit C-3

| | |
|--|----------------------|
| TOTAL NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (EXHIBIT C-2) | \$ 74,168,472 |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation or amortization expense. | |
| Capital assets increased | \$ 33,619,411 |
| Depreciation and amortization expense | <u>(19,696,534)</u> |
| | 13,922,877 |
| The net effect of miscellaneous transactions involving capital assets (transfers, adjustments and dispositions) is an increase (decrease) to net position. | (406,191) |
| The net effect of reclassification of prepaid expenditures for subscriptions is an increase (decrease) to net position. | 50,261 |
| Because some property taxes will not be collected for several months after the District's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Deferred inflows for taxes increased (decreased) by this amount this year. | 103,773 |
| Issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. | |
| Issuance of bonds, at par value | \$ (94,445,000) |
| Issuance of bonds, (premium) discount | (4,769,679) |
| Issuance of subscriptions payable | (3,620,611) |
| Issuance of leases | <u>(5,550)</u> |
| | (102,840,840) |
| Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. | |
| Repayment of bonds payable principal | \$ 25,470,000 |
| Repayment of subscription payable principal | 785,066 |
| Repayment of leases payable principal | <u>118,609</u> |
| | 26,373,675 |
| The net effect of the termination of a lease is an increase to net position. | 257,958 |
| Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The changes reported in the statement of activities consists of the following: | |
| Accrued interest on current interest bonds payable (increased) decreased | \$ (450,893) |
| Amortization of bond premium | 2,543,866 |
| Amortization of deferred charge on refundings | (916,531) |
| Amortization of deferred gain on refundings | <u>6,469</u> |
| | 1,182,911 |
| An internal service fund is used by the District to charge the costs of workers' compensation benefits to the individual funds. The net activity of the internal service fund was reported in the government-wide statements. | 500,004 |
| The (increase) decrease in arbitrage liability is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. | (992,947) |
| The (increase) decrease in compensated absences is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. | (2,072) |
| The net change in net pension liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following: | |
| Deferred outflows increased (decreased) | \$ 3,764,181 |
| Deferred inflows (increased) decreased | 2,130,564 |
| Net pension liability (increased) decreased | <u>(10,859,587)</u> |
| | (4,964,842) |
| The net change in net OPEB liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following: | |
| Deferred outflows increased (decreased) | \$ 279,536 |
| Deferred inflows (increased) decreased | 3,573,013 |
| Net OPEB liability (increased) decreased | <u>1,011,284</u> |
| | 4,863,833 |
| CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES (EXHIBIT B-1) | \$ 12,216,872 |

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

College Station Independent School District

Statement of Net Position

Proprietary Funds

August 31, 2024

Exhibit D-1

| Data Control Codes | | Governmental Activities | |
|--------------------------|---|---|---|
| | | Business-type Activities Nonmajor Enterprise Fund | Internal Service Fund 773 Workers' Compensation |
| ASSETS | | | |
| | Current assets: | | |
| 1110 | Cash and cash equivalents | \$ 749,297 | \$ 1,869,057 |
| 1120 | Current investments | - | 568,278 |
| 1290 | Other receivables | - | 8,837 |
| 1410 | Prepaid items | - | 65,433 |
| | Total current assets | 749,297 | 2,511,605 |
| | Noncurrent assets: | | |
| | Capital assets: | | |
| 1530 | Furniture and equipment | 7,902 | - |
| 1570 | Accumulated depreciation and amortization | (7,902) | - |
| | Total noncurrent assets | - | - |
| 1000 | Total assets | 749,297 | 2,511,605 |
| LIABILITIES | | | |
| | Current liabilities: | | |
| 2110 | Accounts payable | 17,784 | 8,436 |
| 2160 | Accrued wages payable | 73,732 | - |
| 2300 | Unearned revenue | 62,605 | - |
| 2123 | Claims payable - due within one year | - | 576,132 |
| 2000 | Total liabilities | 154,121 | 584,568 |
| NET POSITION | | | |
| 3900 | Unrestricted | 595,176 | 1,927,037 |
| 3000 | TOTAL NET POSITION | \$ 595,176 | \$ 1,927,037 |

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

College Station Independent School District
Statement of Revenues, Expenses, and Changes
in Net Position – Proprietary Funds
For the Fiscal Year Ended August 31, 2024

Exhibit D-2

| Data Control Codes | | Business-type Activities | Governmental Activities |
|-----------------------------------|--|---|--|
| | | Nonmajor Enterprise Fund | Internal Service Fund 773 Workers' Compensation |
| | OPERATING REVENUES | | |
| 5739 | Tuition | \$ 2,770,182 | \$ - |
| 5754 | Interfund service provided | - | 532,073 |
| 5755 | Enterprising services revenue | 37 | - |
| 5020 | Total revenues | 2,770,219 | 532,073 |
| | OPERATING EXPENSES: | | |
| 6100 | Payroll costs | 2,175,565 | 53,235 |
| 6200 | Professional and contracted services | 35,100 | - |
| 6300 | Supplies and materials | 48,118 | - |
| 6400 | Other operating costs | 374,512 | 103,437 |
| 6030 | Total expenses | 2,633,295 | 156,672 |
| | Operating income (loss) | 136,924 | 375,401 |
| | NONOPERATING REVENUES (EXPENSES) | | |
| 7955 | Earnings from temp. deposits and investments | - | 124,603 |
| 8030 | Total nonoperating revenues (expenses) | - | 124,603 |
| 1300 | Change in net position | 136,924 | 500,004 |
| 0100 | Net position - beginning | 458,252 | 1,427,033 |
| 3300 | NET POSITION - ENDING | \$ 595,176 | \$ 1,927,037 |

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

College Station Independent School District

Exhibit D-3

Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended August 31, 2024

| | Business-type Activities Nonmajor Enterprise Fund | Governmental Activities Internal Service Fund 773 Workers' Compensation |
|--|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash received from user charges | \$ 2,780,564 | \$ 532,073 |
| Cash payments for employees services and benefits | (2,153,107) | (53,235) |
| Cash payments for claims | - | (220,352) |
| Cash payments for other operating expenses | (448,896) | (80,456) |
| Net cash provided by (used for) operating activities | 178,561 | 178,030 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | - | 124,603 |
| Proceeds from sale and maturity of investments | - | 937,600 |
| Net cash provided by (used for) investing activities | - | 1,062,203 |
| Net increase (decrease) in cash and cash equivalents | 178,561 | 1,240,233 |
| Cash and cash equivalents at the beginning of the year | 570,736 | 628,824 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | \$ 749,297 | \$ 1,869,057 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES | | |
| Operating income (loss) | \$ 136,924 | \$ 375,401 |
| Effect of increases and decreases in current assets and liabilities: | | |
| (Increase) decrease in other receivables | - | (5,856) |
| (Increase) decrease in prepaid items | - | (1,901) |
| Increase (decrease) in accounts payable | 8,834 | (731) |
| Increase (decrease) in accrued wages payable | 22,458 | - |
| Increase (decrease) in unearned revenue | 10,345 | - |
| Increase (decrease) in claims payable | - | (188,883) |
| NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES | \$ 178,561 | \$ 178,030 |

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

College Station Independent School District

Statement of Fiduciary Net Position

Fiduciary Fund

August 31, 2024

Exhibit E-1

| | <u>Custodial Fund</u> |
|---------------------------|----------------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 473,394 |
| Other receivables | 3,385 |
| | <hr/> |
| Total assets | 476,779 |
| LIABILITIES | |
| Accounts payable | 22,325 |
| | <hr/> |
| Total liabilities | 22,325 |
| NET POSITION | |
| Restricted for: | |
| Student activity | 454,454 |
| | <hr/> |
| TOTAL NET POSITION | <u><u>\$ 454,454</u></u> |

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

College Station Independent School District
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended August 31, 2024

Exhibit E-2

| | Custodial Fund |
|--------------------------------------|---------------------------|
| ADDITIONS | |
| Contributions and gifts | \$ 76,599 |
| Fundraising activity | 182,504 |
| Student club fees | 29,485 |
| Investment earnings | 8,652 |
| | <hr/> |
| Total additions | 297,240 |
| DEDUCTIONS | |
| Student activities | 276,829 |
| Administrative expense | 155 |
| Beneficiary payments | 16,858 |
| | <hr/> |
| Total deductions | 293,842 |
| | <hr/> |
| Net change in fiduciary net position | 3,398 |
| Net position - beginning of year | 451,056 |
| | <hr/> |
| TOTAL NET POSITION | \$ 454,454 |
| | <hr/> <hr/> |

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

This Page Intentionally Left Blank

College Station Independent School District

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

B. Description of Government-wide Financial Statements

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

C. Basis of Presentation – Government-wide Financial Statements

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

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

D. Basis of Presentation – Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

College Station Independent School District

Notes to the Financial Statements

Additionally, the District reports the following fund types:

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

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

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

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

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

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

E. Measurement Focus and Basis of Accounting

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

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

College Station Independent School District

Notes to the Financial Statements

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

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

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

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

1. Cash and Cash Equivalents

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

2. Investments

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

3. Inventories and Prepaid Items

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

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

4. Capital Assets

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

College Station Independent School District

Notes to the Financial Statements

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

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

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

5. Leases

Lessee

The District is a lessee for noncancellable leases of property and equipment. The District recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset (lease asset), reported with other capital assets, in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$10,000 or more.

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

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

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

College Station Independent School District

Notes to the Financial Statements

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

6. Subscription-Based Information Technology Arrangements (SBITAs)

The District has noncancellable contracts with SBITA vendors for the right to use information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). The District recognizes a subscription liability, reported with long-term debt, and a right-to-use subscription asset (an intangible asset), reported with other capital assets, in the government-wide financial statements. The District recognizes subscription liabilities with an initial, individual value of \$10,000 or more.

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

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

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

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

7. Deferred Outflows/Inflows of Resources

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

College Station Independent School District

Notes to the Financial Statements

Deferred outflows/inflows of resources are amortized as follows:

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

8. Compensated Absences

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

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

9. Pension

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

10. Other Post-Employment Benefits

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

College Station Independent School District

Notes to the Financial Statements

11. Net Position Policies

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

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

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

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

12. Net Position Flow Assumption

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

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

13. Fund Balance Policies

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

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

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

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

College Station Independent School District

Notes to the Financial Statements

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

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

The District shall strive to maintain an assigned and unassigned fund balance in the general operating fund at or near three months operating expenditures.

14. Fund Balance Flow Assumptions

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

G. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

College Station Independent School District

Notes to the Financial Statements

3. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

H. Use of Estimates

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

I. Data Control Codes

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

J. Implementation of New Accounting Standards

GASB Statement No. 99, *Omnibus 2022 (GASB 99)*, enhances comparability in accounting and financial reporting and improves consistency of authoritative literature by addressing 1) practice issues that have been identified during implementation and application of certain GASB statements and 2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases were implemented in the District's fiscal year 2022 financial statements in conjunction with GASB 87. The requirements related to PPPs and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. These requirements for GASB 99 were implemented in the District's fiscal year 2023 financial statements in conjunction with GASB 94 and GASB 96. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. These requirements for GASB 99 were implemented in the District's fiscal year 2024 financial statements with no impact to amounts previously reported.

GASB Statement No. 100, *Accounting Changes and Error Corrections (GASB 100)*, enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement 1) defines accounting changes and corrections of errors; 2) prescribes the accounting and financial reporting for each type of accounting change and error corrections; and 3) clarifies required note disclosures. The requirements of this statement are effective for reporting periods beginning after June 15, 2023, with earlier application encouraged. GASB 100 was implemented in the District's fiscal year 2024 financial statements with no impact to amounts previously reported.

College Station Independent School District

Notes to the Financial Statements

K. Recent Accounting Pronouncements

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

GASB Statement No. 102, *Certain Risk Disclosures* (GASB 102), improves financial reporting by providing users of financial statements with essential information regarding certain concentrations of constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. The requirements of this statement are effective for reporting periods beginning after June 15, 2024, with earlier application encouraged. GASB 102 will be implemented in the District's fiscal year 2025 financial statements and the impact has not yet been determined.

GASB Statement No. 103, *Financial Reporting Model Improvements* (GASB 103), improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. The requirements of this statement are effective for reporting periods beginning after June 15, 2025, with earlier application encouraged. GASB 103 will be implemented in the District's fiscal year 2026 financial statements and the impact has not yet been determined.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* (GASB 104), establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures. It also establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this statement are effective for reporting periods beginning after June 15, 2025, with earlier application encouraged. GASB 104 will be implemented in the District's fiscal year 2026 financial statements and the impact has not yet been determined.

Note 2. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

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

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

College Station Independent School District

Notes to the Financial Statements

B. Excess of Expenditures Over Appropriations

For the fiscal year ended August 31, 2024, expenditures exceeded appropriations in the following functions:

| Fund | Function | Final Budget | Actual | Variance |
|---|---|---------------|---------------|--------------|
| General fund | Instruction | \$ 85,888,270 | \$ 86,013,781 | \$ (125,511) |
| General fund | General administration | 4,794,543 | 4,852,823 | (58,280) |
| General fund | Security and monitoring services | 2,068,723 | 2,109,069 | (40,346) |
| General fund | Payments to juvenile justice alternative education programs | 12,000 | 12,034 | (34) |
| National School Breakfast and Lunch Program | Food services | 8,650,948 | 9,278,582 | (627,634) |

The District exceeded its final budget due to unanticipated expenditures during the year-end financial statement closing process.

C. Encumbrances

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

Encumbrances included in governmental fund balances are as follows:

| | Encumbrances Included in: | |
|---------------------------|---------------------------|-----------------------|
| | Restricted Fund Balance | Assigned Fund Balance |
| General fund | \$ - | \$ 142,746 |
| Capital projects fund | 11,047,826 | - |
| Total encumbrances | \$ 11,047,826 | \$ 142,746 |

Note 3. Detailed Notes on All Funds

A. Deposits and Investments

Cash Deposits

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

College Station Independent School District

Notes to the Financial Statements

Investments

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

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

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

| | August 31, 2024 | Percent of Total Investments | Weighted Average Maturity (Days) | Rating |
|--|----------------------|------------------------------------|---|--------|
| Investments measured at amortized cost: | | | | |
| Investment pools: | | | | |
| TexPool | \$ 863,063 | 1% | 36 | AAAm* |
| Lone Star - government overnight fund | 125,368 | 0% | 23 | AAAm* |
| Lone Star - corporate overnight fund | 8,287,347 | 9% | 39 | AAAm* |
| Investments measured at Net Asset Value (NAV): | | | | |
| Investment pools: | | | | |
| Texas CLASS | 80,021,031 | 90% | 35 | AAAm* |
| Texas CLASS Government | 109,915 | 0% | 10 | AAAm* |
| Total value | \$ 89,406,724 | 100% | | |
| Portfolio weighted average maturity | | | 35 | |

* Standard & Poor's Rating

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

College Station Independent School District

Notes to the Financial Statements

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

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

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

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

Credit Risk

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

Interest Rate Risk

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

Concentration of Credit Risk

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

College Station Independent School District

Notes to the Financial Statements

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of August 31, 2024, the District's bank balance was not exposed to custodial credit risk because it was insured and collateralized with securities held by the District's agent in the District's name.

Custodial Credit Risk – Investments

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

B. Receivables

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

| | |
|--|--------------------------|
| Change in uncollectibles related to general fund property taxes | \$ (510) |
| Change in uncollectibles related to debt service property taxes | <u>(538)</u> |
| Total change in uncollectibles in the current fiscal year | <u><u>\$ (1,048)</u></u> |

Approximately 65% of the outstanding balance of property taxes receivable is not anticipated to be collected within the next year.

C. Interfund Receivables, Payables, and Transfers

1. Receivables/Payables

The composition of interfund balances as of August 31, 2024, is as follows:

| Funds | Interfund Receivables | Interfund Payables |
|-----------------------------|----------------------------|----------------------------|
| General fund | \$ 2,154,056 | \$ 11,013 |
| Capital Projects Fund | 1,220 | - |
| Nonmajor governmental funds | <u>11,013</u> | <u>2,155,276</u> |
| Totals | <u><u>\$ 2,166,289</u></u> | <u><u>\$ 2,166,289</u></u> |

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

2. Transfers

Interfund transfers are defined as "flows of assets without equivalent flow of assets in return and without a requirement for repayment." Transfers are the use of funds collected in one fund and are transferred to finance various programs accounted for in other funds. The composition of interfund transfers for the fiscal year ended August 31, 2024 is as follows:

| Transfer Out | Transfers In | Amount |
|-----------------------|-------------------|--------|
| Capital Projects Fund | Debt Service Fund | 634 |

College Station Independent School District
Notes to the Financial Statements

D. Capital Assets

Capital asset activity for the fiscal year ended August 31, 2024 was as follows:

| | Beginning Balance | Additions | Retirements, Transfers, and Adjustments | Ending Balance |
|---|-----------------------|----------------------|---|-----------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated and amortized: | | | | |
| Land and improvements | \$ 25,507,272 | \$ - | \$ - | \$ 25,507,272 |
| Construction in progress | 15,931,340 | 19,419,332 | (9,980,942) | 25,369,730 |
| | | | | |
| Total capital assets, not being depreciated and amortized | 41,438,612 | 19,419,332 | (9,980,942) | 50,877,002 |
| | | | | |
| Capital assets, being depreciated and amortized: | | | | |
| Buildings and improvements | 547,745,687 | 1,603,458 | 9,980,942 | 559,330,087 |
| Furniture and equipment | 42,734,627 | 8,970,460 | (37,836) | 51,667,251 |
| Right-to-use lease assets - furniture and equipment | 757,028 | 5,550 | (454,558) | 308,020 |
| Right-to-use subscription assets | 510,983 | 3,620,611 | - | 4,131,594 |
| | | | | |
| Total capital assets, being depreciated and amortized | 591,748,325 | 14,200,079 | 9,488,548 | 615,436,952 |
| | | | | |
| Less accumulated depreciation and amortization for: | | | | |
| Buildings and improvements | (203,839,102) | (16,232,588) | - | (220,071,690) |
| Furniture and equipment | (34,927,864) | (2,546,347) | 37,836 | (37,436,375) |
| Right-to-use lease assets - furniture and equipment | (105,080) | (77,005) | 48,367 | (133,718) |
| Right-to-use subscription assets | (243,770) | (840,594) | - | (1,084,364) |
| | | | | |
| Total accumulated depreciation and amortization | (239,115,816) | (19,696,534) | 86,203 | (258,726,147) |
| | | | | |
| Total capital assets, being depreciated and amortized, net | 352,632,509 | (5,496,455) | 9,574,751 | 356,710,805 |
| | | | | |
| Governmental activities capital assets, net | \$ 394,071,121 | \$ 13,922,877 | \$ (406,191) | \$ 407,587,807 |
| | | | | |
| Business-type activities: | | | | |
| Capital assets, being depreciated and amortized: | | | | |
| Furniture and equipment | \$ 7,902 | \$ - | \$ - | \$ 7,902 |
| | | | | |
| Less accumulated depreciation and amortization for: | | | | |
| Furniture and equipment | (7,902) | - | - | (7,902) |
| | | | | |
| Business-type activities capital assets, net | \$ - | \$ - | \$ - | \$ - |

College Station Independent School District

Notes to the Financial Statements

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

Governmental activities:

| | | |
|--|--|-----------------------------|
| 11 | Instruction | \$ 12,816,026 |
| 12 | Instructional resources and media services | 275,226 |
| 13 | Curriculum and instructional staff development | 57,275 |
| 21 | Instructional leadership | 183 |
| 23 | School leadership | 798,477 |
| 31 | Guidance, counseling, and evaluation services | 295,194 |
| 33 | Health services | 94,721 |
| 34 | Student transportation | 799,845 |
| 35 | Food services | 328,028 |
| 36 | Extracurricular activities | 1,738,543 |
| 41 | General administration | 270,681 |
| 51 | Plant maintenance and operations | 1,106,520 |
| 52 | Security and monitoring services | 174,459 |
| 53 | Data processing services | 905,925 |
| 61 | Community services | 35,431 |
| | | <u>35,431</u> |
| Total depreciation and amortization expense - governmental activities | | <u>\$ 19,696,534</u> |

Construction Commitments

The District has active construction projects as of August 31, 2024. The projects include the construction and equipment of school facilities. At year end, the District's commitments with contractors are as follows:

| Project | Remaining Commitment |
|-----------------------------------|--------------------------|
| Cypress Grove Intermediate School | \$ 134,889 |
| Total | <u>\$ 134,889</u> |

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

E. Long-term Liabilities

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

College Station Independent School District

Notes to the Financial Statements

Changes in Long-term Liabilities

Long-term liability activity for the fiscal year ended August 31, 2024, was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|--------------------------------|-----------------------|-----------------------|------------------------|-----------------------|------------------------|
| Governmental activities: | | | | | |
| Bonds payable: | | | | | |
| General obligation bonds | \$ 324,710,000 | \$ 94,445,000 | \$ (25,470,000) | \$ 393,685,000 | \$ 28,385,000 |
| Issuance premiums | 22,404,806 | 4,769,679 | (2,543,866) | 24,630,619 | - |
| Total bonds payable, net | 347,114,806 | 99,214,679 | (28,013,866) | 418,315,619 | 28,385,000 |
| Leases payable | 461,750 | 5,550 | (376,567) | 90,733 | 39,073 |
| Subscriptions payable | 76,104 | 3,620,611 | (785,066) | 2,911,649 | 663,419 |
| Arbitrage liability | 642,408 | 992,947 | - | 1,635,355 | 64,534 |
| Workers' compensation | 765,015 | - | (188,883) | 576,132 | 576,132 |
| Compensated absences | 936,748 | 185,576 | (183,504) | 938,820 | 135,405 |
| Net pension liability | 41,049,118 | 14,744,021 | (3,884,434) | 51,908,705 | - |
| Net OPEB liability | 24,246,437 | 2,495,892 | (3,507,176) | 23,235,153 | - |
| Governmental activities | | | | | |
| long-term liabilities | \$ 415,292,386 | \$ 121,259,276 | \$ (36,939,496) | \$ 499,612,166 | \$ 29,863,563 |

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

General Obligation Bonds

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

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

| Series | Interest Rate | Original Issue | Maturity Date | Beginning Balance | Additions | Reductions | Ending Balance |
|---------------|------------------|-------------------|------------------|-----------------------|----------------------|------------------------|-----------------------|
| 2014 SCH | 3.00-5.00% | 78,790,000 | 2037 | \$ 54,275,000 | \$ - | \$ (10,500,000) | \$ 43,775,000 |
| 2015 REF | 2.00-5.00% | 46,455,000 | 2027 | 16,925,000 | - | (3,945,000) | 12,980,000 |
| 2016 SCH | 2.00-5.00% | 64,100,000 | 2041 | 47,110,000 | - | (1,875,000) | 45,235,000 |
| 2016 REF | 1.75-5.00% | 37,345,000 | 2034 | 28,845,000 | - | (3,775,000) | 25,070,000 |
| 2017 SCH | 3.00-5.00% | 65,450,000 | 2042 | 56,290,000 | - | (2,035,000) | 54,255,000 |
| 2017 REF | 3.00-5.00% | 46,125,000 | 2036 | 45,510,000 | - | - | 45,510,000 |
| 2020 REF | 5.00% | 10,930,000 | 2024 | 2,285,000 | - | (2,285,000) | - |
| 2022 SCH | 2.25 - 5.00% | 73,470,000 | 2047 | 73,470,000 | - | (1,055,000) | 72,415,000 |
| 2024 SCH | 4.00-5.00% | 94,445,000 | 2049 | - | 94,445,000 | - | 94,445,000 |
| Totals | | | | \$ 324,710,000 | \$ 94,445,000 | \$ (25,470,000) | \$ 393,685,000 |

College Station Independent School District

Notes to the Financial Statements

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

| Year Ending August 31, | Principal | Interest | Total Requirements |
|---------------------------|-----------------------|-----------------------|-----------------------|
| 2025 | \$ 28,385,000 | \$ 15,501,439 | \$ 43,886,439 |
| 2026 | 21,145,000 | 13,849,381 | 34,994,381 |
| 2027 | 21,860,000 | 12,931,931 | 34,791,931 |
| 2028 | 18,185,000 | 11,988,931 | 30,173,931 |
| 2029 | 18,995,000 | 11,197,831 | 30,192,831 |
| 2030 | 19,845,000 | 10,348,131 | 30,193,131 |
| 2031 | 17,650,000 | 9,557,294 | 27,207,294 |
| 2032 | 21,490,000 | 8,764,700 | 30,254,700 |
| 2033 | 22,595,000 | 7,986,088 | 30,581,088 |
| 2034 | 23,385,000 | 7,224,481 | 30,609,481 |
| 2035 | 22,205,000 | 6,420,122 | 28,625,122 |
| 2036 | 18,870,000 | 5,646,325 | 24,516,325 |
| 2037 | 16,910,000 | 4,973,428 | 21,883,428 |
| 2038 | 13,995,000 | 4,367,069 | 18,362,069 |
| 2039 | 13,665,000 | 3,870,559 | 17,535,559 |
| 2040 | 14,145,000 | 3,386,325 | 17,531,325 |
| 2041 | 14,660,000 | 2,872,775 | 17,532,775 |
| 2042 | 11,695,000 | 2,337,650 | 14,032,650 |
| 2043 | 8,025,000 | 1,946,763 | 9,971,763 |
| 2044 | 8,300,000 | 1,669,950 | 9,969,950 |
| 2045 | 8,595,000 | 1,373,775 | 9,968,775 |
| 2046 | 8,915,000 | 1,060,119 | 9,975,119 |
| 2047 | 9,230,000 | 739,494 | 9,969,494 |
| 2048 | 5,355,000 | 464,950 | 5,819,950 |
| 2049 | 5,585,000 | 237,362 | 5,822,362 |
| Totals | \$ 393,685,000 | \$ 150,716,873 | \$ 544,401,873 |

As of August 31, 2024, the District has \$254,120,000 of authorized but unissued bonds available from the November 2023 and May 2024 bond elections.

The District defeased certain bonds through the issuance of new bonds and placed the proceeds in an irrevocable trust to provide for all future debt service payments of the old bonds. Securities being utilized to repay the refinanced debt as it becomes due consist solely of U.S. government obligations. Accordingly, the trust account securities and the liability for the defeased bonds are not included in the District's basic financial statements. As of August 31, 2024, there were no outstanding defeased bonds.

The District cash defeased \$8,000,000 of the Series 2014 bonds during the year, which was called on August 27, 2024 and did not remain outstanding as of August 31, 2024.

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed or are not performed correctly, a liability to the District could result. The District periodically engages an arbitrage consultant to perform the calculations in accordance with the Internal Revenue Service's rules and regulations. The District identified arbitrage liability of \$1,635,355 as of August 31, 2024.

College Station Independent School District

Notes to the Financial Statements

Leases Payable

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

| | Interest Rate(s) | Lease Term in Years | Ending Balance |
|--------------------------------------|---------------------|------------------------|-------------------|
| Governmental activities: | | | |
| Copiers | 4.99% | 4.0 | \$ 90,733 |
| Total governmental activities | | | \$ 90,733 |

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

| Year Ending August 31, | Principal | Interest | Total Requirements |
|---------------------------|------------------|-----------------|-----------------------|
| 2025 | \$ 39,073 | \$ 3,642 | \$ 42,715 |
| 2026 | 41,068 | 1,647 | 42,715 |
| 2027 | 10,592 | 88 | 10,680 |
| Totals | \$ 90,733 | \$ 5,377 | \$ 96,110 |

The value of the right-to-use assets as of the end of the current fiscal year was \$308,020 and had accumulated amortization of \$133,718.

Subscription Based Information Technology Arrangements (SBITA)

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

| | Interest Rate(s) | Lease Term in Years | Ending Balance |
|--------------------------------------|---------------------|------------------------|---------------------|
| Governmental activities: | | | |
| Software subscriptions | 1.58%-4.30% | 2.0-4.0 | \$ 2,911,649 |
| Total governmental activities | | | \$ 2,911,649 |

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

| Year Ending August 31, | Principal | Interest | Total Requirements |
|---------------------------|---------------------|-------------------|-----------------------|
| 2025 | \$ 663,419 | \$ 122,102 | \$ 785,521 |
| 2026 | 722,212 | 94,255 | 816,467 |
| 2027 | 731,765 | 63,940 | 795,705 |
| 2028 | 794,253 | 33,279 | 827,532 |
| Totals | \$ 2,911,649 | \$ 313,576 | \$ 3,225,225 |

College Station Independent School District

Notes to the Financial Statements

The value of the subscription assets as of the end of the current fiscal year was \$4,131,594 and had accumulated amortization of \$1,084,364.

F. Fund Balance

Other committed fund balance includes the following commitments of funds:

| | |
|---|---------------------|
| Governmental funds: | |
| General fund - insurance reserves | \$ 1,000,000 |
| Campus activity | 2,046,026 |
| | <hr/> |
| Total other committed fund balance | \$ 3,046,026 |
| | <hr/> <hr/> |

G. Revenues from Local and Intermediate Sources

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

| | General | Debt Service | Capital Projects Funds | Nonmajor Governmental Funds | Totals |
|----------------------|-----------------------|----------------------|------------------------------|-----------------------------------|-----------------------|
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Property taxes | \$ 96,618,925 | \$ 36,261,670 | \$ - | \$ - | \$ 132,880,595 |
| Investment income | 3,327,269 | 1,734,550 | 2,124,701 | 172,935 | 7,359,455 |
| Charges for services | 821,704 | - | - | 3,527,542 | 4,349,246 |
| Gifts and bequests | - | - | - | 966,517 | 966,517 |
| Other | 446,711 | - | 7,866 | 1,379,093 | 1,833,670 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Totals | \$ 101,214,609 | \$ 37,996,220 | \$ 2,132,567 | \$ 6,046,087 | \$ 147,389,483 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

Note 4. Other Information

A. Risk Management

General

Like all public-school districts, the District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased commercial insurance for claims related to all risks.

Health Care Coverage

During the fiscal year ended August 31, 2024, employees of the District were covered by Texas Municipal League Health Benefits Pool (the Pool) a cost sharing risk pool. The District paid a minimum of \$445 in premiums per month, per employee to the Pool. Employees, at their option, authorized payroll withholdings to pay premiums for dependents.

Workers' Compensation

During the fiscal year ended August 31, 2024, the District met its statutory workers' compensation obligations by participating as a self-funded member of the Texas Association of School Boards (TASB) Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and Chapter 504, Texas Labor Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

College Station Independent School District

Notes to the Financial Statements

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

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

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2023, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

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

| | Year Ended 8/31/2024 | Year Ended 8/31/2023 |
|---|-------------------------|-------------------------|
| Unpaid claims, beginning of fiscal year | \$ 765,015 | \$ 624,241 |
| Incurred claims (including IBNRs and changes in provisions) | - | 450,991 |
| Claim payments | (188,883) | (310,217) |
| Unpaid claims, end of fiscal year | \$ 576,132 | \$ 765,015 |

B. Litigation and Contingencies

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

The District participates in a number of federal and state financial assistance programs. Although the District's grant programs have been audited in accordance with the provisions of the Single Audit Act through August 31, 2024, these programs are subject to financial and compliance audits by the grantor agencies. The District is also subject to audit by the TEA of the attendance data upon which payments from the agency are based. These audits could result in questioned costs or refunds to be paid back to the granting agencies.

C. Defined Benefit Pension Plan

Plan Description

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

College Station Independent School District

Notes to the Financial Statements

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

Benefits Provided

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

Texas Government Code section 821.006 prohibits benefit improvements if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Contributions

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025.

Rates for such plan fiscal years are as follows:

| | Contribution Rates | |
|--|--------------------|-------|
| | 2024 | 2023 |
| Member | 8.25% | 8.00% |
| Non-employer contributing entity (State) | 8.25% | 8.00% |
| Employers (District) | 8.25% | 8.00% |

College Station Independent School District

Notes to the Financial Statements

The contribution amounts for the District's fiscal year 2024 are as follows:

| | |
|--------------------------------------|--------------|
| District contributions | \$ 4,275,070 |
| Member contributions | 8,790,968 |
| NECE on-behalf contributions (State) | 6,267,375 |

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

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

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

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

- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment-after-retirement surcharge.
- Public education employer contribution - all public schools, charter schools and regional education service centers must contribute 1.8% of the member's salary beginning in fiscal year 2023, gradually increasing to 2.0% in fiscal year 2025.

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

On August 31, 2024, the District reported a liability of \$51,908,705 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District are as follows:

| | |
|---|-----------------------|
| District's proportionate share of the net pension liability | \$ 51,908,705 |
| State's proportionate share of the net pension liability associated with the District | 76,441,554 |
| | <hr/> |
| Total | \$ 128,350,259 |
| | <hr/> <hr/> |

College Station Independent School District

Notes to the Financial Statements

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

At the measurement date of August 31, 2023, the District's proportion of the collective net pension liability was 0.0755691%, which was an increase of 0.0064250% from its proportion measured as of August 31, 2022.

For the fiscal year ended August 31, 2024, the District recognized pension expense of \$20,781,925 and revenue of \$11,542,013 for support provided by the State.

On August 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| | <u> </u> | <u> </u> |
| Differences between expected and actual experience | \$ 1,849,525 | \$ 628,558 |
| Changes of assumptions | 4,909,547 | 1,201,478 |
| Difference between projected and actual earnings on pension plan investments | 7,553,977 | - |
| Changes in proportion and differences between District's contributions and the proportionate share of contributions | 5,802,569 | 3,222,722 |
| District contributions paid subsequent to the measurement date | 4,275,070 | - |
| | <u> </u> | <u> </u> |
| Totals | <u><u>\$ 24,390,688</u></u> | <u><u>\$ 5,052,758</u></u> |

\$4,275,070 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| | Year Ending August 31, |
|--------------|-----------------------------|
| | <u> </u> |
| 2025 | \$ 3,143,380 |
| 2026 | 1,949,506 |
| 2027 | 7,093,685 |
| 2028 | 2,337,566 |
| 2029 | 538,723 |
| | <u> </u> |
| Total | <u><u>\$ 15,062,860</u></u> |

College Station Independent School District

Notes to the Financial Statements

Actuarial Methods and Assumptions

The actuarial valuation of the total pension liability was performed as of August 31, 2022. Update procedures were used to roll forward the total pension liability to August 31, 2023 and was determined using the following actuarial methods and assumptions:

| | |
|---|---|
| Actuarial cost method | Individual entry age normal |
| Asset valuation method | Fair value |
| Single discount rate | 7.00% |
| Long-term expected rate of return | 7.00% |
| Municipal bond rate as of August 2023 | 4.13%. Source for the rate is the Fixed Income Market Data / Yield Curve / Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index." |
| Last year ending August 31 in projection period (100 years) | 2122 |
| Inflation | 2.30% |
| Salary increases | 2.95% to 8.95% including inflation |
| Ad hoc postemployment benefit changes | None |
| Mortality rates | The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published projection scale ("U-MP"). The active mortality rates were based on the published PUB(2010) Mortality Tables for Teachers, below median, also with full generational mortality. |

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

College Station Independent School District

Notes to the Financial Statements

Discount Rate and Long-term Expected Rate of Return

A single discount rate of 7.00% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash flows used to determine the single discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity will be made at the rates set by the legislature in the 2019 session. It is assumed that future employer and state contributions will be 9.50 percent of payroll in fiscal year 2024 gradually increasing to 9.56 percent in fiscal year 2025 and thereafter. This includes all employer and state contributions for active and rehired retirees.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in TRS's target asset allocation as of August 31, 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: | | | |
| U.S. | 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* | - | 3.6% | - |
| 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 | - | 4.4% | - |
| Risk parity: | | | |
| Risk parity | 8.0% | 4.5% | 0.4% |
| Asset allocation leverage: | | | |
| Cash | 2.0% | 3.7% | - |
| Asset allocation leverage | -6.0% | 4.4% | -0.1% |
| Inflation expectation | | | 2.3% |
| Volatility drag**** | | | -0.9% |
| Total | 100.0% | | 8.0% |

* Absolute return includes credit sensitive investments.

** Target allocations are based on the FY 2023 policy model.

*** Capital market assumptions come from Aon Hewitt (as of 06/30/2023).

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

College Station Independent School District

Notes to the Financial Statements

Discount Rate Sensitivity Analysis

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

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|---|------------------------|-------------------------------------|------------------------|
| District's proportionate share of the net pension liability | \$ 77,606,388 | \$ 51,908,705 | \$ 30,541,067 |

Change of Assumptions Since the Prior Measurement Date

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

Change of Benefit Terms Since the Prior Measurement Date

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 was paid January 2024. Therefore, this contingent liability was not reflected as of measurement period ending August 31, 2023.

D. Defined Other Postemployment Benefit Plan

Plan Description

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

OPEB Plan Fiduciary Net Position

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

Benefits Provided

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

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

College Station Independent School District

Notes to the Financial Statements

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

TRS-Care Monthly Premium Rates

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

Contributions

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

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

Rates for such plan fiscal years are as follows:

| | <u>Contribution Rates</u> | |
|--|---------------------------|-------------|
| | <u>2024</u> | <u>2023</u> |
| Active employee | 0.65% | 0.65% |
| Non-employer contribution entity (State) | 1.25% | 1.25% |
| Employers (District) | 0.75% | 0.75% |
| Federal/private funding* | 1.25% | 1.25% |

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

The contribution amounts for the District's fiscal year 2024 are as follows:

| | |
|--------------------------------------|------------|
| District contributions | \$ 948,922 |
| Member contributions | 692,630 |
| NECE on-behalf contributions (State) | 1,220,207 |

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

The State of Texas also contributed \$557,887, \$549,497 and \$387,902 in 2024, 2023, and 2022, respectively, for on-behalf payments for Medicare Part D.

College Station Independent School District

Notes to the Financial Statements

TRS-Care received a supplemental appropriation from the State of Texas as the Non-Employer Contributing Entity in the amount of \$21 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.

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

On August 31, 2024, the District reported a liability of \$23,235,153 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided by the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District are as follows:

| | |
|--|-----------------------------|
| District's proportionate share of the net OPEB liability | \$ 23,235,153 |
| State's proportionate share of the net OPEB liability associated with the District | <u>28,036,783</u> |
| Total | <u><u>\$ 51,271,936</u></u> |

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

At the measurement date of August 31, 2023, the employer's proportion of the collective net OPEB liability was 0.1049545%, which was an increase of 0.0036914% from its proportion measured as of August 31, 2022.

For the fiscal year ended August 31, 2024, the District recognized net OPEB revenue of \$(9,908,584) due to recognition of deferred inflows in excess of deferred outflows and current year expense. OPEB revenue of \$(5,993,673) was recognized for support provided by the State.

On August 31, 2024, the District reported it's proportionate share of the TRS' deferred outflows of resources and deferred inflows of resources related to other postemployment benefits from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| | <u> </u> | <u> </u> |
| Differences between expected and actual experience | \$ 1,051,215 | \$ 19,547,980 |
| Changes of assumptions | 3,171,429 | 14,227,501 |
| Difference between projected and actual earnings on OPEB plan investments | 10,038 | - |
| Changes in proportion and difference between District's contributions and the proportionate share of contributions | 4,115,065 | 1,776,410 |
| District contributions paid subsequent to the measurement date | <u>948,922</u> | <u>-</u> |
| Totals | <u><u>\$ 9,296,669</u></u> | <u><u>\$ 35,551,891</u></u> |

College Station Independent School District

Notes to the Financial Statements

\$948,922 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended August 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ending August 31, | |
|---------------------------|--------------------------------------|
| 2025 | \$ (5,834,639) |
| 2026 | (4,768,951) |
| 2027 | (3,326,190) |
| 2028 | (4,357,494) |
| 2029 | (3,842,031) |
| Thereafter | <u>(5,074,839)</u> |
| Total | <u><u>\$ (27,204,144)</u></u> |

Actuarial Methods and Assumptions

The actuarial valuation of the total OPEB liability 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 of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The following assumptions used for the valuation of the TRS-Care OPEB liability are identical to the assumptions employed in the August 31, 2022 TRS pension actuarial valuation that was rolled forward to August 31, 2023:

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

See Note 4.C. for detail on these assumptions. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2021.

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.

The initial medical trend rates were 7.75% for Medicare retirees and 7.00% for non-Medicare retirees. There was an initial prescription drug trend rate of 7.75% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 12 years.

College Station Independent School District

Notes to the Financial Statements

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

| | |
|---------------------------------------|--|
| Actuarial cost method | Individual entry age normal |
| Single discount rate | 4.13% |
| Aging factors | Based on plan specific experience |
| Election rates | Normal retirement: 62% participation prior to age 65 and 25% after age 65. Pre-65 retirees: 30% of pre-65 retirees are assumed to discontinue coverage at age 65. |
| Expenses | Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs. |
| Ad hoc postemployment benefit changes | None |

Discount Rate

A single discount rate of 4.13% was used to measure the total OPEB liability at August 31, 2023. This was an increase of 0.22% in the discount rate since the August 31, 2022 measurement date. The plan is essentially a "pay-as-you-go" plan, and based on the assumption that contributions are made at the statutorily required rates, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments to current plan members and therefore, the single discount rate is equal to the prevailing municipal bond rate. The source for the rate is the Fixed Income Market Data / Yield Curve / Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of August 31, 2023.

Sensitivity Analysis of Rates

Discount Rate

The following table presents the District's proportionate share of the TRS-Care net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that was 1% less than and 1% greater than the discount rate that was used (4.13%) in measuring the net OPEB liability.

| | 1% Decrease (3.13%) | Current Discount Rate (4.13%) | 1% Increase (5.13%) |
|--|------------------------|-------------------------------------|------------------------|
| District's proportionate share of the net OPEB liability | \$ 27,366,172 | \$ 23,235,153 | \$ 19,864,144 |

College Station Independent School District

Notes to the Financial Statements

Healthcare Cost Trend Rates

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

| | 1% Decrease | Current Healthcare Cost Trend Rate | 1% Increase |
|--|---------------|--|---------------|
| District's proportionate share of the net OPEB liability | \$ 19,132,986 | \$ 23,235,153 | \$ 28,512,605 |

Change of Assumptions Since the Prior Measurement Date

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

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

Change of Benefit Terms Since the Prior Measurement Date

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

E. Joint Venture-Shared Services Arrangement

The District participates in the following shared services arrangement:

Brazos Valley Regional Day School Program for the Deaf

The District participates in a shared services arrangement, Brazos Valley Regional Day School Program for the Deaf, with numerous districts for the education of students with a hearing impairment. The District neither has a joint ownership interest in capital assets purchased by the fiscal agent, Bryan Independent School District, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent is responsible for the financial activities of the shared services arrangement. The District's portion of expenditures for the fiscal year ended August 31, 2024 totaled \$89,397.

F. Nonmonetary Transactions

During 2024, the District received goods purchased by the State of Texas for the benefit of the District through the Technology and Instructional Materials Allotment program. The instructional materials have been recorded in the amount of \$744,830 in a special revenue fund as both state revenues and expenditures, which represents the amount of consideration given by the State of Texas.

During 2024, the District received goods purchased by the Texas Department of Agriculture (TDA) through the Food Distribution Program (commodities). These commodities have been recorded in the amount of \$496,918 in a special revenue fund as federal revenues, which represents the amount of consideration given by TDA.

College Station Independent School District

Notes to the Financial Statements

Extraordinary Items

During 2024, the District reported certain transactions as extraordinary items that are unusual in nature and infrequent in occurrence:

| | <u>General Fund</u> |
|---|-------------------------|
| Payments for winter and hail storm damage | \$ (511,394) |

This Page Intentionally Left Blank

**Required Supplementary Information
(Unaudited)**

College Station Independent School District
Schedule of Revenues, Expenditures, and Changes in
Fund Balance – Budget and Actual
General Fund
For the Fiscal Year Ended August 31, 2024

Exhibit G-1

| Data Control Codes | | 1 | 2 | 3 | Variance with Final Budget |
|---------------------------------------|--|----------------------|----------------------|----------------------|-------------------------------|
| | | Budgeted Amounts | | Actual | |
| | | Original | Final | | |
| REVENUES | | | | | |
| 5700 | Local and intermediate sources | \$ 102,815,086 | \$ 99,715,086 | \$ 101,214,609 | \$ 1,499,523 |
| 5800 | State program revenues | 38,576,359 | 43,920,448 | 48,193,208 | 4,272,760 |
| 5900 | Federal program revenues | 2,900,000 | 2,900,000 | 2,577,209 | (322,791) |
| 5020 | Total revenues | 144,291,445 | 146,535,534 | 151,985,026 | 5,449,492 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| 0011 | Instruction | 85,219,945 | 85,888,270 | 86,013,781 | (125,511) |
| 0012 | Instructional resources and media services | 1,362,681 | 1,377,955 | 1,365,619 | 12,336 |
| 0013 | Curriculum and instructional staff development | 894,627 | 1,594,814 | 1,314,164 | 280,650 |
| 0021 | Instructional leadership | 2,361,637 | 2,381,880 | 2,309,975 | 71,905 |
| 0023 | School leadership | 7,792,380 | 7,729,416 | 7,403,433 | 325,983 |
| 0031 | Guidance, counseling, and evaluation services | 5,450,099 | 5,643,449 | 5,590,499 | 52,950 |
| 0033 | Health services | 2,015,840 | 2,015,782 | 1,925,982 | 89,800 |
| 0034 | Student transportation | 5,155,757 | 5,398,757 | 5,196,719 | 202,038 |
| 0035 | Food services | 2,258 | 2,758 | 2,265 | 493 |
| 0036 | Extracurricular activities | 5,775,983 | 5,831,000 | 5,655,463 | 175,537 |
| 0041 | General administration | 4,537,441 | 4,794,543 | 4,852,823 | (58,280) |
| 0051 | Plant maintenance and operations | 17,950,079 | 17,954,580 | 17,716,862 | 237,718 |
| 0052 | Security and monitoring services | 2,036,257 | 2,068,723 | 2,109,069 | (40,346) |
| 0053 | Data processing services | 3,491,773 | 5,960,787 | 5,809,129 | 151,658 |
| 0061 | Community services | 221,357 | 221,358 | 118,852 | 102,506 |
| Debt service: | | | | | |
| 0071 | Principal on long-term debt | - | 1,019,480 | 750,446 | 269,034 |
| 0072 | Interest on long-term debt | - | 25,000 | 18,033 | 6,967 |
| Intergovernmental charges: | | | | | |
| 0091 | Contracted instructional services between public schools | - | 28,145 | 28,145 | - |
| 0093 | Payments related to shared services arrangements | 150,000 | 150,000 | 89,397 | 60,603 |
| 0095 | Payments to juvenile justice alternative education programs | 12,000 | 12,000 | 12,034 | (34) |
| 0099 | Other intergovernmental charges | 1,581,553 | 1,626,553 | 1,398,922 | 227,631 |
| 6030 | Total expenditures | 146,011,667 | 151,725,250 | 149,681,612 | 2,043,638 |
| 1100 | Excess (deficiency) of revenues over (under) expenditures | (1,720,222) | (5,189,716) | 2,303,414 | 7,493,130 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| 7913 | Issuance of leases | - | 676,277 | 5,550 | (670,727) |
| 7940 | Issuance of subscriptions | - | 3,220,203 | 3,220,203 | - |
| 8949 | Refunds to taxpayers | - | (25,000) | (274,158) | (249,158) |
| 7080 | Total other financing sources (uses) | - | 3,871,480 | 2,951,595 | (919,885) |
| EXTRAORDINARY ITEMS | | | | | |
| 8913 | Payments for winter and hail storm damage | - | (575,000) | (511,394) | 63,606 |
| 7080 | Total extraordinary items | - | (575,000) | (511,394) | 63,606 |
| 1200 | Net change in fund balance | (1,720,222) | (1,893,236) | 4,743,615 | 6,636,851 |
| 0100 | Fund balance - beginning | 39,162,307 | 39,162,307 | 39,162,307 | - |
| 3000 | FUND BALANCE - ENDING | \$ 37,442,085 | \$ 37,269,071 | \$ 43,905,922 | \$ 6,636,851 |

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

College Station Independent School District

Exhibit G-2

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

| Year | District's Proportion of Net Pension Liability | District's Proportionate Share of the Net Pension Liability | State's Proportionate Share of the Net Pension Liability Associated with the District | Total | District's Covered Payroll | District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|------|--|---|---|----------------|----------------------------|--|--|
| 2024 | 0.0755691% | \$ 51,908,705 | \$ 76,441,554 | \$ 128,350,259 | \$ 102,002,006 | 50.89% | 73.15% |
| 2023 | 0.0691442% | 41,049,118 | 67,923,413 | 108,972,531 | 93,618,435 | 43.85% | 75.62% |
| 2022 | 0.0753375% | 19,185,806 | 30,232,659 | 49,418,465 | 91,641,814 | 20.94% | 88.79% |
| 2021 | 0.0623180% | 33,376,266 | 71,709,152 | 105,085,418 | 88,475,028 | 37.72% | 75.54% |
| 2020 | 0.0716106% | 37,225,409 | 61,296,657 | 98,522,066 | 82,679,455 | 45.02% | 75.24% |
| 2019 | 0.0704920% | 38,800,522 | 65,098,630 | 103,899,152 | 78,588,520 | 49.37% | 73.74% |
| 2018 | 0.0674064% | 21,552,941 | 37,406,346 | 58,959,287 | 74,083,764 | 29.09% | 82.17% |
| 2017 | 0.0685418% | 25,900,909 | 43,719,778 | 69,620,687 | 70,905,322 | 36.53% | 78.00% |
| 2016 | 0.0700071% | 24,746,578 | 39,780,931 | 64,527,509 | 65,947,738 | 37.52% | 78.43% |
| 2015 | 0.0486579% | 12,997,198 | 33,701,919 | 46,699,117 | 63,148,855 | 20.58% | 83.25% |

* The amounts presented for the fiscal years were determined as of the Plan's fiscal year end, August 31 of the prior year.

College Station Independent School District**Exhibit G-3**

Schedule of the District's Contributions to the
 Teacher Retirement System of Texas Pension Plan
 For the Last Ten Fiscal Years*

| Year | Contractually Required Contributions | Contributions in Relation to the Contractually Required Contributions | Contribution Deficiency (Excess) | District's Covered Payroll | Contributions as a Percentage of Covered Payroll |
|-------------|---|--|---|---|---|
| 2024 | \$ 4,275,070 | \$ (4,275,070) | \$ - | \$ 106,557,188 | 4.01% |
| 2023 | 3,748,319 | (3,748,319) | - | 102,002,006 | 3.67% |
| 2022 | 3,225,572 | (3,225,572) | - | 93,618,435 | 3.45% |
| 2021 | 3,068,014 | (3,068,014) | - | 91,641,814 | 3.35% |
| 2020 | 2,378,062 | (2,378,062) | - | 88,475,028 | 2.69% |
| 2019 | 2,509,106 | (2,509,106) | - | 82,679,455 | 3.03% |
| 2018 | 2,385,146 | (2,385,146) | - | 78,588,520 | 3.03% |
| 2017 | 2,209,189 | (2,209,189) | - | 74,083,764 | 2.98% |
| 2016 | 2,177,745 | (2,177,745) | - | 70,905,322 | 3.07% |
| 2015 | 2,072,942 | (2,072,942) | - | 65,947,738 | 3.14% |

* The amounts presented for the fiscal years were determined as of the District's fiscal year end.

College Station Independent School District

Exhibit G-4

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

| Year | District's Proportion of Net OPEB Liability | District's Proportionate Share of the Net OPEB Liability | State's Proportionate Share of the Net OPEB Liability Associated with the District | Total | District's Covered Payroll | District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability |
|------|--|--|---|---------------|----------------------------------|--|--|
| 2024 | 0.1049545% | \$ 23,235,153 | \$ 28,036,783 | \$ 51,271,936 | \$ 102,002,006 | 22.78% | 14.94% |
| 2023 | 0.1012631% | 24,246,437 | 29,576,843 | 53,823,280 | 93,618,435 | 25.90% | 11.52% |
| 2022 | 0.1028063% | 39,656,999 | 53,131,541 | 92,788,540 | 91,641,814 | 43.27% | 6.18% |
| 2021 | 0.1029940% | 39,152,652 | 52,611,780 | 91,764,432 | 88,475,028 | 44.25% | 4.99% |
| 2020 | 0.1577550% | 50,022,511 | 66,468,730 | 116,491,241 | 82,679,455 | 60.50% | 2.66% |
| 2019 | 0.1041698% | 52,012,954 | 65,727,916 | 117,740,870 | 78,588,520 | 66.18% | 1.57% |
| 2018 | 0.0952722% | 41,430,286 | 57,119,812 | 98,550,098 | 74,083,764 | 55.92% | 0.91% |

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

College Station Independent School District**Exhibit G-5**

Schedule of the District's Contributions to the
 Teacher Retirement System of Texas OPEB Plan
 For the Last Seven Fiscal Years*

| Year | Contractually Required Contributions | Contributions in Relation to the Contractually Required Contributions | Contribution Deficiency (Excess) | District's Covered Payroll | Contributions as a Percentage of Covered Payroll |
|-------------|---|--|---|---|---|
| 2024 | \$ 948,922 | \$ (948,922) | \$ - | \$ 106,557,188 | 0.89% |
| 2023 | 896,228 | (896,228) | - | 102,002,006 | 0.88% |
| 2022 | 832,091 | (832,091) | - | 93,618,435 | 0.89% |
| 2021 | 828,178 | (828,178) | - | 91,641,814 | 0.90% |
| 2020 | 779,715 | (779,715) | - | 88,475,028 | 0.88% |
| 2019 | 751,461 | (751,461) | - | 82,679,455 | 0.91% |
| 2018 | 717,875 | (717,875) | - | 78,588,520 | 0.91% |

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

College Station Independent School District
Notes to the Required Supplementary Information

Note 1. Budget

A. Budgetary Information

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

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

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

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

B. Budget to Actual Expenditures

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

| Fund | Function | Final Budget | Actual | Variance |
|---|---|---------------|---------------|--------------|
| General fund | Instruction | \$ 85,888,270 | \$ 86,013,781 | \$ (125,511) |
| General fund | General administration | 4,794,543 | 4,852,823 | (58,280) |
| General fund | Security and monitoring services | 2,068,723 | 2,109,069 | (40,346) |
| General fund | Payments to juvenile justice alternative education programs | 12,000 | 12,034 | (34) |
| National School Breakfast and Lunch Program | Food services | 8,650,948 | 9,278,582 | (627,634) |

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

College Station Independent School District
Notes to the Required Supplementary Information

Note 2. Net Pension Liability and Net OPEB Liability

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

Changes in Actuarial Assumptions and Inputs

| Measurement Date August 31, | Net Pension Liability | | Net OPEB Liability |
|-----------------------------|-----------------------|-----------------------------------|--------------------|
| | Discount Rate | Long-term Expected Rate of Return | Discount Rate |
| 2023 | 7.000% | 7.000% | 4.130% |
| 2022 | 7.000% | 7.000% | 3.910% |
| 2021 | 7.250% | 7.250% | 1.950% |
| 2020 | 7.250% | 7.250% | 2.330% |
| 2019 | 7.250% | 7.250% | 2.630% |
| 2018 | 6.907% | 7.250% | 3.690% |
| 2017 | 8.000% | 8.000% | 3.420% |
| 2016 | 8.000% | 8.000% | |
| 2015 | 8.000% | 8.000% | |
| 2014 | 8.000% | 8.000% | |

Changes in Demographic and Economic Assumptions

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

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

Changes in Benefit Terms

For measurement date August 31, 2023 – Net OPEB 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 was paid January 2024.

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

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

College Station Independent School District

Notes to the Required Supplementary Information

Other Changes

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

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

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

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

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

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

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

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

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

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

This Page Intentionally Left Blank

Supplementary Information

College Station Independent School District
 Combining Balance Sheet
 Nonmajor Governmental Funds – Special Revenue Funds
 August 31, 2024

| | | 205 | 211 | 224 | 225 |
|----------------------|--|--------------------|------------------------------|------------------------|--------------------------|
| Data Control Codes | | ESSA Title I, Part | | | |
| | | Head Start | A - Improving Basic Programs | IDEA - Part B, Formula | IDEA - Part B, Preschool |
| ASSETS | | | | | |
| 1110 | Cash and cash equivalents | \$ 74 | \$ - | \$ - | \$ - |
| 1120 | Current investments | - | - | - | - |
| 1240 | Due from other governments | 159,575 | 278,325 | 187,376 | - |
| 1260 | Due from other funds | - | - | - | - |
| 1290 | Other receivables | - | - | - | - |
| 1300 | Inventories | - | - | - | - |
| 1410 | Prepaid items | - | - | - | - |
| 1000 | TOTAL ASSETS | <u>\$ 159,649</u> | <u>\$ 278,325</u> | <u>\$ 187,376</u> | <u>\$ -</u> |
| LIABILITIES | | | | | |
| 2110 | Accounts payable | \$ 20,015 | \$ 7,944 | \$ - | \$ - |
| 2170 | Due to other funds | 139,634 | 270,381 | 187,376 | - |
| 2300 | Unearned revenue | - | - | - | - |
| 2000 | Total liabilities | 159,649 | 278,325 | 187,376 | - |
| FUND BALANCES | | | | | |
| 3450 | Restricted - grant funds | - | - | - | - |
| 3545 | Committed - other | - | - | - | - |
| 3000 | Total fund balances | - | - | - | - |
| 4000 | TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 159,649</u> | <u>\$ 278,325</u> | <u>\$ 187,376</u> | <u>\$ -</u> |

| 240 | 244 | 255 | 263 | 279 | 281 | 282 |
|--|--|--|--|---|---|---|
| National School Breakfast and Lunch Program | Career and Technical - Basic Grant | ESSA Title II, Part A - Teacher and Principal Training and Recruiting | Title III, Part A - English Language Acquisition and Enhancement | Texas COVID Learning Acceleration Supports - ARPA | Elementary and Secondary School Emergency Relief Fund II (CRRSA) | Elementary and Secondary School Emergency Relief Fund III ARPA |
| \$ 2,555,106 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 200,952 | - | - | - | - | - | - |
| 356,283 | 82,349 | 101,887 | 15,860 | 38,785 | - | 1,298,352 |
| 11,013 | - | - | - | - | - | - |
| 30,424 | - | - | - | - | - | - |
| 327,940 | - | - | - | - | - | - |
| - | - | - | - | - | - | 5,000 |
| <u>\$ 3,481,718</u> | <u>\$ 82,349</u> | <u>\$ 101,887</u> | <u>\$ 15,860</u> | <u>\$ 38,785</u> | <u>\$ -</u> | <u>\$ 1,303,352</u> |
| \$ 214,226 | \$ - | \$ 12,097 | \$ 3,700 | \$ - | \$ - | \$ 4,934 |
| - | 82,349 | 89,790 | 12,160 | 38,785 | - | 1,298,418 |
| 531,224 | - | - | - | - | - | - |
| 745,450 | 82,349 | 101,887 | 15,860 | 38,785 | - | 1,303,352 |
| 2,736,268 | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>2,736,268</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>\$ 3,481,718</u> | <u>\$ 82,349</u> | <u>\$ 101,887</u> | <u>\$ 15,860</u> | <u>\$ 38,785</u> | <u>\$ -</u> | <u>\$ 1,303,352</u> |

College Station Independent School District

Combining Balance Sheet

Nonmajor Governmental Funds – Special Revenue Funds – Continued

August 31, 2024

| | | 289 | 385 | 397 | 410 |
|----------------------|--|---|---|--|---|
| Data Control Codes | | <u>Federally Funded Special Revenue Funds</u> | <u>Supplemental Visually Impaired</u> | <u>Advanced Placement Incentives</u> | <u>Instructional Materials Allotment Fund</u> |
| ASSETS | | | | | |
| 1110 | Cash and cash equivalents | \$ - | \$ - | \$ 204 | \$ 261,873 |
| 1120 | Current investments | - | - | - | - |
| 1240 | Due from other governments | 80,035 | - | - | - |
| 1260 | Due from other funds | - | - | - | - |
| 1290 | Other receivables | - | - | - | - |
| 1300 | Inventories | - | - | - | - |
| 1410 | Prepaid items | - | - | - | - |
| 1000 | TOTAL ASSETS | <u>\$ 80,035</u> | <u>\$ -</u> | <u>\$ 204</u> | <u>\$ 261,873</u> |
| LIABILITIES | | | | | |
| 2110 | Accounts payable | \$ 28,480 | \$ - | \$ - | \$ 233,795 |
| 2170 | Due to other funds | 12,812 | - | - | - |
| 2300 | Unearned revenue | 38,743 | - | - | - |
| 2000 | Total liabilities | 80,035 | - | - | 233,795 |
| FUND BALANCES | | | | | |
| 3450 | Restricted - grant funds | - | - | 204 | 28,078 |
| 3545 | Committed - other | - | - | - | - |
| 3000 | Total fund balances | - | - | 204 | 28,078 |
| 4000 | TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 80,035</u> | <u>\$ -</u> | <u>\$ 204</u> | <u>\$ 261,873</u> |

| 427 | 428 | 429 | 461 | 481 | 482 | |
|--|---|--|--------------------------|----------------------------------|--------------------------------------|---|
| Workforce Investment Act Dislocated Workers Grant | Texas COVID Learning Acceleration Supports - General Revenue | State-Funded Special Revenue Funds | Campus Activity Funds | Education Foundation Grant | Adam Foundation Security Grant | Total Nonmajor Funds (See Exhibit C-1) |
| \$ - | \$ - | \$ 3,202 | \$ 2,111,527 | \$ 10,863 | \$ 609,440 | \$ 5,552,289 |
| - | - | - | - | - | - | 200,952 |
| 77 | - | 104,423 | - | - | - | 2,703,327 |
| - | - | - | - | - | - | 11,013 |
| - | - | - | - | - | - | 30,424 |
| - | - | - | - | - | - | 327,940 |
| - | - | - | - | - | - | 5,000 |
| <u>\$ 77</u> | <u>\$ -</u> | <u>\$ 107,625</u> | <u>\$ 2,111,527</u> | <u>\$ 10,863</u> | <u>\$ 609,440</u> | <u>\$ 8,830,945</u> |
| \$ - | \$ - | \$ 82,149 | \$ 60,811 | \$ 535 | \$ - | \$ 668,686 |
| 77 | - | 23,494 | - | - | - | 2,155,276 |
| - | - | - | 4,690 | - | - | 574,657 |
| 77 | - | 105,643 | 65,501 | 535 | - | 3,398,619 |
| - | - | 1,982 | - | 10,328 | 609,440 | 3,386,300 |
| - | - | - | 2,046,026 | - | - | 2,046,026 |
| - | - | 1,982 | 2,046,026 | 10,328 | 609,440 | 5,432,326 |
| <u>\$ 77</u> | <u>\$ -</u> | <u>\$ 107,625</u> | <u>\$ 2,111,527</u> | <u>\$ 10,863</u> | <u>\$ 609,440</u> | <u>\$ 8,830,945</u> |

College Station Independent School District
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds – Special Revenue Funds
For the Fiscal Year Ended August 31, 2024

| Data Control Codes | | 205 | 211 | 224 | 225 |
|---------------------------------------|---|------------|---|------------------------|--------------------------|
| | | Head Start | ESSA Title I, Part A - Improving Basic Programs | IDEA - Part B, Formula | IDEA - Part B, Preschool |
| REVENUES | | | | | |
| 5700 | Local and intermediate sources | \$ 424 | \$ 66 | \$ 42 | \$ - |
| 5800 | State program revenues | - | - | - | - |
| 5900 | Federal program revenues | 2,621,178 | 2,486,221 | 2,314,173 | 52,557 |
| 5020 | Total revenues | 2,621,602 | 2,486,287 | 2,314,215 | 52,557 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| 0011 | Instruction | 1,303,019 | 2,110,175 | 1,634,778 | 26,020 |
| 0012 | Instructional resources and media services | - | - | - | - |
| 0013 | Curriculum and instructional staff development | 339,525 | 317,945 | 6,820 | - |
| 0021 | Instructional leadership | 179,258 | - | 40,134 | - |
| 0023 | School leadership | - | 2,273 | - | - |
| 0031 | Guidance, counseling, and evaluation services | 3,992 | 5,567 | 632,483 | 26,537 |
| 0032 | Social work services | 12,981 | - | - | - |
| 0033 | Health services | 184,990 | - | - | - |
| 0034 | Student transportation | - | 40,000 | - | - |
| 0035 | Food services | - | - | - | - |
| 0036 | Extracurricular activities | - | 5,195 | - | - |
| 0041 | General administration | 17,729 | - | - | - |
| 0051 | Plant maintenance and operations | 10,950 | - | - | - |
| 0052 | Security and monitoring services | - | - | - | - |
| 0061 | Community services | 569,158 | 5,132 | - | - |
| Debt service: | | | | | |
| 0071 | Principal on long-term debt | - | - | - | - |
| 0072 | Interest on long-term debt | - | - | - | - |
| Capital outlay: | | | | | |
| 0081 | Facilities acquisition and construction | - | - | - | - |
| 6030 | Total expenditures | 2,621,602 | 2,486,287 | 2,314,215 | 52,557 |
| 1100 | Excess (deficiency) of revenues over (under) expenditures | - | - | - | - |
| OTHER FINANCING SOURCES (USES) | | | | | |
| 7940 | Issuance of subscriptions | - | - | - | - |
| 7080 | Total other financing sources (uses) | - | - | - | - |
| 1200 | Net change in fund balances | - | - | - | - |
| 0100 | Fund balances - beginning | - | - | - | - |
| 3000 | FUND BALANCES - ENDING | \$ - | \$ - | \$ - | \$ - |

| 240 | 244 | 255 | 263 | 279 | 281 | 282 |
|--|--|--|--|---|---|---|
| National School Breakfast and Lunch Program | Career and Technical - Basic Grant | ESSA Title II, Part A - Teacher and Principal Training and Recruiting | Title III, Part A - English Language Acquisition and Enhancement | Texas COVID Learning Acceleration Supports - ARPA | Elementary and Secondary School Emergency Relief Fund II (CRRSA) | Elementary and Secondary School Emergency Relief Fund III ARPA |
| \$ 3,340,764 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 47,554 | - | - | - | - | - | - |
| 5,841,391 | 216,007 | 564,064 | 153,026 | 703,320 | 18,173 | 2,341,951 |
| 9,229,709 | 216,007 | 564,064 | 153,026 | 703,320 | 18,173 | 2,341,951 |
| - | 116,618 | 126,170 | 85,967 | 639,332 | - | 498,545 |
| - | - | - | - | - | - | 856 |
| - | - | 406,722 | 67,059 | 63,988 | - | 735,081 |
| - | 99,389 | - | - | - | - | 6,868 |
| - | - | 31,172 | - | - | - | 150,812 |
| - | - | - | - | - | - | 183,177 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | 7,268 |
| - | - | - | - | - | - | 257,336 |
| 9,278,582 | - | - | - | - | - | - |
| - | - | - | - | - | - | 206,726 |
| - | - | - | - | - | - | 17,000 |
| 111,327 | - | - | - | - | 18,173 | 256,279 |
| - | - | - | - | - | - | 15,617 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | 36,162 |
| - | - | - | - | - | - | 99 |
| - | - | - | - | - | - | - |
| 9,389,909 | 216,007 | 564,064 | 153,026 | 703,320 | 18,173 | 2,371,826 |
| (160,200) | - | - | - | - | - | (29,875) |
| - | - | - | - | - | - | 29,875 |
| - | - | - | - | - | - | 29,875 |
| (160,200) | - | - | - | - | - | - |
| 2,896,468 | - | - | - | - | - | - |
| \$ 2,736,268 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

College Station Independent School District

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances

Nonmajor Governmental Funds – Special Revenue Funds – Continued
For the Fiscal Year Ended August 31, 2024

| | | 289 | 385 | 397 | 410 |
|---------------------------------------|--|---|--------------------------------------|-------------------------------------|--|
| Data Control Codes | | Federally Funded Special Revenue Funds | Supplemental Visually Impaired | Advanced Placement Incentives | Instructional Materials Allotment Fund |
| REVENUES | | | | | |
| 5700 | Local and intermediate sources | \$ 175 | \$ - | \$ - | \$ 6,557 |
| 5800 | State program revenues | - | 7,719 | 204 | 2,247,611 |
| 5900 | Federal program revenues | 236,570 | - | - | - |
| 5020 | Total revenues | 236,745 | 7,719 | 204 | 2,254,168 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| 0011 | Instruction | 128,392 | 7,719 | - | 2,490,083 |
| 0012 | Instructional resources and media services | - | - | - | - |
| 0013 | Curriculum and instructional staff development | 18,058 | - | - | - |
| 0021 | Instructional leadership | - | - | - | - |
| 0023 | School leadership | - | - | - | - |
| 0031 | Guidance, counseling, and evaluation services | 20,700 | - | - | - |
| 0032 | Social work services | - | - | - | - |
| 0033 | Health services | 12,059 | - | - | - |
| 0034 | Student transportation | - | - | - | - |
| 0035 | Food services | - | - | - | - |
| 0036 | Extracurricular activities | - | - | - | - |
| 0041 | General administration | - | - | - | 345 |
| 0051 | Plant maintenance and operations | - | - | - | - |
| 0052 | Security and monitoring services | 57,536 | - | - | - |
| 0061 | Community services | - | - | - | - |
| Debt service: | | | | | |
| 0071 | Principal on long-term debt | - | - | - | 117,067 |
| 0072 | Interest on long-term debt | - | - | - | 1,103 |
| Capital outlay: | | | | | |
| 0081 | Facilities acquisition and construction | - | - | - | - |
| 6030 | Total expenditures | 236,745 | 7,719 | - | 2,608,598 |
| 1100 | Excess (deficiency) of revenues over (under) expenditures | - | - | 204 | (354,430) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| 7940 | Issuance of subscriptions | - | - | - | 370,533 |
| 7080 | Total other financing sources (uses) | - | - | - | 370,533 |
| 1200 | Net change in fund balances | - | - | 204 | 16,103 |
| 0100 | Fund balances - beginning | - | - | - | 11,975 |
| 3000 | FUND BALANCES - ENDING | \$ - | \$ - | \$ 204 | \$ 28,078 |

| 427 | 428 | 429 | 461 | 481 | 482 | |
|--|---|--|--------------------------|----------------------------------|--------------------------------------|---|
| Workforce Investment Act Dislocated Workers Grant | Texas COVID Learning Acceleration Supports - General Revenue | State-Funded Special Revenue Funds | Campus Activity Funds | Education Foundation Grant | Adam Foundation Security Grant | Total Nonmajor Funds (See Exhibit C-2) |
| \$ - | \$ 1,022 | \$ - | \$ 2,271,670 | \$ 425,367 | \$ - | \$ 6,046,087 |
| 32,118 | 889,528 | 2,129,170 | - | - | - | 5,353,904 |
| 5,304 | - | - | - | - | - | 17,553,935 |
| 37,422 | 890,550 | 2,129,170 | 2,271,670 | 425,367 | - | 28,953,926 |
| - | 510,827 | - | 447,341 | 463,577 | - | 10,588,563 |
| - | - | - | 120,942 | - | - | 121,798 |
| - | 379,723 | - | 18,822 | - | - | 2,353,743 |
| - | - | - | - | - | - | 325,649 |
| - | - | - | 62,951 | - | - | 247,208 |
| - | - | - | 245,518 | - | - | 1,117,974 |
| - | - | - | - | - | - | 12,981 |
| - | - | - | 2,259 | - | - | 206,576 |
| - | - | - | - | - | - | 297,336 |
| - | - | - | - | - | - | 9,278,582 |
| - | - | - | 1,208,329 | - | - | 1,420,250 |
| - | - | - | 1,111 | - | - | 36,185 |
| - | - | - | - | - | - | 396,729 |
| - | - | 562,972 | 1,125 | - | 390,560 | 1,027,810 |
| 37,422 | - | - | 632 | - | - | 612,344 |
| - | - | - | - | - | - | 153,229 |
| - | - | - | - | - | - | 1,202 |
| - | - | 1,567,418 | 5,000 | - | - | 1,572,418 |
| 37,422 | 890,550 | 2,130,390 | 2,114,030 | 463,577 | 390,560 | 29,770,577 |
| - | - | (1,220) | 157,640 | (38,210) | (390,560) | (816,651) |
| - | - | - | - | - | - | 400,408 |
| - | - | - | - | - | - | 400,408 |
| - | - | (1,220) | 157,640 | (38,210) | (390,560) | (416,243) |
| - | - | 3,202 | 1,888,386 | 48,538 | 1,000,000 | 5,848,569 |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,982</u> | <u>\$ 2,046,026</u> | <u>\$ 10,328</u> | <u>\$ 609,440</u> | <u>\$ 5,432,326</u> |

College Station Independent School District

Exhibit I-1

Combining Statement of Net Position

Nonmajor Enterprise Fund

August 31, 2024

| Data Control Codes | | Business-type Activities | | | Total Nonmajor Enterprise Fund |
|--------------------------|---|--------------------------|-------------------|---------------------------|---|
| | | 713 | 714 | 715 | |
| | | Community Education | Kids Klub | Community Sports Camps | |
| ASSETS | | | | | |
| | Current assets: | | | | |
| 1110 | Cash and cash equivalents | \$ 39,735 | \$ 625,207 | \$ 84,355 | \$ 749,297 |
| | Total current assets | 39,735 | 625,207 | 84,355 | 749,297 |
| | Noncurrent assets: | | | | |
| | Capital assets: | | | | |
| 1530 | Furniture and equipment | 7,902 | - | - | 7,902 |
| 1570 | Accumulated depreciation and amortization | (7,902) | - | - | (7,902) |
| | Total noncurrent assets | - | - | - | - |
| 1000 | Total assets | 39,735 | 625,207 | 84,355 | 749,297 |
| LIABILITIES | | | | | |
| | Current liabilities: | | | | |
| 2110 | Accounts payable | 3,649 | 14,112 | 23 | 17,784 |
| 2160 | Accrued wages payable | - | 73,732 | - | 73,732 |
| 2300 | Unearned revenue | - | 62,605 | - | 62,605 |
| 2000 | Total liabilities | 3,649 | 150,449 | 23 | 154,121 |
| NET POSITION | | | | | |
| 3900 | Unrestricted | 36,086 | 474,758 | 84,332 | 595,176 |
| 3000 | TOTAL NET POSITION | \$ 36,086 | \$ 474,758 | \$ 84,332 | \$ 595,176 |

College Station Independent School District

Exhibit I-2

Combining Statement of Revenues, Expenses,
and Changes in Net Position
Nonmajor Enterprise Fund
For the Fiscal Year Ended August 31, 2024

| Data Control Codes | | Business-type Activities | | | Total Nonmajor Enterprise Fund |
|--------------------------|--------------------------------------|-------------------------------|-------------------|----------------------------------|---|
| | | 713 Community Education | 714 Kids Klub | 715 Community Sports Camps | |
| | OPERATING REVENUES | | | | |
| 5739 | Tuition | \$ 698,402 | \$ 1,797,527 | \$ 274,253 | \$ 2,770,182 |
| 5755 | Enterprising services revenue | 37 | - | - | 37 |
| 5020 | Total revenues | 698,439 | 1,797,527 | 274,253 | 2,770,219 |
| | OPERATING EXPENSES: | | | | |
| 6100 | Payroll costs | 506,367 | 1,460,831 | 208,367 | 2,175,565 |
| 6200 | Professional and contracted services | 19,659 | 15,441 | - | 35,100 |
| 6300 | Supplies and materials | 13,412 | 34,618 | 88 | 48,118 |
| 6400 | Other operating costs | 158,615 | 184,380 | 31,517 | 374,512 |
| 6030 | Total expenses | 698,053 | 1,695,270 | 239,972 | 2,633,295 |
| 1300 | Change in net position | 386 | 102,257 | 34,281 | 136,924 |
| 0100 | Net position - beginning | 35,700 | 372,501 | 50,051 | 458,252 |
| 3300 | NET POSITION - ENDING | <u>\$ 36,086</u> | <u>\$ 474,758</u> | <u>\$ 84,332</u> | <u>\$ 595,176</u> |

This Page Intentionally Left Blank

College Station Independent School District

Exhibit I-3

Combining Statement of Cash Flows

Nonmajor Enterprise Fund

For the Fiscal Year Ended August 31, 2024

| | Business-type Activities | | | Total Nonmajor Enterprise Fund |
|--|---------------------------------|-------------------|-----------------------------------|---|
| | 713 | 714 | 715 | |
| | Community Education | Kids Klub | Community Sports Camps | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Cash received from user charges | \$ 698,439 | \$ 1,807,872 | \$ 274,253 | \$ 2,780,564 |
| Cash payments for employee services and benefits | (506,367) | (1,438,373) | (208,367) | (2,153,107) |
| Cash payments for other operating expenses | (188,186) | (228,291) | (32,419) | (448,896) |
| Net cash provided by (used for) operating activities | 3,886 | 141,208 | 33,467 | 178,561 |
| Net increase (decrease) in cash and cash equivalents | 3,886 | 141,208 | 33,467 | 178,561 |
| Cash and cash equivalents at the beginning of the year | 35,849 | 483,999 | 50,888 | 570,736 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | \$ 39,735 | \$ 625,207 | \$ 84,355 | \$ 749,297 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES | | | | |
| Operating income (loss) | \$ 386 | \$ 102,257 | \$ 34,281 | \$ 136,924 |
| Effect of increases and decreases in current assets and liabilities: | | | | |
| Increase (decrease) in accounts payable | 3,500 | 6,148 | (814) | 8,834 |
| Increase (decrease) in accrued wages payable | - | 22,458 | - | 22,458 |
| Increase (decrease) in unearned revenue | - | 10,345 | - | 10,345 |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | \$ 3,886 | \$ 141,208 | \$ 33,467 | \$ 178,561 |

College Station Independent School District

Schedule of Delinquent Taxes Receivable

For the Fiscal Year Ended August 31, 2024

| Year Ended August 31, | Tax Rates | | 3 Assessed/ Appraised Value For School Tax Purposes |
|--------------------------|-------------|--------------|---|
| | 1 | 2 | |
| | Maintenance | Debt Service | |
| 2015 and prior years | Various | Various | Various |
| 2016 | 1.04000 | 0.322900 | 7,674,576,858 |
| 2017 | 1.04000 | 0.356000 | 8,452,966,691 |
| 2018 | 1.04000 | 0.358000 | 9,430,263,448 |
| 2019 | 1.04000 | 0.332000 | 10,102,930,612 |
| 2020 | 0.97000 | 0.269000 | 10,675,771,751 |
| 2021 | 0.96600 | 0.263000 | 10,868,677,136 |
| 2022 | 0.95220 | 0.263000 | 11,279,167,380 |
| 2023 | 0.91510 | 0.263000 | 12,610,518,122 |
| 2024 | 0.69920 | 0.263000 | 13,870,954,479 |

1000 TOTALS

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

Exhibit J-1

| 10 | 20 | 31 | 32 | 40 | 50 | 99 |
|---------------------------------------|--------------------------------------|------------------------------------|-------------------------------------|--|---|---|
| Beginning Balance 9/1/2023 | Current Year's Total Levy | Maintenance Collections | Debt Service Collections | Entire Year's Adjustments | Ending Balance 8/31/2024 | Total Taxes Refunding Under Section 26.1115(c) |
| \$ 250,514 | \$ - | \$ 22,903 | \$ 7,487 | \$ (446) | \$ 219,678 | |
| 52,211 | - | 3,091 | 960 | 727 | 48,887 | |
| 55,609 | - | 2,520 | 863 | (243) | 51,983 | |
| 65,412 | - | 5,231 | 1,801 | (712) | 57,668 | |
| 60,241 | - | 7,741 | 2,471 | (846) | 49,183 | |
| 74,717 | - | 8,546 | 2,370 | (1,227) | 62,574 | |
| 105,163 | - | 149,603 | 40,730 | 179,333 | 94,163 | |
| 184,756 | - | 54,709 | 15,111 | 28,260 | 143,196 | |
| 667,962 | - | 102,733 | 29,526 | (276,833) | 258,870 | |
| - | 133,466,324 | 95,607,777 | 35,962,307 | (1,261,036) | 635,204 | |
| <u>\$ 1,516,585</u> | <u>\$ 133,466,324</u> | <u>\$ 95,964,854</u> | <u>\$ 36,063,626</u> | <u>\$ (1,333,023)</u> | <u>\$ 1,621,406</u> | |

\$ 9,055

College Station Independent School District
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance – Budget and Actual
 National School Breakfast and Lunch Program
 For the Fiscal Year Ended August 31, 2024

Exhibit J-2

| Data Control Codes | | 1 | 2 | 3 | Variance with Final Budget |
|--------------------------|----------------------------------|---------------------|---------------------|---------------------|-------------------------------|
| | | Budgeted Amounts | | Actual | |
| | | Original | Final | | |
| REVENUES | | | | | |
| 5700 | Local and intermediate sources | \$ 3,325,000 | \$ 3,325,000 | \$ 3,340,764 | \$ 15,764 |
| 5800 | State program revenues | 30,000 | 30,000 | 47,554 | 17,554 |
| 5900 | Federal program revenues | 5,453,155 | 5,453,155 | 5,841,391 | 388,236 |
| 5020 | Total revenues | 8,808,155 | 8,808,155 | 9,229,709 | 421,554 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| 0035 | Food services | 8,650,948 | 8,650,948 | 9,278,582 | (627,634) |
| 0051 | Plant maintenance and operations | 157,207 | 157,207 | 111,327 | 45,880 |
| 6030 | Total expenditures | 8,808,155 | 8,808,155 | 9,389,909 | (581,754) |
| 1200 | Net change in fund balance | - | - | (160,200) | (160,200) |
| 0100 | Fund balance - beginning | 2,896,468 | 2,896,468 | 2,896,468 | - |
| 3000 | FUND BALANCE - ENDING | \$ 2,896,468 | \$ 2,896,468 | \$ 2,736,268 | \$ (160,200) |

College Station Independent School District
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance – Budget and Actual
 Debt Service Fund
 For the Fiscal Year Ended August 31, 2024

Exhibit J-3

| Data Control Codes | | 1 | 2 | 3 | Variance with Final Budget |
|---------------------------------------|--|----------------------|----------------------|----------------------|-------------------------------|
| | | Budgeted Amounts | | Actual | |
| | | Original | Final | | |
| REVENUES | | | | | |
| 5700 | Local and intermediate sources | \$ 34,507,881 | \$ 37,263,352 | \$ 37,996,220 | \$ 732,868 |
| 5800 | State program revenues | 2,000,000 | 494,529 | 2,284,580 | 1,790,051 |
| 5020 | Total revenues | 36,507,881 | 37,757,881 | 40,280,800 | 2,522,919 |
| EXPENDITURES | | | | | |
| Debt service: | | | | | |
| 0071 | Principal on long-term debt | 36,507,881 | 25,470,000 | 25,470,000 | - |
| 0072 | Interest on long-term debt | - | 12,122,881 | 12,033,546 | 89,335 |
| 0073 | Issuance costs and fees | - | 15,000 | 3,500 | 11,500 |
| 6030 | Total expenditures | 36,507,881 | 37,607,881 | 37,507,046 | 100,835 |
| 1100 | Excess (deficiency) of revenues over (under) expenditures | - | 150,000 | 2,773,754 | 2,623,754 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| 7915 | Transfers in | - | - | 634 | 634 |
| 8949 | Refunds to taxpayers | - | (150,000) | (87,845) | 62,155 |
| 7080 | Total other financing sources (uses) | - | (150,000) | (87,211) | 62,789 |
| 1200 | Net change in fund balance | - | - | 2,686,543 | 2,686,543 |
| 0100 | Fund balance - beginning | 12,603,849 | 12,603,849 | 12,603,849 | - |
| 3000 | FUND BALANCE - ENDING | \$ 12,603,849 | \$ 12,603,849 | \$ 15,290,392 | \$ 2,686,543 |

College Station Independent School District
 Use of Funds Report – Select State Allotment Programs
 For the Fiscal Year Ended August 31, 2024

Exhibit J-4

| Data Codes | | Responses |
|---|---|------------------|
| Section A: Compensatory Education Programs | | |
| AP1 | Did your LEA expend any state compensatory education program state allotment funds during the District's fiscal year? | Yes |
| AP2 | Does the LEA have written policies and procedures for its state compensatory education program? | Yes |
| AP3 | List the total state allotment funds received for state compensatory education programs during the District's fiscal year. | \$ 9,235,342 |
| AP4 | List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30) | \$ 4,248,865 |
| Section B: Bilingual Education Programs | | |
| AP5 | Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year? | Yes |
| AP6 | Does the LEA have written policies and procedures for its bilingual education program? | Yes |
| AP7 | List the total state allotment funds received for bilingual education programs during the LEA's fiscal year. | \$ 1,125,418 |
| AP8 | List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25) | \$ 1,176,012 |

Overall Compliance, Internal Control Section and Federal Awards

This Page Intentionally Left Blank



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of College Station Independent School District (the District) as of and for the year ended August 31, 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 December 13, 2024

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 District'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 have not been identified.

Report on Compliance and Other Matters

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

The Board of Trustees of
College Station Independent School District

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas
December 13, 2024



Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited College Station Independent School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibility for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

The Board of Trustees of
College Station Independent School District

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

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

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas
December 13, 2024

College Station Independent School District

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended August 31, 2024

Section 1. Summary of Auditor's Results

Financial Statements

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

Federal Awards

- | | |
|--|---|
| 4. Internal control over major programs: | |
| a. Material weakness(es) identified? | None reported |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | No |
| 5. Type of auditor's report issued on compliance with major programs | Unmodified |
| 6. Any audit findings disclosed that are required to be reported in accordance under 2 CFR 200.516(a)? | No |
| 7. Identification of major programs | 84.027A & 84.173A Special Education Cluster 84.010A – Title I, Part A – Improving Basic Programs |
| 8. Dollar threshold used to distinguish between Type A and Type B federal programs | \$750,000 |
| 9. Auditee qualified as a low-risk auditee? | Yes |

Section 2. Financial Statement Findings

None reported

Section 3. Federal Award Findings and Questioned Costs

None reported

College Station Independent School District

Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended August 31, 2024

Prior Year Findings

None reported

College Station Independent School District
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended August 31, 2024

Exhibit K-1

| Federal Grantor/ Pass-Through Grantor/ Program Title | Federal Assistance Listing Number | Pass-Through Entity Identifying Number | Federal Expenditures |
|---|--|--|-------------------------|
| U.S. DEPARTMENT OF AGRICULTURE | | | |
| Child Nutrition Cluster: | | | |
| Passed Through Texas Education Agency: | | | |
| National School Breakfast Program | 10.553 | 71402401 | \$ 1,138,639 |
| National School Lunch Program | 10.555 | 71302401 | 3,613,276 |
| Passed Through Texas Department of Agriculture: | | | |
| COVID 19 - Supply Chain Assistance | 10.555 | NT4XLYGLGC5 | 579,247 |
| Passed Through Texas Department of Agriculture - Non-Cash Assistance: | | | |
| National School Lunch Program | 10.555 | NT4XLYGLGC5 | <u>496,918</u> |
| Total Assistance Listing Number 10.555 | | | <u>4,689,441</u> |
| Total Child Nutrition Cluster | | | 5,828,080 |
| Passed Through Texas Department of Agriculture: | | | |
| COVID-19 - State Administrative Expenses | 10.560 | NT4XLYGLGC5 | <u>13,311</u> |
| TOTAL U.S. DEPARTMENT OF AGRICULTURE | | | 5,841,391 |
| U.S. DEPARTMENT OF LABOR | | | |
| WIOA Cluster: | | | |
| Passed Through Texas Workforce Commission: | | | |
| WIA Dislocated Workers | 17.278 | 1624ATP001 | <u>5,304</u> |
| TOTAL U.S. DEPARTMENT OF LABOR | | | 5,304 |
| U.S. DEPARTMENT OF EDUCATION | | | |
| Passed Through Texas Education Agency: | | | |
| Title I, Part A - Improving Basic Programs | 84.010A | 24610101021901 | 2,581,436 |
| Special Education Cluster (IDEA): | | | |
| Passed Through Texas Education Agency: | | | |
| IDEA - Part B, Formula | 84.027A | 246600010219016600 | 2,314,173 |
| Passed Through Region 10 Education Service Center: | | | |
| SPED Capacity Grant | 84.027A | UQZKSWHRBUH3 | <u>41,173</u> |
| Total Assistance Listing Number 84.027 | | | 2,355,346 |
| Passed Through Texas Education Agency: | | | |
| IDEA - Part B, Preschool | 84.173A | 246610010219016610 | <u>52,557</u> |
| Total Special Education Cluster (IDEA) | | | 2,407,903 |
| Career and Technology - Basic Grant | 84.048A | 24420006021901 | 190,919 |
| Career and Technology - Basic Grant | 84.048A | 25420006021901 | <u>25,088</u> |
| Total Assistance Listing Number 84.048A | | | 216,007 |
| Title III, Part A - English Language Acquisition and Language Enhancement | 84.365A | 24671001021901 | 153,026 |

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

College Station Independent School District
 Schedule of Expenditures of Federal Awards – Continued
 For the Fiscal Year Ended August 31, 2024

Exhibit K-1

| Federal Grantor/ Pass-Through Grantor/ Program Title | Federal Assistance Listing Number | Pass-Through Entity Identifying Number | Federal Expenditures |
|---|--|---|---------------------------------|
| Title II, Part A - Teacher & Principal Training & Recruiting | 84.367A | 24694501021901 | 564,064 |
| Title IV - Part A Subpart I | 84.424A | 24680101021901 | 195,397 |
| COVID-19 - Coronavirus Response and Relief Supplemental Appropriations - CRRSA (ESSER II) | 84.425D | 21521001021901 | 18,173 |
| COVID-19 - Coronavirus Learning Acceleration Supports (TCLAS) - ESSER | 84.425U | 21528042021901 | 703,320 |
| COVID-19 - American Rescue Plan - ARP (ESSER III) | 84.425U | 21528001021901 | 3,407,576 |
| Total Assistance Listing Number 84.425 | | | <u>4,129,069</u> |
| TOTAL U.S. DEPARTMENT OF EDUCATION | | | 10,246,902 |
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | |
| Direct: | | | |
| Head Start - Reg Grant | 93.600 | 06CH010943-05 | 2,394,220 |
| Head Start - Reg Grant | 93.600 | 06CH012585-01 | 226,958 |
| Total Assistance Listing Number 93.600 | | | <u>2,621,178</u> |
| TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | <u>2,621,178</u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | <u>\$ 18,714,775</u> |

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

This Page Intentionally Left Blank

College Station Independent School District

Notes to the Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

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

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

Note 2. Indirect Cost Rate

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

Note 3. Reconciliation to the Basic Financial Statements

Presented below is a reconciliation of federal revenues:

| | |
|--|------------------------------------|
| Total expenditures of federal awards per Exhibit K-1 | \$ 18,714,775 |
| General fund - federal revenue: | |
| School Health and Related Services | <u>1,416,369</u> |
| Total federal revenues per Exhibit C-2 | <u><u>\$ 20,131,144</u></u> |

College Station Independent School District

Exhibit L-1

Schedule of Required Responses to Selected
School FIRST Indicators (Unaudited)
For the Fiscal Year Ended August 31, 2024

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