

**PITTSBURG
INDEPENDENT SCHOOL DISTRICT**

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED**

AUGUST 31, 2022

PITTSBURG INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2022

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CERTIFICATE OF BOARD

Pittsburg Independent School District
Name of School District

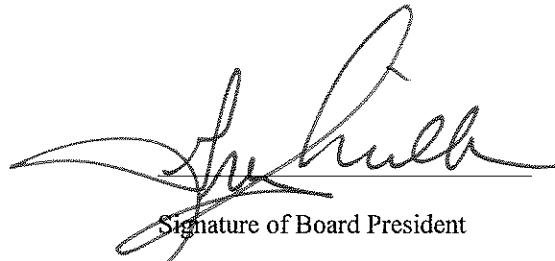
Camp
County

032-902
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) ☒ approved _____ disapproved for the year ended August 31, 2022 at a meeting of the Board of Trustees of such school district on the 14 day of November, 2022.



Signature of Board Secretary



Signature of Board President

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



INDEPENDENT AUDITOR'S REPORT

Board of Trustees

Pittsburg Independent School District
Pittsburg, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pittsburg Independent School District as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of August 31, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-12 and 70-71 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual non-major fund financial statements 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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 October 5, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Arnold, Walker, Arnold & Co., P.C.

Arnold, Walker, Arnold & Co., P.C.
October 5, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the PITTSBURG Independent School District we offer readers of the PITTSBURG Independent School District's financial statements this narrative overview and analysis of the financial activities of the PITTSBURG Independent School District for the year ended August 31, 2022. The information presented here should be read in conjunction with the District's financial statements.

FINANCIAL HIGHLIGHTS

The District's total combined net position was \$17.1 million at August 31, 2022. During the year, the District's total revenues exceeded expenses by \$4.35 million as compared to \$2.1 million the prior year. Total expenses of the District were \$29.1 million for the year. Revenues were \$33.5 million. Payroll expense increased \$1.75 million from increases in staff size as well as retention incentive pay. Expenses increased \$1.3 million. Net pension and OPEB liabilities decreased \$1.26 million as compared to the prior year which decreased \$313 thousand. Supply purchases funded by ESSER grant funds were up \$1.5 million. State revenues decreased this year by \$539 thousand. Property tax revenue increased \$400 thousand or 4% as tax values increased slightly. Operating grants increased \$3.5 million. ESSER funds were more this year than last by \$4.6 million. As explained above also the states proportionate share of pension and OPEB benefits decreased by \$947 thousand.

Under accounting standards as per GASB 68, the District's portion of the net pension liability has been recorded on the government-wide statements. The District's portion of this liability and the related deferred outflow and inflow as of August 31, 2022 is a net liability of \$4.9 million which is a decrease of \$359 thousand from the prior year.

Under accounting standards as per GASB 75, the District's portion of the net OPEB liability for TRS Care has been recorded in the government-wide statements. The District's portion of this liability and the related deferred outflow and inflow as of August 31, 2022 is a net liability of \$15 million which is a decrease of \$905 thousand from the prior year.

The District reported fund balance in the general fund of \$9.65 million at August 31, 2022, which is an increase of approximately \$918 thousand. Expenditures in the general fund decreased \$553 thousand. Total revenue in the general fund was down \$123 thousand or .05%. Local revenue was up \$232 thousand mainly due to increased property tax revenue. State revenue was down \$441 thousand or 3%.

Approximately \$1.5 million of new fixed assets were added this year. No new debt was obtained this year. \$1.085 million was paid on debt principal.

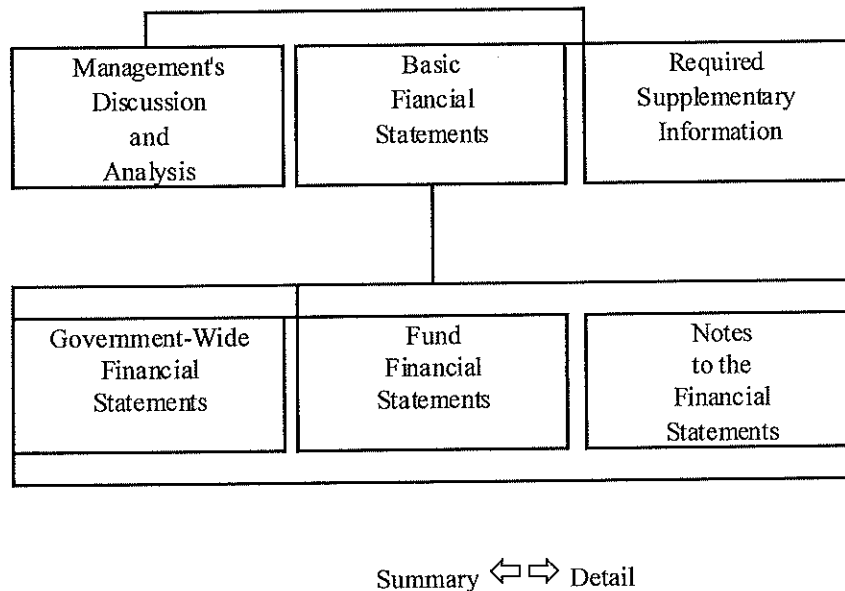
Approximately 97% of the taxes levied for 2021-2022 were collected by fiscal year end.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts--*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in *more detail* than the government-wide statements.
 - The *governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
 - *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

Figure A-1. Required Components of the District's Annual Financial Report



The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-2. Major Features of the District's Government-wide Fund Financial Statements

<i>Type of Statements</i>	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
<i>Scope</i>	Entire Agency's government (except fiduciary funds) and the Agency's component units	The activities of the district that are not proprietary or fiduciary	Activities the district operates similar to private businesses: self insurance	Instances in which the district is the trustee or agent for someone else's resources
<i>Required financial statements</i>	*Statement of net position	*Balance sheet	*Statement of net position	*Statement of fiduciary net position
	*Statement of activities	*Statement of revenues, Expenditures & changes in fund balances	*Statement of revenues, expenses and changes in fund net position	*Statement of changes in fiduciary net position
			*Statement of cash flows	
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	all assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon after	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

(A) The District has no proprietary funds.

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's *net position* and how they have changed. Net position, the difference between the District's assets and liabilities, is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, consideration should be given to additional non-financial factors such as changes in the District's tax base.

The government-wide financial statements of the District include the *Governmental activities*. Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services, and general administration. Property taxes and grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds*-not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has two kinds of funds:

- *Governmental funds*-Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided that explains the relationship (or differences) between them.
- *Fiduciary funds*-The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that-because of a trust arrangement-can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These activities are excluded from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's combined net position were approximately \$17.1 million at August 31, 2022.

Table A-1
The District's Net Position
(in thousands of dollars)

	Governmental Activities	
	2022	2021
Current and other assets	14,565	12,491
Capital and non-current assets	39,505	39,398
TOTAL ASSETS	54,070	51,889
Deferred resource outflow related to TRS	2,098	2,535
Deferred resource outflow related to TRS OPEB	1,532	1,174
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,630	3,709
Long-term liabilities	27,055	31,169
Other liabilities	1,212	986
TOTAL LIABILITIES	28,267	32,155
Unavailable revenue-property taxes	166	147
Deferred resource inflow related to TRS	3,919	1,618
Deferred resource inflow related to TRS OPEB	8,204	8,865
TOTAL DEFERRED INFLOWS OF RESOURCES	12,289	10,630
Net position		
Invested in capital assets		
net of related debt	23,808	22,570
Restricted	2,977	2,105
Unrestricted	(9,641)	(11,862)
TOTAL NET POSITION	17,144	12,813

Net investment in capital assets reflects the book value of the District's capital assets in excess of the debt which financed those assets. Recording the OPEB liability, and the pension liability and deferred outflows and inflows related to them decreases unrestricted net position by \$4.9 million and \$15 million respectively.

The \$2.98 million is restricted as follows:

Restricted for federal & state programs	890
Restricted for debt service	1,932
Restricted for other purposes	155
	<u>2,977</u>

Net position of the District's governmental activities increased \$4.3 million. The increase was the result of several factors. First, the increase of governmental fund balances was \$1.8 million. Second, the District paid \$1.085 million principal on long-term debt and acquired capital assets through purchase or construction of approximately \$1.5 million. Third, the District recorded depreciation of \$1.4 million. The net pension liability decreased \$359 thousand. The net OPEB liability decreased \$905 thousand.

Changes in net position.

The District's total revenues were \$33.5 million.

The total cost of all programs was \$29.1 million.

Net position increased by \$4.3 million from the excess of revenues over expenses. Reasons for these differences are described on page 4.

Table A-2
The District's Changes in Net Position
(in thousands of dollars)

	Governmental Activities	
	2022	2021
Revenues		
<u>Program Revenues</u>		
Charges for Services	202	183
Operating Grants and Contributions	8,759	5,243
<u>General Revenues</u>		
Property Taxes	10,629	10,222
State aid - formula	13,414	13,953
Investment earnings	34	44
Other	472	306
Total Revenues	<u>33,510</u>	<u>29,951</u>
Expenses		
Instruction and instructional related	16,991	15,988
Instructional leadership/school administration	2,122	2,297
Guidance, social work, health, transportation	2,159	1,879
Food services	1,747	1,446
Extracurricular activities	1,291	1,288
General Administration	929	900
Plant maintenance and security	2,900	2,882
Data processing services	339	470
Debt service	441	471
Facilities Acquisition & construction	-	10
Other governmental charges	237	199
Total Expenses	<u>29,156</u>	<u>27,830</u>
Increase (Decrease) in Net Position	4,354	2,121
Beginning Net Position	12,813	10,692
Prior period adjustment	(23)	-
Ending Net Position	<u>17,144</u>	<u>12,813</u>

Table A-3 presents the cost of each of the District's largest functions as well as each function's *net cost* (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.

- The cost of all *governmental* activities this year was \$29.1 million.
- However, the amount that taxpayers paid for these activities through property taxes was only \$10.6 million.
- Some of the cost was paid by those who directly benefited from the programs \$202 thousand, state aid of \$13.4 million, and operating grants of \$8.75 million.

Table A-3
Net Cost of Selected District Functions
(in thousands of dollars)

	Total Cost of Services		Net Cost of Services	
	2022	2021	2022	2021
Instruction	16,991	15,988	11,933	13,077
School administration	2,122	2,297	1,641	1,959
Plant Maintenance & Operations	2,900	2,882	2,493	2,722
Debt Service-Interest & Fiscal Charges	441	471	441	471

As discussed above, payroll costs increased because of additional employees and retention incentive pay.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District reported fund balance in its governmental funds of approximately \$12.6 million reflecting a net increase of \$1.8 million. The general fund balance increased \$918 thousand.

The general fund revenue increased about \$500 thousand more than the prior year. Variances are discussed on page 4.

The food service fund balance is now \$890 thousand, an increase of \$307 thousand, as compared to a \$175 thousand operating income the prior year. Federal revenue reimbursement rates increased substantially. The debt service fund increased \$425 thousand as property tax revenue increased because of higher values. The prior year increase to this fund was \$291 thousand.

General Fund Budgetary Highlights

Several budget amendments were made during the year. With these amendments, actual expenditures were less than budgeted by approximately \$858 thousand or 3.6%. Actual revenues were more than budget by \$58 thousand. Fund balance increased \$917 thousand more than budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Table A-4
District's Capital Assets
(in thousands of dollars)

	Governmental Activities	
	2022	2021
Land	511	511
Buildings and improvements	55,054	55,136
Furniture and equipment	6,872	6,184
Totals at historical cost	62,437	61,831
Total accumulated depreciation	(22,932)	(22,433)
Net capital assets	39,505	39,398

The District added several vehicles and completed minor renovations.

Long-Term Debt

Table A-5
District's Long-Term Debt
(in thousands of dollars)

	Governmental	
	2022	2021
Bonds payable	15,697	16,828
Notes payable	-	-
Total bonds and notes payable	15,697	16,828

No new debt was obtained this year. Principal payments of \$1.13 million were made this year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The district's elected and appointed officials considered many factors when setting the fiscal year 2023 budget and tax rates. Three of those factors were the continued COVID-19 pandemic and the economy and the population of Camp County.

In 2020, Camp County, TX had a population of 12.9k people with a median age of 38.1 and a median household income of \$49,539. Between 2019 and 2020 the population of Camp County, TX grew from 12,878 to 12,938, a 0.466% increase and its median household income grew from \$48,207 to \$49,539, a 2.76% increase. The five largest ethnic groups in Camp County, TX are White (Non-Hispanic) (55.2%), White (Hispanic) (19.9%), Black or African American (Non-Hispanic) (16.3%), Other (Hispanic) (4.2%), and Two+ (Non-Hispanic) (2.19%). 92.3% of the residents in Camp County, TX are U.S. citizens.

In 2020, the median property value in Camp County, TX was \$109,400, and the homeownership rate was 71.9%. Camp County, TX borders Upshur County, Wood County, Franklin County, Morris County and Titus County.

The enrollment of students at the district was 2271 on the first day of school for the 2022-23 school year and 2302 on the first day of school for the 2021-22 school year, which gives an estimated decrease of thirty-one students for the 2022-23 school year as of August 2022. As of September 2022, enrollment was 2369, which indicates an increasing enrollment. Due to the continued COVID-19 pandemic, the student attendance fluctuates monthly but overall has greatly improved. The board of trustees monitors the enrollment on a monthly basis.

The tax rate for the 2022-23 school year was set by the board of trustees at \$0.8546 for maintenance operations plus \$0.20 for debt service resulting in a total tax rate of \$1.0546 per \$100 of valuation, which decreased, from the previous year due to HB3. The total taxable value as reported by the Camp Central Appraisal District increased by \$163.1M giving a total taxable value of \$1,150,617,902. The total appraised value of all property increased by \$272.4M giving a total appraised value of \$1,627,861,112. The average taxable values of residences increased 4% from \$108,524 to \$112,654. Taxes due on an average residence for the 2022-23 school year will amount to \$1,188, which is an increase of approximately \$8.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the PITTSBURG Independent School District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the District's Central Business Office.

BASIC FINANCIAL STATEMENTS

GOVERNMENT WIDE STATEMENTS

PITTSBURG INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2022

EXHIBIT A-1

Data	Primary Government
Control	Governmental
Codes	Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 12,156,260
1210 Property Taxes - Current	1,432,487
1230 Allowance for Uncollectible Taxes	(716,244)
1240 Due from Other Governments	1,660,192
1260 Internal Balances	32,000
Capital Assets:	
1510 Land	510,557
1520 Buildings, Net	37,017,964
1530 Furniture and Equipment, Net	1,976,474
1000 Total Assets	54,069,690
DEFERRED OUTFLOWS OF RESOURCES	
1705 Deferred Outflow Related to TRS Pension	2,097,730
1706 Deferred Outflow Related to TRS OPEB	1,531,918
1700 Total Deferred Outflows of Resources	3,629,648
LIABILITIES	
2110 Accounts Payable	157,202
2160 Accrued Wages Payable	993,854
2200 Accrued Expenses	20,929
2300 Unearned Revenue	39,091
Noncurrent Liabilities:	
2501 Due Within One Year: Loans, Note, Leases, etc.	1,115,000
Due in More than One Year:	
2502 Bonds, Notes, Loans, Leases, etc.	14,582,279
2540 Net Pension Liability (District's Share)	3,072,111
2545 Net OPEB Liability (District's Share)	8,285,915
2000 Total Liabilities	28,266,381
DEFERRED INFLOWS OF RESOURCES	
2601 Unavailable Revenue - Property Taxes	165,332
2605 Deferred Inflow Related to TRS Pension	3,919,380
2606 Deferred Inflow Related to TRS OPEB	8,204,422
2600 Total Deferred Inflows of Resources	12,289,134
NET POSITION	
3200 Net Investment in Capital Assets	23,807,716
Restricted:	
3820 Restricted for Federal and State Programs	890,271
3850 Restricted for Debt Service	1,931,900
3890 Restricted for Other Purposes	155,357
3900 Unrestricted	(9,641,421)
3000 Total Net Position	\$ 17,143,823

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

PITTSBURG INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2022

FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes	1	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		3	4	6	
		Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities
Primary Government:					
GOVERNMENTAL ACTIVITIES:					
11	Instruction	\$ 16,565,170	\$ -	\$ 4,997,958	\$ (11,567,212)
12	Instructional Resources and Media Services	327,835	-	-	(327,835)
13	Curriculum and Instructional Staff Development	97,532	-	-	(97,532)
21	Instructional Leadership	219,411	-	108,330	(111,081)
23	School Leadership	1,902,495	-	372,827	(1,529,668)
31	Guidance, Counseling, and Evaluation Services	430,694	-	176,342	(254,352)
32	Social Work Services	1,752	-	-	(1,752)
33	Health Services	376,845	-	358,874	(17,971)
34	Student (Pupil) Transportation	1,350,862	-	392,231	(958,631)
35	Food Services	1,746,832	85,351	1,950,107	288,626
36	Extracurricular Activities	1,290,673	97,607	-	(1,193,066)
41	General Administration	929,100	-	7,247	(921,853)
51	Facilities Maintenance and Operations	2,474,238	19,133	381,914	(2,073,191)
52	Security and Monitoring Services	425,501	-	6,043	(419,458)
53	Data Processing Services	338,722	-	7,021	(331,701)
72	Debt Service - Interest on Long-Term Debt	437,366	-	-	(437,366)
73	Debt Service - Bond Issuance Cost and Fees	4,000	-	-	(4,000)
99	Other Intergovernmental Charges	236,800	-	-	(236,800)
[TP] TOTAL PRIMARY GOVERNMENT:		\$ 29,155,828	\$ 202,091	\$ 8,758,894	(20,194,843)
Data Control Codes	General Revenues:				
	Taxes:				
MT	Property Taxes, Levied for General Purposes				8,676,097
DT	Property Taxes, Levied for Debt Service				1,953,007
SF	State Aid - Formula Grants				13,413,620
IE	Investment Earnings				34,120
MI	Miscellaneous Local and Intermediate Revenue				472,176
FR	Transfers In (Out)				390
TR	Total General Revenues & Transfers				24,549,410
CN	Change in Net Position				4,354,567
NB	Net Position - Beginning				12,812,483
PA	Prior Period Adjustment				(23,227)
NE	Net Position - Ending				\$ 17,143,823

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

**GOVERNMENTAL FUND FINANCIAL
STATEMENTS**

PITTSBURG INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2022

Data Control Codes	10 General Fund	Major Special Revenue Fund	50 Debt Service Fund
ASSETS			
1110 Cash and Cash Equivalents	\$ 9,273,198	\$ -	\$ 1,931,900
1210 Property Taxes - Current	1,181,802	-	250,685
1230 Allowance for Uncollectible Taxes	(590,901)	-	(125,343)
1240 Due from Other Governments	1,406,417	-	-
1260 Due from Other Funds	32,000	-	-
1000 Total Assets	<u>\$ 11,302,516</u>	<u>\$ -</u>	<u>\$ 2,057,242</u>
LIABILITIES			
2110 Accounts Payable	\$ 37,374	\$ -	\$ -
2160 Accrued Wages Payable	993,854	-	-
2200 Accrued Expenditures	20,929	-	-
2300 Unearned Revenue	-	-	-
2000 Total Liabilities	<u>1,052,157</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable Revenue - Property Taxes	590,901	-	125,342
2600 Total Deferred Inflows of Resources	<u>590,901</u>	<u>-</u>	<u>125,342</u>
FUND BALANCES			
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	-	-
3480 Retirement of Long-Term Debt	-	-	1,931,900
3490 Other Restricted Fund Balance	-	-	-
Committed Fund Balance:			
3510 Construction	315,527	-	-
3540 Self Insurance	2,589	-	-
3600 Unassigned Fund Balance	9,341,342	-	-
3000 Total Fund Balances	<u>9,659,458</u>	<u>-</u>	<u>1,931,900</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 11,302,516</u>	<u>\$ -</u>	<u>\$ 2,057,242</u>

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

Other Funds	Total Governmental Funds
\$ 950,772	\$ 12,155,870
-	1,432,487
-	(716,244)
253,775	1,660,192
-	32,000
<u>\$ 1,204,547</u>	<u>\$ 14,564,305</u>
\$ 119,828	\$ 157,202
-	993,854
-	20,929
39,091	39,091
<u>158,919</u>	<u>1,211,076</u>
-	716,243
-	716,243
890,271	890,271
-	1,931,900
155,357	155,357
-	315,527
-	2,589
-	9,341,342
<u>1,045,628</u>	<u>12,636,986</u>
<u>\$ 1,204,547</u>	<u>\$ 14,564,305</u>

PITTSBURG INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
AUGUST 31, 2022

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$ 12,636,986
1 The District has a blended component unit. The beginning fund balance/net position is not included in the governmental funds.	390
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$61,831,293 and the accumulated depreciation was (\$22,432,963). In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to decrease net position. Note: Beginning Balances related to TRS are NOT included in this amount.	22,570,192
3 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2022 capital outlays and debt principal payments is to increase net position.	2,631,109
4 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. At the beginning of the year, the net position related to TRS was a Deferred Resource Outflow in the amount of \$2,534,735, a Deferred Resource Inflow in the amount of \$1,618,285 and a net pension liability in the amount of \$6,168,717. The impact of this on Net Position is (\$5,252,267). Changes in the plan reported by TRS plan resulted in an increase in net position in the amount of \$358,506. The combination of the beginning of the year amounts and the changes during the year resulted in a difference between the ending fund balance and the ending net position in the amount of (\$4,893,761) .	(4,893,761)
5 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 75. At the beginning of the year, the net position related to the OPEB was a Deferred Resource Outflow in the amount of \$1,173,867, a Deferred Resource Inflow in the amount of \$8,865,044 and a net OPEB liability in the amount of \$8,171,869. The impact of this on Net Position is (\$15,863,046). Changes in the OPEB reported by TRS for this measurement period resulted in an increase in net position in the amount of \$904,627. The combination of the beginning of the year amounts and the changes during the year resulted in a difference between the ending fund balance and the ending net position in the amount of (\$14,958,419) .	(14,958,419)
6 The 2022 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(1,439,444)
7 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.	596,770

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

PITTSBURG INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
AUGUST 31, 2022

EXHIBIT C-2

19 Net Position of Governmental Activities	\$ 17,143,823
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The notes to the financial statements are an integral part of this statement.

PITTSBURG INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes	10 General Fund	Major Special Revenue Fund	50 Debt Service Fund
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 9,039,603	\$ -	\$ 1,970,484
5800 State Program Revenues	14,710,643	-	27,525
5900 Federal Program Revenues	255,526	3,331,890	-
5020 Total Revenues	24,005,772	3,331,890	1,998,009
EXPENDITURES:			
Current:			
0011 Instruction	12,613,389	2,368,684	-
0012 Instructional Resources and Media Services	327,521	-	-
0013 Curriculum and Instructional Staff Development	112,925	-	-
0021 Instructional Leadership	111,081	-	-
0023 School Leadership	1,765,368	248,840	-
0031 Guidance, Counseling, and Evaluation Services	315,052	57,438	-
0032 Social Work Services	1,752	-	-
0033 Health Services	42,670	283,261	-
0034 Student (Pupil) Transportation	1,375,693	373,667	-
0035 Food Services	27,134	-	-
0036 Extracurricular Activities	1,303,478	-	-
0041 General Administration	968,525	-	-
0051 Facilities Maintenance and Operations	2,645,048	-	-
0052 Security and Monitoring Services	487,060	-	-
0053 Data Processing Services	356,400	-	-
Debt Service:			
0071 Principal on Long-Term Liabilities	-	-	1,085,000
0072 Interest on Long-Term Liabilities	-	-	483,225
0073 Bond Issuance Cost and Fees	-	-	4,000
Capital Outlay:			
0081 Facilities Acquisition and Construction	398,736	-	-
Intergovernmental:			
0099 Other Intergovernmental Charges	236,802	-	-
6030 Total Expenditures	23,088,634	3,331,890	1,572,225
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	917,138	-	425,784
OTHER FINANCING SOURCES (USES):			
7915 Transfers In	390	-	-
1200 Net Change in Fund Balances	917,528	-	425,784
0100 Fund Balance - September 1 (Beginning)	8,741,930	-	1,506,116
1300 Prior Period Adjustment	-	-	-
3000 Fund Balance - August 31 (Ending)	\$ 9,659,458	\$ -	\$ 1,931,900

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

		Total	
Other		Governmental	
Funds		Funds	
\$	287,078	\$	11,297,165
	177,107		14,915,275
	5,286,375		8,873,791
	5,750,560		35,086,231
	2,530,545		17,512,618
	-		327,521
	-		112,925
	108,330		219,411
	160,862		2,175,070
	131,194		503,684
	-		1,752
	79,710		405,641
	30,856		1,780,216
	1,744,108		1,771,242
	-		1,303,478
	15,441		983,966
	398,304		3,043,352
	10,140		497,200
	11,118		367,518
	-		1,085,000
	-		483,225
	-		4,000
	59,680		458,416
	-		236,802
	5,280,288		33,273,037
	470,272		1,813,194
	-		390
	470,272		1,813,584
	598,583		10,846,629
	(23,227)		(23,227)
\$	1,045,628	\$	12,636,986

PITTSBURG INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2022

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$ 1,813,584
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2022 capital outlays and debt principal payments is to decrease net position.	2,631,109
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.	(1,439,444)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net position.	86,185
Current year changes due to GASB 68 resulted in a net effect on the change in the ending net position as an increase in the amount of \$358,506.	358,506
Current year changes due to GASB 75 resulted in a net effect on the change in the ending net position as an increase in the amount of \$904,627.	904,627
Change in Net Position of Governmental Activities	\$ 4,354,567

PITTSBURG INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 9,445,953	\$ 9,451,960	\$ 9,039,603	\$ (412,357)
5800 State Program Revenues	14,325,557	14,325,557	14,710,643	385,086
5900 Federal Program Revenues	170,000	170,000	255,526	85,526
5020 Total Revenues	23,941,510	23,947,517	24,005,772	58,255
EXPENDITURES:				
Current:				
0011 Instruction	13,811,408	13,142,215	12,613,389	528,826
0012 Instructional Resources and Media Services	333,067	333,067	327,521	5,546
0013 Curriculum and Instructional Staff Development	172,639	172,639	112,925	59,714
0021 Instructional Leadership	112,456	111,456	111,081	375
0023 School Leadership	2,024,487	1,889,176	1,765,368	123,808
0031 Guidance, Counseling, and Evaluation Services	312,468	315,608	315,052	556
0032 Social Work Services	3,000	3,000	1,752	1,248
0033 Health Services	243,291	60,619	42,670	17,949
0034 Student (Pupil) Transportation	969,735	1,376,469	1,375,693	776
0035 Food Services	32,653	32,653	27,134	5,519
0036 Extracurricular Activities	1,252,930	1,303,650	1,303,478	172
0041 General Administration	938,675	968,675	968,525	150
0051 Facilities Maintenance and Operations	2,715,228	2,718,742	2,645,048	73,694
0052 Security and Monitoring Services	396,570	497,908	487,060	10,848
0053 Data Processing Services	372,903	372,903	356,400	16,503
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	398,736	398,736	-
Intergovernmental:				
0099 Other Intergovernmental Charges	250,000	250,000	236,802	13,198
6030 Total Expenditures	23,941,510	23,947,516	23,088,634	858,882
1100 Excess of Revenues Over Expenditures	-	1	917,138	917,137
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	390	390
1200 Net Change in Fund Balances	-	1	917,528	917,527
0100 Fund Balance - September 1 (Beginning)	8,741,930	8,741,930	8,741,930	-
3000 Fund Balance - August 31 (Ending)	\$ 8,741,930	\$ 8,741,931	\$ 9,659,458	\$ 917,527

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

FIDUCIARY FUND FINANCIAL STATEMENTS

PITTSBURG INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2022

	Total Custodial Funds
ASSETS	
Cash and Cash Equivalents	\$ 211,903
Total Assets	<u>211,903</u>
LIABILITIES	
Due to Other Funds	<u>32,000</u>
Total Liabilities	<u>32,000</u>
NET POSITION	
Restricted for Other Purposes	<u>179,903</u>
Total Net Position	<u><u>\$ 179,903</u></u>

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

PITTSBURG INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

	Total Custodial Funds
ADDITIONS:	
Received from Student Groups	\$ 541,242
Earnings from Temporary Deposits	758
Contributions, Gifts and Donations	86,871
Total Additions	<u>628,871</u>
DEDUCTIONS:	
Supplies and Materials	541,197
Other Deductions	73,054
Total Deductions	<u>614,251</u>
Change in Fiduciary Net Position	14,620
Total Net Position September 1 (Beginning)	<u>165,283</u>
Total Net Position August 31 (Ending)	<u><u>\$ 179,903</u></u>

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

PITTSBURG INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PITTSBURG INDEPENDENT SCHOOL DISTRICT (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and other authoritative sources identified in *Statement on Auditing Standards No. 69* of the American Institute of Certified Public Accountants; and it complies with the requirements of the appropriate version of Texas Education Agency's *Financial Accountability System Resource Guide* (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds.

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

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.

PITTSBURG INDEPENDENT SCHOOL DISTRICT applies Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements. The District's investments are accounted for using the cost amortization method.

A. REPORTING ENTITY

The Board of Trustees (the "Board") is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board ("GASB") in its Statement No. 14, "The Financial Reporting Entity." There is a Public Facility Corporation that is a blended component unit. The PFC was created to obtain financing to construct a new Cafetorium. This has now been paid off and the PFC has been terminated this year. The fixed assets have been transferred to the District.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the PITTSBURG INDEPENDENT SCHOOL DISTRICT and its component unit's non-fiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes, State foundation funds, grants and other inter-governmental revenues.

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

Interfund activities between governmental funds appear as due to/due froms on the Governmental Fund Balance Sheet and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance. All interfund transactions between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to/due froms on the government-wide Statement of Activities.

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

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

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

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

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the "susceptible to accrual" concept, that is, when they are both measurable and available. The District considers them "available" if they will be collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

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

D. FUND ACCOUNTING

The District's accounts are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which are comprised of each fund's assets, liabilities, equity, revenues and expenditures.

The District reports the following major governmental funds:

1. **The General Fund** – The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
2. **Debt Service Funds** -- The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.
3. **Special Revenue Funds** – The District accounts for resources restricted to, or designated for, specific purposes by the District or a grantor in a special revenue fund. Most Federal and some State financial assistance is accounted for in a Special Revenue Fund, and sometimes unused balances must be returned to the grantor at the close of specified project periods.

Additionally, the District reports the following fund type(s):

Governmental Funds:

1. **Special Revenue Funds** – The District accounts for resources restricted to, or designated for, specific purposes by the District or a grantor in a special revenue fund. Most Federal and some State financial assistance is accounted for in a Special Revenue Fund, and sometimes unused balances must be returned to the grantor at the close of specified project periods.

Fiduciary Funds:

1. **Custodial Fund** - The District accounts for resources held for others in a custodial capacity in custodial funds. These funds are used to account for assets held by the District as an agent for student and other organizations. These funds were previously reported in an agency fund. This change resulted in reporting the detail of additions to and deductions from custodial funds causing a change in the fund net position whereas these details were not reported for agency funds. This change is a result of the implementation of GASB 84. The District's Custodial Fund is made up of student group funds.

E. OTHER ACCOUNTING POLICIES

1. In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.
2. Capital assets, which include land, buildings, furniture and equipment is reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

<u>Assets</u>	<u>Years</u>
Buildings	50
Building Improvements	20-50
Vehicles	10
Office Equipment	10
Computer Equipment	5

3. Some cash and investments are restricted for future debt payments.
4. In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Commitments of fund balance represent tentative management plans that are subject to change.
5. When the District incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first whenever they will have to be returned if they are not used.
6. The Data Control Codes refer to the account code structure prescribed by TEA in the *Financial Accountability System Resource Guide*. Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to insure accuracy in building a Statewide data base for policy development and funding plans.
7. School Districts are required to report all expenses by function, except certain indirect expenses. General administration and data processing service functions (data control codes 41 and 53, respectively) include expenses that are indirect expenses of other functions. These indirect expenses are not allocated to other functions.
8. Investments are carried at fair value.
9. Fund balance measures the net financial resources available to finance expenditures of future periods.

The District's Unassigned General Fund Balance will be maintained to provide the District with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The Unassigned General Fund balance may only be appropriated by resolution of the Board of Trustees.

Fund balance of the District may be committed for a specific source by formal action of the Pittsburg ISD Board of Trustees. Amendments or modifications of the committed fund balance must also be approved by formal action of the Pittsburg ISD Board of Trustees.

When it is appropriate for fund balance to be assigned, the Board delegates authority to the Superintendent.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

10. Deferred Outflows/Inflows of Resources—The District implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and GASB Statement No. 65, Items Previously Reported as Assets and Liabilities for the year ended August 31, 2013. The District implemented GASB Statement No. 68 Accounting and Financial Reporting for Pensions for the year ended August 31, 2015. The District implemented GASB Statement No. 75 Accounting and Financial Reporting for Other Post-Employment Benefits for the year ended August 31, 2018. In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three types of items that qualify for reporting in this category, deferred charge for refunding bonded indebtedness and deferred outflows related to TRS as per GASB 68 related to pension accounting, and related to TRS OPEB related to TRS Care. These will be recognized as an outflow of resources in the subsequent years as they are amortized.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has three types of items that qualify for reporting in this category, property taxes and deferred inflows related to TRS, and related to TRS Care. These amounts will be recognized as an inflow of resources in the subsequent years as collected.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

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

<u>Capital Assets at the Beginning of the year</u>	<u>Historic Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Value at the Beginning of the Year</u>	<u>Change in Net Position</u>
District				
Land	510,557	-	510,557	
Buildings & Improvements	53,769,404	(17,045,525)	36,723,879	
Furniture & Equipment	6,183,603	(4,895,059)	1,288,544	
Construction in Progress	-	-	-	
Public Facility Corporation				
Buildings	1,367,729	(492,379)	875,350	
Change in Net Position	61,831,293	(22,432,963)		39,398,330

<u>Long-term Liabilities</u> <u>at the Beginning of the year</u>	<u>Payable at the</u> <u>Beginning of the</u> <u>Year</u>	
District		
Bonds Payable	16,828,138	
Loans Payable	-	
Public Facility Corporation	-	
Bonds Payable	-	
	<u>16,828,138</u>	
Net Adjustment to Net Position		<u>22,570,192</u>

Another element of the reconciliation is the Public Facility Corporation, a blended component unit. Balances at the beginning of the year other than the fixed assets and debt from above are:

Cash	390
Due to District	<u>(1)</u>
Net adjustment to net position	<u>389</u>

B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

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

	<u>Amount</u>	<u>Adjustments to</u> <u>Changes in Net</u> <u>Position</u>	<u>Adjustments to</u> <u>Net Position</u>
<u>Current year Capital Outlay</u>			
Land	-	-	-
Buildings & Improvements	487,339	487,339	487,339
Furniture & Equipment	1,058,770	1,058,770	1,058,770
Total Capital Outlay	<u>1,546,109</u>	<u>1,546,109</u>	<u>1,546,109</u>
<u>Debt Principal Payments</u>			
Bond Principal	1,085,000	1,085,000	1,085,000
Loan Principal	-	-	-
Total Principal Payments	<u>1,085,000</u>	<u>1,085,000</u>	<u>1,085,000</u>
Total Adjustment to Net Position		<u>2,631,109</u>	<u>2,631,109</u>

Another element of the reconciliation on Exhibit C-4 is described as various other reclassifications and eliminations necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. This adjustment is the result of several items. The details for this element are as follows:

	Amount	Adjustments to Change in Net Position	Adjustments to Net Position
<u>Adjustments to Revenue and Deferred Revenue</u>			
Taxes Collected from Prior Year Levies	220,680	(220,680)	-
Uncollected taxes (assumed collectible) from Current Year Levy	277,346	277,346	277,346
Uncollected Taxes (assumed collectible) from Prior Year Levy	273,565	-	273,565
Effect of prior year tax entries	16,340	(16,340)	-
 <u>Debt Activity</u>			
Premium amortization	45,859	45,859	45,859
Total		<u>86,185</u>	<u>596,770</u>

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY DATA

The Board of Trustees adopts an "appropriated budget" for the General Fund, Debt Service Fund and the Food Service Fund which is included in the Special Revenue Funds. The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds if they are considered major funds. The District compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears in Exhibit C-5 and the other two reports are in Exhibit J-2 and J-3.

The following procedures are followed in establishing the budgetary data reflected in the general-purpose financial statements:

1. Prior to August 20 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. At least ten days' public notice of the meeting must be given.
3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year. However, none of these were significant.
4. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end. A reconciliation of fund balances for both appropriated budget and non-appropriated budget special revenue funds is as follows:

	August 31, 2022
	<u>Fund Balance</u>
Appropriated Budget Funds - Food Service Special Revenue Fund	890,271
Nonappropriated Budget Funds	<u>155,357</u>
All Special Revenue Funds	<u><u>1,045,628</u></u>

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

District Policies and Legal and Contractual Provisions Governing Deposits

Custodial Credit Risk for Deposits State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the district complies with this law, it has no custodial credit risk for deposits.

Foreign Currency Risk The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit by not allowing foreign currency investments.

As of August 31, 2022, the following are the District's cash and cash equivalents with respective maturities and credit rating:

Type of Deposit	Fair Value	Percent	Maturity in Less than 1 year	Maturity in 1-10 Years	Maturity in Over 10 Years	Credit Rating
Cash, Money Markets and FDIC Insured Accounts	\$ 12,368,163	100.0%	\$ 12,368,163	-	-	N/A
Total Cash and Cash Equivalents	<u>\$ 12,368,163</u>	<u>100%</u>	<u>\$ 12,368,163</u>	<u>\$ -</u>	<u>\$ -</u>	

In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

- Depository: Pilgrim Bank
- The market value of securities pledged as of the date of the highest combined balance on deposit was \$15,786,878.
- The highest combined balances of cash, savings, and time deposit accounts amounted to \$17,786,150 and occurred during the month of February, 2022.
- Total amount of FDIC coverage at the time of the highest combined balance was \$500,000.

Investments

District Policies and Legal and Contractual Provisions Governing Investments

Compliance with the Public Funds Investment Act

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

Statutes authorize the entity to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas and its agencies; (2) guaranteed or secured certificates of deposit issued by state and national banks domiciled in Texas; (3) obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality not less than an "A"; (4) No load money market funds with a weighted average maturity of 90 days or less; (5) fully collateralized repurchase agreements; (6) commercial paper having a stated maturity of 270 days or less from the date of issuance and is not rated less than A-1 or P-1 by two nationally recognized credit rating agencies OR one nationally recognized credit agency and is fully secured by an irrevocable letter of credit; (7) secured corporate bonds rated not lower than "AA-" or the equivalent; (8) public funds investment pools; and (9) guaranteed investment contracts for bond proceeds investment only, with a defined termination date and secured by U.S. Government direct or agency obligations approved by the Texas public Funds Investment Act in an amount equal to the bond proceeds. The Act also requires the entity to have independent auditors perform test procedures related to investment practices as provided by the Act. PITTSBURG INDEPENDENT SCHOOL DISTRICT is in substantial compliance with the requirements of the Act and with local policies.

Additional policies and contractual provisions governing investments for PITTSBURG INDEPENDENT SCHOOL DISTRICT are specified below:

Credit Risk To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations the District limits investments in commercial paper, corporate bonds, mutual bond funds to the top ratings issued by nationally recognized statistical rating organizations (NRSROs).

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

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

Interest Rate Risk To limit the risk that changes in interest rates will adversely affect the fair value of investments, the District requires all of the investment portfolio to have maturities of less than one year.

Foreign Currency Risk for Investments The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment by not allowing foreign investments.

The District categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below. In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

In this discussion and in the table below, investments are defined according to GASB 72 as a security or other asset that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. An asset initially reported as a capital asset and later held for sale would not subsequently be reclassified as an investment.

The District had no investments at August 31, 2022.

B. PROPERTY TAXES

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year.

C. DELINQUENT TAXES RECEIVABLE

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the General and Debt Service Funds are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

D. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at August 31, 2022 consisted of the following individual fund balances:

Due to General Fund from:	
Trust and Agency Funds	32,000
	<u>32,000</u>

A transfer of \$390 was recorded to close the PFC. This remaining cash was transferred to the general fund.

E. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables at August 31, 2022, were as follows:

	Property Taxes	Other Governments	Due From Other Funds	Other	Total Receivables
Governmental Activities:					
General Fund	1,181,802	1,406,417	32,000	-	2,620,219
Major Debt Service Fund	250,685	-	-	-	250,685
Nonmajor Governmental Funds	-	253,775	-	-	253,775
Total - Governmental Activities	<u>1,432,487</u>	<u>1,660,192</u>	<u>32,000</u>	<u>-</u>	<u>3,124,679</u>
Amounts not scheduled for collection during the subsequent year	<u>716,244</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>716,244</u>

Payables at August 31, 2022, were as follows:

	Accounts	Loans, Leases, and Bonds Payable- Current Year	Salaries and Benefits	Due to Other Funds	Due to Other Governments	Total Payables
Governmental Activities:						
General Fund	37,374	-	1,014,783	-	-	1,052,157
Nonmajor Gov. Funds	119,828	-	-	-	-	119,828
Total - Gov. Activities	<u>157,202</u>	<u>-</u>	<u>1,014,783</u>	<u>-</u>	<u>-</u>	<u>1,171,985</u>
Amounts not scheduled for payment during the subsequent year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

F. CAPITAL ASSET ACTIVITY

Capital asset activity for the District for the year ended August 31, 2022, was as follows:

	Primary Government				Ending Balance
	Beginning Balance	Additions	Retirements	Adjustments	
Governmental Activities:					
District:					
Land	510,557	-	-	-	510,557
Buildings and Improvements	53,769,404	487,339	(570,000)	1,367,729	55,054,472
Construction in Progress	-	-	-	-	-
Furniture and Equipment	6,183,603	1,058,770	(370,000)	-	6,872,373
Public Facility Corporation:					
Building	1,367,729	-	-	(1,367,729)	-
Totals at Historic Cost	<u>61,831,293</u>	<u>1,546,109</u>	<u>(940,000)</u>	<u>-</u>	<u>62,437,402</u>
Less Accumulated Depreciation for:					
Buildings and Improvements	(17,045,525)	(1,041,250)	570,000	(519,733)	(18,036,508)
Furniture and Equipment	(4,895,059)	(370,840)	370,000	-	(4,895,899)
Public Facility Corporation:					
Buildings and Improvements	(492,379)	(27,354)	-	519,733	-
Total Accumulated Depreciation	<u>(22,432,963)</u>	<u>(1,439,444)</u>	<u>940,000</u>	<u>-</u>	<u>(22,932,407)</u>
Governmental Activities Capital Assets, Net	<u>39,398,330</u>	<u>106,665</u>	<u>-</u>	<u>-</u>	<u>39,504,995</u>

The PFC was terminated and asset ownership was transferred to the District.

Depreciation expense was charged to governmental functions as follows:

Instruction	900,072
Instructional Resources & Media Services	29,110
Student (Pupil) Transportation	250,005
Food Services	114,137
Cocurricular/ Extracurricular Activities	116,873
General Administration	16,130
Plant Maintenance and Operations	<u>13,117</u>
Total Depreciation Expense	<u>1,439,444</u>

G. BONDS PAYABLE

Bonded indebtedness of the District is reflected as a long-term liability. Current requirements for principal and interest expenditures are accounted for in the Debt Service Fund.

In accordance with the Public Property Finance Act, as amended Section 271.001, the District entered into a lease purchase contract with a nonprofit corporation, the Pittsburg ISD Public Facility Corporation, to be created pursuant to the provisions of Chapter 303, as amended, Texas Local Government Code, as amended, for the use, purchase or other acquisition and improvement of a new school cafeteria and related facilities. The original issue, \$1,420,000 is dated January 12, 2002 and bears interest of 5.50% principal and interest payments are due February and August each year beginning August 15, 2002 and maturing August 15, 2021. Now that this has been paid in full, the PFC has been terminated.

The Pittsburg Independent School District Unlimited Tax School Building Bonds, Series 2013 were issued in July, 2013 pursuant to Sections 45-001 and 45-003(b)(1), Texas Education Code, as amended. Proceeds from the sale of the bonds are being used to construct, renovate, and equip school buildings and to acquire sites, and to pay the cost of issuing the bonds. Interest ranges from 2.00% to 3.50%. Interest is repaid annually beginning in fiscal year 2015 and principal will begin being repaid in fiscal year 2019 and will continue until maturity in fiscal year 2031.

The Pittsburg Independent School District Unlimited Tax School Building Bonds, Series 2016 were issued in August, 2016 pursuant to Sections 45-001 and 45-003(b)(1), Texas Education Code, as amended. Proceeds from the sale of the bonds are being used to construct, renovate, and equip school buildings and to acquire sites, and to pay the cost of issuing the bonds. Interest ranges from 2.00% to 3.00%. Interest is repaid annually beginning in fiscal year 2017 and principal will begin being repaid in fiscal year 2017 and will continue until maturity in fiscal year 2036.

The Pittsburg Independent School District Unlimited Tax School Building Bonds, Series 2017 were issued in June, 2017 pursuant to Sections 45-001 and 45-003(b)(1), Texas Education Code, as amended. Proceeds from the sale of the bonds are being used to construct, renovate, and equip school buildings and to acquire sites, and to pay the cost of issuing the bonds. Interest is 3.00%. Interest is repaid annually beginning in fiscal year 2017 and principal will begin being repaid in fiscal year 2018 and will continue until maturity in fiscal year 2031.

G. BONDS PAYABLE (cont'd)

A summary of changes in long-term debt for the year ended August 31, 2022 is as follows:

Description	Interest Rate Payable	Payable		Issued	Retired	Outstanding 8/31/2022
		Amounts Original Issue	Amounts Outstanding 9/1/2021			
Unlimited Tax School Building Bonds Series 2013	2.00%-3.50%	9,450,000	7,705,000	-	(660,000)	7,045,000
Unlimited Tax School Building Bonds Series 2016	2.00%-3.00%	9,175,000	7,585,000	-	(330,000)	7,255,000
Unlimited Tax School Building Bonds Series 2017	3.00%	1,485,000	1,125,000	-	(95,000)	1,030,000
Unamortized Premium	Variable	720,741	413,138	-	(45,859)	367,279
			<u>16,828,138</u>	<u>-</u>	<u>(1,130,859)</u>	<u>15,697,279</u>

Debt service requirements are as follows:

Year Ended August 31	General Obligations		Total Requirements
	Principal	Interest	
2023	1,115,000	455,201	1,570,201
2024	1,150,000	422,874	1,572,874
2025	1,185,000	387,764	1,572,764
2026	1,220,000	351,513	1,571,513
2027	1,080,000	315,900	1,395,900
2028-2032	5,620,000	1,025,811	6,645,811
2033-2037	3,960,000	242,100	4,202,100
Total	<u>15,330,000</u>	<u>3,201,163</u>	<u>18,531,163</u>

H. CHANGES IN LONG-TERM LIABILITIES

Long-term activity for the year ended August 31, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds and Notes Payable:					
Unlimited Tax Refunding					
Bonds, Series 2013	7,705,000	-	(660,000)	7,045,000	680,000
Unlimited Tax School Building					
Bonds, Series 2016	7,585,000	-	(330,000)	7,255,000	335,000
Unlimited Tax School Building					
Bonds, Series 2017	1,125,000	-	(95,000)	1,030,000	100,000
Unamortized Premium	413,138	-	(45,859)	367,279	45,859
Total Governmental Activities	<u>16,828,138</u>	<u>-</u>	<u>(1,130,859)</u>	<u>15,697,279</u>	<u>1,160,859</u>

The District has no unused lines of credit. No assets have been pledged as collateral for debt.

I. DEFINED BENEFIT PENSION PLAN

Plan Description. PITTSBURG INDEPENDENT SCHOOL DISTRICT participates in a cost-sharing multiple-employer defined benefit pension plan that has a special funding situation. The plan is administered by the Board of Trustees of the Teacher Retirement System of Texas (TRS). It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution.

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

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

Benefits Provided. TRS provides retirement, disability, and death benefits. Membership in the plan includes 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 exempt from membership under Texas Government Code, Title 8, Section 822.002. The pension benefits are established or amended under the authority of the Texas Constitution, Article XVI, Section 67 and by the Legislature in the Texas Government Code, Title 8, Subtitle C. The Board of Trustees does not have the authority to establish or amend benefits.

State law requires the plan to be actuarially sound in order for the Legislature to consider a benefit enhancement, such as supplemental payment to the retirees. The pension became actuarially sound in May 2019 when the 86th Texas Legislature approved the TRS Pension Reform Bill (SB12) that provided gradual contribution increases from the state, participating employers, and active employees for the fiscal years 2019 through 2024.

Contributions. Contribution requirements are established or amended pursuant to the following state laws:

- . Article 16, Section 67 of the Texas Constitution requires the Texas Legislature to establish a member contribution rate of not less than 6 percent of the member's annual compensation and a state contribution rate of not less than 6 percent and not more than 10 percent of the aggregate annual compensation paid to members of the System during the fiscal year.
- . Texas Government Code Section 821.006 prohibits benefit improvements if it increases the amortization period of TRS' unfunded actuarial liability to greater than 31 years or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in this manner are determined by the System's actuary.

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 plan during the fiscal year reduced by the employer contributions. Employers (including public schools) are required to pay the employer contribution rate in the following instances:

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

In addition to the employer contributions listed above, employers are required to pay surcharges in the following cases:

- All public schools, charter schools and regional education service centers must contribute 1.6 percent of the member's salary beginning in fiscal year 2021, gradually increasing to 2 percent in fiscal year 2025. The surcharge for fiscal year 2022 is 1.7 percent.
- When employing a retiree of the Teacher Retirement System the employer shall pay an amount equal to the member contribution and the state contribution as an employment after retirement surcharge.

The following table shows contribution rates by type of contributor for the fiscal years 2021 and 2022.

<u>Contribution Rates</u>		
	<u>2021</u>	<u>2022</u>
Member	7.70%	8.00%
Non-Employer Contributing Entity (State)	7.50%	7.75%
Employers	7.50%	7.50%
District's 2022 FY Employer Contributions	\$	750,806
District's 2022 FY Member Contributions	\$	1,423,516
Measurement Year NECE On-Behalf Contributions	\$	1,006,003

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

Net Pension Liability

Components of the net pension liability of the plan as of August 31, 2021 are disclosed below: (From TRS Annual Comprehensive Financial Report 2021, p. 86.)

Table 11.E.1: Net Pension Liability	
Components of Liability	Amount
Total Pension Liability	\$ 227,273,463,630
Less: Plan Fiduciary Net Position	(201,807,002,496)
Net Pension Liability	\$ 25,466,461,134
Net Position as Percentage of Total Pension Liability	
	88.79 %

Actuarial Assumptions.

Roll Forward - The actuarial valuation was performed as of August 31, 2020. Update procedures were used to roll forward the total pension liability to August 31, 2021.

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

The post-retirement mortality rates were based on the 2018 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 90 percent of the RP-2014 Employee Mortality Tables for males and females, also with full generational mortality.

The long-term expected rate of return on pension plan investments is 7.25 percent. The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The following table discloses the assumptions that were applied to this measurement period. (From TRS Annual Comprehensive Financial Report 2021, p. 87.)

Table 11.F.1: Actuarial Methods and Assumptions	
Component	Result
Valuation Date	August 31, 2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.25%
Long-term Expected Rate	7.25%
Municipal Bond Rate as of August 2020	1.95% - 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"
Last year ending August 31 in Projection Period (100 years)	2120
Inflation	2.30%
Salary Increases	3.05% to 9.05% including inflation
Ad hoc post-employment benefit changes	None

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

Discount Rate. A single discount rate of 7.25 percent 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 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the Legislature during the 2019 legislative session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

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

Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2021, are presented in the following table from the TRS Annual Comprehensive Financial Report for 2021, p. 53.

Table 3.A.1: Asset Allocations			
Asset Class*	Target Allocation %**	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.0 %	3.6 %	0.94 %
Non-US Developed	13.0	4.4	0.83
Emerging Markets	9.0	4.6	0.74
Private Equity	14.0	6.3	1.36
Stable Value			
Government Bonds	16.0 %	(0.2)%	0.01 %
Absolute Return	0.0	1.1	0.00
Stable Value Hedge Funds	5.0	2.2	0.12
Real Return			
Real Estate	15.0 %	4.5 %	1.00 %
Energy, Natural Resources & Infrastructure	6.0	4.7	0.35
Commodities	0.0	1.7	0.00
Risk Parity	8.0 %	2.8 %	0.28 %
Asset Allocation Leverage			
Cash	2.0 %	(0.7)%	(0.01)%
Asset Allocation Leverage	(6.0)	(0.5)	0.03
Inflation Expectation			2.20 %
Volatility Drag****			(0.95)%
Expected Return	100.0 %		6.90 %
*Absolute Return includes Credit Sensitive Investments.			
**Target allocations are based on the FY2021 policy model.			
***Capital Market Assumptions come from Aon Hewitt (as of 8/31/2021).			
****The volatility drag results from the conversion between arithmetic and geometric mean returns.			

Discount Rate Sensitivity Analysis. The following table presents the District's net pension liability of the plan using the discount rate of 7.25 percent, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate.

	1% Decrease in Discount Rate (6.25%)	Current Single Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
District's proportionate share of the net pension liability:	\$ 6,714,267	\$ 3,072,111	\$ 118,202

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At August 31, 2022, PITTSBURG INDEPENDENT SCHOOL DISTRICT reported a liability of \$3,072,111 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to PITTSBURG INDEPENDENT SCHOOL DISTRICT. The amount recognized by PITTSBURG INDEPENDENT SCHOOL 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 PITTSBURG INDEPENDENT SCHOOL DISTRICT were as follows:

District's Proportionate share of the collective net pension liability	\$ 3,072,111
State's proportionate share that is associated with the District	<u>6,803,393</u>
Total	<u>\$9,075,564</u>

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

At August 31, 2021 the employer's proportion of the collective net pension liability was .00012067% which was an increase of 4.7% from its proportion measured as of August 31, 2020.

Changes In Actuarial Assumptions Since the Prior Actuarial Valuation – There were no changes in assumptions since the prior measurement date.

Changes in Benefits - There were no changes in benefits.

For the year ended August 31, 2022, PITTSBURG INDEPENDENT SCHOOL DISTRICT recognized pension expense of \$2,400 and revenue of \$1,006,003 for support provided by the State in the Government Wide Statement of Activities.

At August 31, 2022, PITTSBURG INDEPENDENT SCHOOL DISTRICT reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experience	\$ 5,141	\$ 216,279
Changes in actuarial assumptions	1,085,931	473,373
Net Difference between projected and actual investment earnings	-	2,575,926
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	255,852	653,802
Contributions paid to TRS subsequent to the measurement date	750,806	-
Total	\$ 2,097,730	\$ 3,919,380

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

Year ended June 30:	Pension Expense Amount
2023	\$ 495,767
2024	510,555
2025	734,835
2026	835,415
2027	2,431
Thereafter	(6,551)

J. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

Plan Description. The PITTSBURG INDEPENDENT SCHOOL DISTRICT participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined other post-employment benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052.

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

Components of the net OPEB liability of the TRS-Care plan as of August 31, 2021 as presented in the TRS 2021 ACFR (p. 76) are as follows:

Table 9.E.1: Net OPEB Liability	
Components of Liability	Amount
Total OPEB Liability	\$ 41,113,711,083
Less: Plan Fiduciary Net Position	(2,539,242,470)
Net OPEB Liability	\$ 38,574,468,613
Net Position as a Percentage of Total OPEB Liability	6.18 %

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 system. Eligible non-Medicare retirees and their dependents may pay premiums to participate in the high-deductible health plans. 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 General Appropriations Act passed by the 86th Legislature included funding to maintain TRS Care premiums at their current level through 2021. The 86th Legislature also passed SB 1682 which requires TRS to establish a contingency reserve in the TRS-Care fund equal to 60 days of expenditures. This amount is estimated at \$271,311,000 as of August 31, 2021. The premium rates for retirees are presented in the following table:

TRS-Care Monthly Premium Rates

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

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

At the inception of the plan, funding was projected to last 10 years through fiscal year 1995. The original funding was sufficient to maintain the solvency of the fund through fiscal year 2000. Since that time, appropriations and contributions have been established to fund the benefits for each successive biennium.

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 salary. Section 1575.204 establishes a public school 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 public school contribution rate is prescribed by the Legislature in the General Appropriations Act which is 0.75% of each active employee's pay for fiscal year 2021. The following table shows contributions to the TRS-Care plan by type of contributor.

<u>Contribution Rates</u>		
	<u>2021</u>	<u>2022</u>
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private Funding Remitted by Employers	1.25%	1.25%
District's 2022 FY Employer Contributions		\$ 133,454
District's 2022 FY Member Contributions		\$ 115,663
Measurement Year NECE On-Behalf Contributions		\$ 224,828

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 employers hire a TRS retiree, they are required to pay to TRS-Care, a monthly surcharge of \$535 per retiree.

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

Actuarial Assumptions. The actuarial valuation was performed as of August 31, 2020. Update procedures were used to roll forward the total OPEB liability to August 31, 2021.

In addition to the demographic assumptions: salary increases and inflation rates used for members of TRS are identical to the assumptions employed in the August 31, 2021 annual pension actuarial valuation.

The rates of mortality, retirement, termination, and disability incidence are identical to the assumptions used to value the pension liability of the Teacher Retirement System of Texas (TRS). The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

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

Election Rates for Normal retirement - 65 percent participation rate prior to age 65 and 40 percent participation rate after age 65. Election Rates for pre-65 Retirees - 25 percent are assumed to discontinue coverage at age 65.

Table 9.F.1: Actuarial Methods and Assumptions	
Component	Result
Valuation Date	August 31, 2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry-Age Normal
Inflation	2.30 %
Single Discount Rate	1.95 % as of August 31, 2021
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Salary Increases	3.05 % to 9.05 %, including inflation
Ad Hoc Post-Employment Benefit Changes	None

The initial medical trend rates were 8.50 percent for Medicare retirees and 7.10 percent for non-Medicare retirees. There was an initial prescription drug trend rate of 8.50 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 12 years.

Discount Rate. A single discount rate of 1.95 percent was used to measure the total OPEB liability. This was a decrease of .38 percent in the discount rate since the previous year. The Discount Rate can be found in the 2021 TRS ACFR on page 77. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate.

Sensitivity of the Net OPEB Liability:

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the net OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (1.95%) in measuring the net OPEB liability.

	1% Decrease in Discount Rate (.95%)	Current Single Discount Rate (1.95%)	1% Increase in Discount Rate (2.95%)
District's proportionate share of the Net OPEB Liability:	\$ 9,994,722	\$ 8,285,915	\$ 6,941,026

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the Net OPEB Liability:	\$ 6,711,388	\$ 8,285,915	\$ 10,398,754

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At August 31, 2022, PITTSBURG INDEPENDENT SCHOOL DISTRICT reported a liability of \$8,285,915 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with PITTSBURG INDEPENDENT SCHOOL DISTRICT were as follows:

District's Proportionate share of the collective net OPEB liability	\$ 8,285,915
State's proportionate share that is associated with the District	<u>11,101,280</u>
Total	<u>\$19,387,195</u>

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

At August 31, 2021 the employer's proportion of the collective net OPEB liability was 0.0002148% compared to the 0.002147% as of August 31, 2020. This is an increase of 0.05%.

Changes in Actuarial Assumptions Since the Prior Actuarial Valuation – The discount rate changed from 2.33 percent as of August 31, 2020 to 1.95 percent as of August 31, 2021. This change increased the total OPEB liability.

Changes in Benefit Terms: There were no changes in benefit terms since the prior measurement date.

For the year ended August 31, 2022, PITTSBURG INDEPENDENT SCHOOL DISTRICT recognized OPEB expense of \$(409,722) and revenue of \$224,828 for support provided by the State.

At August 31, 2022, PITTSBURG INDEPENDENT SCHOOL DISTRICT reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experience	\$356,748	\$4,010,963
Changes in actuarial assumptions	917,762	1,752,318
Net Difference between projected and actual investment earnings	8,996	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	114,958	2,441,141
Contributions paid to TRS subsequent to the measurement date	133,454	-
Total	\$1,531,918	\$8,204,422

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

Year ended August 31:	OPEB Expense Amount
2023	\$ (1,307,882)
2024	(1,308,085)
2025	(1,308,032)
2026	(1,089,928)
2027	(794,646)
Thereafter	(997,385)

K. HEALTH CARE COVERAGE - RETIREES AND ACTIVE EMPLOYEES

Retiree Health Care Coverage

Plan Description. PITTSBURG INDEPENDENT SCHOOL DISTRICT participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit post-employment health care plan administered by the Teacher Retirement System of Texas. TRS-Care provides health care coverage for certain persons (and their dependents) who retire under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Texas Insurance Code Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, by phoning the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet Website, www.trs.state.tx.us under the TRS Publications heading.

Funding Policy. Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The Contribution Rate for the State was 1.25% for 2018, 2019, and 2020. The contribution rate for the district was 0.55% for each of these three years. The contribution rate for active employees was 0.65% of the district payroll for each of the three years. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. For staff members funded by federal problems, the federal programs are required to contribution 1.0 %.

Medicare Part D. The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal year ended August 31, 2021, 2020, and 2019 the subsidy payments received by TRS-Care on-behalf of the District were \$74,613, \$67,646, and \$57,862 respectively. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

Active Employee Health Care Coverage

Plan Description. The District participates in TRS Active Care sponsored by the Teacher Retirement System of Texas and administered through Aetna and Caremark (pharmacy). TRS-Active Care provides health care coverage to employees (and their dependents) of participating public education entities. Optional life and long-term care insurance are also provided to active members and retirees. Authority for the plan can be found in the Texas Insurance Code, Title 8, Subtitle H, Chapter 1579 and in the Texas Administrative Code, Title 34, Part 3, Chapter 41. The plan began operations on September 1, 2002. This is a premium-based plan. Payments are made on a monthly basis for all covered employees.

L. HEALTH CARE COVERAGE

During the year ended August 31, 2022, employees of the Pittsburg Independent School District were covered by a health insurance plan (the Plan) with TRS ActiveCare. The District contributed \$200 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay contributions for dependents. All contributions were paid to a third party administrator. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

Total annual premiums paid by the District for health care premiums 2021-2022 totaled \$616,600. There were no non-medical expenses in this total so this \$616,600 is the total maintenance of effort for 2021-2022.

Maintenance of Effort	
Total District Premium Paid for 2021-2022	616,600
Subtract non-medical expenditures	<u>-</u>
2021-2022 Maintenance of Effort	<u>616,600</u>

Changes in the balances of the claim liabilities during the past year for the workers' compensation plan are as follows:

	Year Ended August 31, 2022	Year Ended August 31, 2021
Unpaid claims, beginning of the year	2,589	3,424
Incurred claims (including IBNR'S)	(300)	(665)
Claim Payments	<u>(464)</u>	<u>(170)</u>
Unpaid claims, end of fiscal year	<u>1,825</u>	<u>2,589</u>

M. UNEARNED REVENUE

Unearned revenue at yearend consisted of the following:

	General Fund	Nonmajor Governmental Fund	Total
State Textbook	-	22,574	22,574
Other	-	16,517	16,517
Total Unearned Revenue	-	<u>39,091</u>	<u>39,091</u>

N. DUE FROM OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of August 31, 2022, are summarized below. All federal grants shown below are passed through the TEA and are reported on the combined financial statements as Due from State Agencies.

<u>FUND</u>	<u>STATE ENTITLEMENTS</u>	<u>FEDERAL GRANTS</u>	<u>OTHER</u>	<u>TOTAL</u>
General	1,406,417	-	-	1,406,417
Special Revenue	-	253,775	-	253,775
Debt Service	-	-	-	-
Total	<u>1,406,417</u>	<u>253,775</u>	<u>-</u>	<u>1,660,192</u>

O. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES

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

	General	Nonmajor Governmental	Major Debt Service	Total
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	
Property Taxes	8,649,557	-	1,939,221	10,588,778
Penalties, Interest and Other Tax- related Income	155,799	-	26,150	181,949
Investment Income	27,280	1,726	5,113	34,119
Food Sales	-	85,352	-	85,352
Co-curricular	97,156	-	-	97,156
Gifts	-	200,000	-	200,000
Other	109,811	-	-	109,811
Total	<u>9,039,603</u>	<u>287,078</u>	<u>1,970,484</u>	<u>11,297,165</u>

P. DEFERRED INFLOWS OF RESOURCES

In the government wide statements and the governmental fund financial statements the amount of property taxes receivable expected to be collected in the future is reflected as a deferred inflow of resources and will be recognized as such each year as it is collected.

Q. RISK MANAGEMENT

The District is exposed to various risk of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2022, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

R. COMMITMENTS AND CONTINGENCIES

The District has no significant commitments or contingencies at August 31, 2022.

S. LITIGATION

The District has no pending litigation at August 31, 2022.

T. BLENDED COMPONENT UNIT

The Public Facility Corporation was closed in October, 2021. The debt it borrowed to build facilities was paid off in the previous year. The facilities ownership was transferred to the District in October, 2021.

U. SUBSEQUENT EVENTS

Administration has evaluated subsequent events through October 5, 2022, the financial statement issuance date.

V. PRIOR PERIOD ADJUSTMENT

A prior period adjustment of \$23,227 is recorded as a decrease to beginning net position in the government wide statements and in the governmental fund statements to correct the beginning balance in prepaid meals in the food service funds.

REQUIRED SUPPLEMENTAL INFORMATION

PITTSBURG INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2022

	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019
District's Proportion of the Net Pension Liability (Asset)	0.000120633%	0.000115178%	0.000125969%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 3,072,111	\$ 6,168,717	\$ 6,548,237
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	6,003,393	12,447,908	11,229,480
Total	<u>\$ 9,075,504</u>	<u>\$ 18,616,625</u>	<u>\$ 17,777,717</u>
District's Covered Payroll	\$ 17,793,964	\$ 16,640,876	\$ 15,769,366
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	17.26%	37.07%	41.53%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.79%	75.54%	72.54%

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

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

FY 2019 Plan Year	FY 2018 Plan Year	FY 2017 Plan Year	FY 2016 Plan Year	FY 2015 Plan Year 2014
0.000138776%	0.000143897%	0.000139912%	0.000148755%	0.00085087%
\$ 7,638,580	\$ 4,601,057	\$ 5,264,387	\$ 5,258,291	2,272,791
12,925,145	7,919,255	9,458,989	9,183,457	8,176,448
\$ 20,563,725	\$ 12,520,312	\$ 14,723,376	\$ 14,441,748	\$ 10,449,239
\$ 14,436,458	\$ 14,947,189	\$ 14,825,629	\$ 14,453,288	14,273,586
52.91%	30.78%	35.51%	36.38%	21.75%
73.74%	82.17%	78.00%	78.43%	83.25%

PITTSBURG INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2022

	2022	2021	2020
Contractually Required Contribution	\$ 750,806	\$ 680,315	\$ 636,311
Contribution in Relation to the Contractually Required Contribution	(750,806)	(680,315)	(636,311)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 17,793,964	\$ 16,640,876	\$ 15,769,366
Contributions as a Percentage of Covered Payroll	4.21%	4.09%	4.04%

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

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

	2019		2018		2017		2016		2015
\$	599,766	\$	631,249	\$	621,337	\$	574,786	\$	570,524
	(599,766)		(631,249)		(621,337)		(574,786)		(570,524)
\$	-	\$	-	\$	-	\$	-	\$	-
\$	14,436,458	\$	14,947,189	\$	14,825,629	\$	14,453,282	\$	14,273,587
	4.20%		4.22%		4.19%		3.98%		4.00%

PITTSBURG INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2022

	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.0002148%	0.00021497%	0.00021262%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 8,285,915	\$ 8,171,869	\$ 10,055,036
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	11,101,280	10,981,034	13,360,895
Total	<u>\$ 19,387,195</u>	<u>\$ 19,152,903</u>	<u>\$ 23,415,931</u>
District's Covered Payroll	\$ 17,793,964	\$ 16,640,876	\$ 15,769,366
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	46.57%	49.11%	63.76%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	6.18%	4.99%	2.66%

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

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

FY 2019 Plan Year		FY 2018 Plan Year	
0.000237363%		0.000278184%	
\$	11,851,785	\$	12,097,164
	12,325,010		11,243,664
\$	24,176,795	\$	23,340,828
\$	14,436,458	\$	14,947,189
	82.09%		80.93%
	1.57%		0.91%

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

	2022	2021	2020
Contractually Required Contribution	\$ 133,454	\$ 124,807	\$ 118,270
Contribution in Relation to the Contractually Required Contribution	(133,454)	(124,807)	(118,270)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 17,793,964	\$ 16,640,876	\$ 15,769,366
Contributions as a Percentage of Covered Payroll	0.75%	0.75%	0.75%

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

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

<u>2019</u>		<u>2018</u>	
\$	108,274	\$	112,099
	(108,274)		(112,099)
<u>\$ -</u>		<u>\$ -</u>	
<u>\$ 14,436,458</u>		<u>\$ 14,947,189</u>	
	0.75%		0.75%

PITTSBURG INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2022

A. Notes to Schedules for the TRS Pension

Changes of Benefit terms.

In May 2019, the 86th Texas legislature approved the TRS Pension Reform Bill (SB12) that provides for gradual contribution increases from the state, participating employers and active employees to make the pension fund actuarially sound. The increases immediately made the pension fund actuarially sound and the legislature approved funding for a 13th check.

All eligible members retired as of December 31, 2018 received an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or \$2,000, whichever was less.

Changes of Assumptions.

There were no changes in assumptions since the prior measurement date.

B. Notes to Schedules for the TRS OPEB Plan

Changes in Benefits.

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

Changes in Assumptions.

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

- The discount rate changed from 2.33 percent as of August 31, 2020 to 1.95 percent, as of August 31, 2021. This change increased the Total OPEB Liability.
- The participation rate for post-65 retirees was lowered from 50 percent to 40 percent. This change lowered the Total OPEB Liability.
- The ultimate health care trend assumption was lowered from 4.50 percent to 4.25 percent as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change lowered the Total OPEB Liability.

COMBINING SCHEDULES

NON-MAJOR GOVERNMENTAL FUNDS

PITTSBURG INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2022

Data Control Codes		211	224	225	240
		ESEA I, A Improving Basic Program	IDEA - Part B Formula	IDEA - Part B Preschool	National Breakfast and Lunch Program
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 756,324
1240	Due from Other Governments	-	-	-	145,615
1000	Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 901,939</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ 11,668
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,668</u>
FUND BALANCES					
	Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	-	890,271
3490	Other Restricted Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>890,271</u>
4000	Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 901,939</u>

244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	270 ESEA V, B,2 Rural & Low Income	281 ESSER II CRRSA Act Supplemental	284 IDEA B Formula ARP Act	285 IDEA B Preschool ARP Act	289 Other Federal Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,167
-	-	-	-	108,160	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108,160</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,167</u>
\$ -	\$ -	\$ -	\$ -	\$ 108,160	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	16,167
-	-	-	-	108,160	-	-	16,167
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108,160</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,167</u>

PITTSBURG INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2022

Data Control Codes		410	429	480	Total
		State	Other State	D. Julian	Nonmajor
		Instructional	Special	Pilgrim	Governmental
		Materials	Revenue Funds	Trust	Funds
ASSETS					
1110	Cash and Cash Equivalents	\$ 22,574	\$ 350	\$ 155,357	\$ 950,772
1240	Due from Other Governments	-	-	-	253,775
1000	Total Assets	<u>\$ 22,574</u>	<u>\$ 350</u>	<u>\$ 155,357</u>	<u>\$ 1,204,547</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ 119,828
2300	Unearned Revenue	22,574	350	-	39,091
2000	Total Liabilities	<u>22,574</u>	<u>350</u>	<u>-</u>	<u>158,919</u>
FUND BALANCES					
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	890,271
3490	Other Restricted Fund Balance	-	-	155,357	155,357
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>155,357</u>	<u>1,045,628</u>
4000	Total Liabilities and Fund Balances	<u>\$ 22,574</u>	<u>\$ 350</u>	<u>\$ 155,357</u>	<u>\$ 1,204,547</u>

PITTSBURG INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ 87,078
5800 State Program Revenues	-	-	-	34,874
5900 Federal Program Revenues	871,625	551,850	11,152	1,911,548
5020 Total Revenues	871,625	551,850	11,152	2,033,500
EXPENDITURES:				
Current:				
0011 Instruction	646,802	551,850	11,152	-
0021 Instructional Leadership	67,212	-	-	-
0023 School Leadership	86,811	-	-	-
0031 Guidance, Counseling, and Evaluation Services	70,800	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	1,703,548
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	871,625	551,850	11,152	1,703,548
1200 Net Change in Fund Balance	-	-	-	329,952
0100 Fund Balance - September 1 (Beginning)	-	-	-	583,546
1300 Prior Period Adjustment	-	-	-	(23,227)
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ 890,271

244	255	263	270	281	284	285	289
Career and Technical - Basic Grant	ESEA II,A Training and Recruiting	Title III, A English Lang. Acquisition	ESEA V, B,2 Rural & Low Income	ESSER II CRRSA Act Supplemental	IDEA B Formula ARP Act	IDEA B Preschool ARP Act	Other Federal Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
41,346	114,616	50,351	48,091	1,448,794	82,327	-	154,675
41,346	114,616	50,351	48,091	1,448,794	82,327	-	154,675
41,346	114,616	50,351	6,776	864,043	82,327	-	19,924
-	-	-	-	41,118	-	-	-
-	-	-	41,315	32,736	-	-	-
-	-	-	-	-	-	-	60,394
-	-	-	-	5,353	-	-	74,357
-	-	-	-	30,856	-	-	-
-	-	-	-	40,560	-	-	-
-	-	-	-	15,441	-	-	-
-	-	-	-	398,304	-	-	-
-	-	-	-	9,265	-	-	-
-	-	-	-	11,118	-	-	-
-	-	-	-	-	-	-	-
41,346	114,616	50,351	48,091	1,448,794	82,327	-	154,675
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

PITTSBURG INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes	410 State Instructional Materials	429 Other State Special Revenue Funds	480 D. Julian Pilgrim Trust	Total Nonmajor Governmental Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ 200,000	\$ 287,078
5800 State Program Revenues	141,358	875	-	177,107
5900 Federal Program Revenues	-	-	-	5,286,375
5020 Total Revenues	141,358	875	200,000	5,750,560
EXPENDITURES:				
Current:				
0011 Instruction	141,358	-	-	2,530,545
0021 Instructional Leadership	-	-	-	108,330
0023 School Leadership	-	-	-	160,862
0031 Guidance, Counseling, and Evaluation Services	-	-	-	131,194
0033 Health Services	-	-	-	79,710
0034 Student (Pupil) Transportation	-	-	-	30,856
0035 Food Services	-	-	-	1,744,108
0041 General Administration	-	-	-	15,441
0051 Facilities Maintenance and Operations	-	-	-	398,304
0052 Security and Monitoring Services	-	875	-	10,140
0053 Data Processing Services	-	-	-	11,118
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	59,680	59,680
6030 Total Expenditures	141,358	875	59,680	5,280,288
1200 Net Change in Fund Balance	-	-	140,320	470,272
0100 Fund Balance - September 1 (Beginning)	-	-	15,037	598,583
1300 Prior Period Adjustment	-	-	-	(23,227)
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ 155,357	\$ 1,045,628

REQUIRED T.E.A. SCHEDULES

PITTSBURG INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED AUGUST 31, 2022

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2013 and prior years	Various	Various	\$ Various
2014	1.040000	0.11560	667,811,440
2015	1.040000	0.11560	690,964,434
2016	1.040000	0.12630	686,697,591
2017	1.040000	0.20000	702,385,403
2018	1.040000	0.20000	735,461,774
2019	1.040000	0.20000	799,590,968
2020	0.970000	0.20000	835,799,573
2021	0.943700	0.20000	903,823,118
2022 (School year under audit)	0.887800	0.20000	984,332,046
1000 TOTALS			

(10) Beginning Balance 9/1/2021	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2022
\$ 336,915	\$ -	\$ 14,883	\$ 2,862	\$ -	\$ 319,170
52,004	-	3,757	722	-	47,525
63,061	-	5,935	1,142	-	55,984
64,346	-	6,413	1,233	-	56,700
76,748	-	9,627	1,851	-	65,270
101,424	-	11,899	2,289	-	87,236
122,725	-	19,729	3,794	-	99,202
178,683	-	42,804	8,823	-	127,056
319,034	-	68,415	14,502	-	236,117
-	10,707,564	8,466,095	1,902,003	(1,239)	338,227
<u>\$ 1,314,940</u>	<u>\$ 10,707,564</u>	<u>\$ 8,649,557</u>	<u>\$ 1,939,221</u>	<u>\$ (1,239)</u>	<u>\$ 1,432,487</u>

PITTSBURG INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 80,750	\$ 80,750	\$ 87,078	\$ 6,328
5800 State Program Revenues	48,400	48,400	34,874	(13,526)
5900 Federal Program Revenues	1,460,942	1,575,474	1,911,548	336,074
5020 Total Revenues	1,590,092	1,704,624	2,033,500	328,876
EXPENDITURES:				
Current:				
0035 Food Services	1,590,092	1,704,624	1,703,548	1,076
6030 Total Expenditures	1,590,092	1,704,624	1,703,548	1,076
1200 Net Change in Fund Balances	-	-	329,952	329,952
0100 Fund Balance - September 1 (Beginning)	583,546	583,546	583,546	-
1300 Prior Period Adjustment	-	-	(23,227)	(23,227)
3000 Fund Balance - August 31 (Ending)	\$ 583,546	\$ 583,546	\$ 890,271	\$ 306,725

PITTSBURG INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 1,573,625	\$ 1,573,625	\$ 1,970,484	\$ 396,859
5800 State Program Revenues	100	100	27,525	27,425
5020 Total Revenues	1,573,725	1,573,725	1,998,009	424,284
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Liabilities	1,085,000	1,085,000	1,085,000	-
0072 Interest on Long-Term Liabilities	483,225	483,225	483,225	-
0073 Bond Issuance Cost and Fees	5,500	5,500	4,000	1,500
6030 Total Expenditures	1,573,725	1,573,725	1,572,225	1,500
1200 Net Change in Fund Balances	-	-	425,784	425,784
0100 Fund Balance - September 1 (Beginning)	1,506,116	1,506,116	1,506,116	-
3000 Fund Balance - August 31 (Ending)	\$ 1,506,116	\$ 1,506,116	\$ 1,931,900	\$ 425,784

PITTSBURG INDEPENDENT SCHOOL DISTRICT
 STATE COMPENSATORY EDUCATION AND BILINGUAL EDUCATION PROGRAM EXPENDITURES
 FOR THE YEAR ENDED AUGUST 31, 2022

Section A: Compensatory Education Programs

AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	2785321
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year.	2213843

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.	252199
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25,35)	318045

**REPORTS ON INTERNAL CONTROL,
COMPLIANCE, & FEDERAL AWARDS**



CPAs & Advisors

Bob J. Arnold, CPA, PFS
Lanny G. Walker, CPA, PFS
Kris Arnold, CPA, PFS
Andrew Arnold, CPA
Melissa J. Godfrey, CPA

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*

Board of Trustees
Pittsburg Independent School District
Pittsburg, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pittsburg Independent School District, as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 5, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Arnold, Walker, Arnold & Co., P.C.

Arnold, Walker, Arnold & Co., P.C.

October 5, 2022

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

Board of Trustees
Pittsburg Independent School District
Pittsburg, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Pittsburg Independent School District's 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, 2022. 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 types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the District and to meet 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 Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

Report on Internal Control over Compliance

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

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.

Arnold, Walker, Arnold & Co., P.C.

Arnold, Walker, Arnold & Co., P.C.

October 5, 2022

PITTSBURG INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2022

I. Summary of the Auditor's Results:

- a. The type of report issued on the financial statements of the Pittsburgh Independent School District was an unmodified opinion.
- b. Where applicable, a statement that control deficiencies in internal control were disclosed by the audit of the financial statements and whether they were material weaknesses. NONE
- c. A statement as to whether the audit disclosed any noncompliance which is material to the financial statements of the auditee. NONE
- d. Where applicable, a statement that control deficiencies in internal control over major programs were disclosed by the audit and whether any such conditions were material weaknesses. NONE
- e. The type of report the auditor issued on compliance for major programs. unmodified opinion
- f. A statement as to whether the audit disclosed any audit findings which the auditor is required to report under "Uniform Guidance under section 200.516 Audit Findings paragraph (a)" 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"). : NONE
- g. An identification of major programs: ESSER II, Federal Assistance Listing No. 84.425D; ESSER III, Federal Assistance Listing No. 84.425U
- h. The dollar threshold used to distinguish between Type A and Type B programs. \$750,000
- i. A statement as to whether the auditee qualified as a low-risk auditee. Yes

II. Findings Relating to the Financial Statements Which Are Required To Be Reported in Accordance with *Generally Accepted Government Auditing Standards*.

NONE

III. Findings and Questioned Costs for Federal Awards Including Audit Findings as Described in I.f Above

None

PITTSBURG INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2022

PRIOR YEAR'S FINDINGS/ NONCOMPLIANCE

N/A

STATUS OF PRIOR YEAR'S FINDINGS/ NONCOMPLIANCE

N/A

PITTSBURG INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED AUGUST 31, 2022

CORRECTIVE ACTION

N/A

The contact at the District is Julie Wetzel at (903) 856-3628.

PITTSBURG INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2022

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal Assistance Listing No.	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through Texas Education Agency</u>			
ESEA, Title II, Part A, Teacher Principal Training	84.367A	221694501032902	\$ 105,282
ESEA, Title II, Part A, Teacher Principal Training	84.367A	201694501032902	9,334
Total Assistance Listing Number 84.367A			114,616
ESEA, Title VI, Part B - Rural & Low Income Prog.	84.358A	221696001032902	48,091
ESEA, Title I, Part A - Improving Basic Programs	84.010A	22610101032902	852,985
ESEA, Title I, Part A - Improving Basic Programs	84.010A	20610101032902	18,640
Total Assistance Listing Number 84.010A			871,625
*IDEA - Part B, Formula	84.027A	226600010329026600	511,945
IDEA Part B-Formula	84.027A	206600010329026600	39,905
*IDEA, Part B, Formula - American Rescue Act (ARP)	84.027A	225300010329025300	82,327
Total Assistance Listing Number 84.027A			634,177
*IDEA - Part B, Preschool	84.173	226610010329026610	11,152
Total Special Education Cluster (IDEA)			645,329
Career and Technical - Basic Grant	84.048	22420006032902	41,346
Title III, Part A - English Language Acquisition	84.365A	22671001032902	41,458
Title III, Part A - English Language Acquisition	84.365A	20671001032902	8,893
Total Assistance Listing Number 84.365A			50,351
ESEA Title IV Part A	84.424A	2268010103902	74,239
ESEA Title IV Part A	84.424A	2068010103902	6,078
Total Assistance Listing Number 84.424A			80,317
ESSER III - ARP School Emergency Relief	84.425U	21528001032902	3,331,890
Elementary Secondary School Emergency Relief II	84.425D	21521001032902	1,448,794
Total Assistance Listing Number 84.425			4,780,684
Total Passed Through Texas Education Agency			6,632,359
TOTAL U.S. DEPARTMENT OF EDUCATION			6,632,359
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through Texas Education Agency</u>			
ELC Reopening Schools	93.323	003902	74,358
Total Passed Through Texas Education Agency			74,358
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			74,358
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the Texas Department of Agriculture</u>			
*School Breakfast Program	10.553	N/A	314,223
*National School Lunch Program - Cash Assistance	10.555	N/A	1,451,223
*National School Lunch Prog. - Non-Cash Assistance	10.555	N/A	146,102

PITTSBURG INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2022

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
Total Assistance Listing Number 10.555			1,597,325
Total Child Nutrition Cluster			1,911,548
Total Passed Through the Texas Department of Agriculture			1,911,548
TOTAL U.S. DEPARTMENT OF AGRICULTURE			1,911,548
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 8,618,265
*Clustered Programs			

PITTSBURG INDEPENDENT SCHOOL DISTRICT

NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2022

- For all Federal programs, the District uses the fund types specified in Texas Education Agency's *Financial Accountability System Resource Guide*.
- **General Fund** - is used to account for , among other things, resources related to the United States Department of Defense ROTC program and the United States Department of Education's Impact Aid.
- **Special Revenue Funds** - are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.
- The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in a Special Revenue Fund or, in some instances, in the General Fund which are Governmental Fund type funds.

With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned.
- The period of performance for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 90 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Performance of Federal Funds, 3 CFR Section 200.343(b).
- Assistance Listing numbers for commodity assistance are the Assistance Listing numbers of the programs under which USDA donated the commodities.
- Indirect cost reimbursement for federal programs for this fiscal year was received in the amount of \$0.
- Reconciliation Information:

Amount reported on the Schedule of Expenditures of Federal awards.	\$ 8,618,265
SHARS Revenue reported in the General Fund	255,526
Federal Program Revenue Reported on Exhibit C-3	<u>8,873,791</u>
Total Federal Program Revenue	<u><u>\$8,873,791</u></u>

SCHOOLS FIRST QUESTIONNAIRE

PITTSBURG INDEPENDENT SCHOOL DISTRICT

Fiscal Year 2022

SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement?	No
SF3	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If there was a warrant hold not cleared in 30 days, then not timely.)	Yes
SF4	Was the school district issued a warrant hold? (Yes even if cleared within 30 days.)	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules in effect at the fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year end.	0