

CORRIGAN CAMDEN
INDEPENDENT SCHOOL DISTRICT
Corrigan, Texas

ANNUAL FINANCIAL REPORT

For the Year Ended August 31, 2019

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INTRODUCTORY SECTION

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
CERTIFICATE OF BOARD
August 31, 2019

Corrigan Camden Independent School District
Name of School District

Polk
County

187-904
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, 2019, at a meeting of the Board of Trustees of such school district on the 18th day of November, 2019.

Angela Conarroe
Signature of Board Secretary

Sean Burks
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)

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Corrigan Camden Independent School District
Corrigan, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Corrigan Camden Independent School District ("the District"), as of and for the year ended August 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension and other post-employment benefit schedules be presented to supplement the basic financial statements. Such information, 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.

Other 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 introductory section, combining and individual nonmajor fund financial statements, and required TEA schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis 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), and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and required TEA schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2019, 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 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 internal control over financial reporting or on compliance. That report on page 62-63 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.

Lufkin, Texas
November 18, 2019


CERTIFIED PUBLIC ACCOUNTANTS

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2019

This section of the Corrigan Camden Independent School District's annual financial report presents our discussion and analysis of the District's financial performance during the year ended August 31, 2019. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's total combined Net Position was \$5,931,290 at August 31, a \$1,789,546 increase from the previous year, including a prior period adjustment.
- The General Fund reported a fund balance this year of \$5,945,051, up \$1,480,679 from the previous year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial 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: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The required supplementary information further explains and supports the information in the financial statements.

Government-wide Financial Statements

The District's annual financial report includes two government-wide financial statements. These statements provide both long-term and short-term information about the District's finances. Financial reporting at this level uses a perspective similar to that found in the private sector.

The first of these government-wide financial statements is the **Statement of Net Position**. This is the District wide statement of position presenting information that includes all of the District's assets, liabilities, deferred inflows and deferred outflows with the difference reported as **net position**. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors such as changes to the District's tax base.

The second government-wide financial statement is the **Statement of Activities**, which reports how the District's net position changed during the current year. All current revenues and expenses are included regardless of when the cash is received or paid.

The government-wide financial statements of the District include the governmental activities of the District. These are the basic services such as instruction, extracurricular activities, curriculum and staff development, health services, and administration. Property taxes, state aid, and federal grants finance most of these activities.

Fund Financial Statements

The fund financial statements 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.
- The 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.

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 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 future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental fund statement, or on the subsequent page, that explains the relationship (or differences) between them.

Fiduciary Funds - The District is the trustee, or fiduciary, for money raised by student activities, a library program and a scholarship program. 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 assets. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance operations.

The accompanying notes to the financial statements provide essential information to a full understanding of the government-wide and fund financial statements.

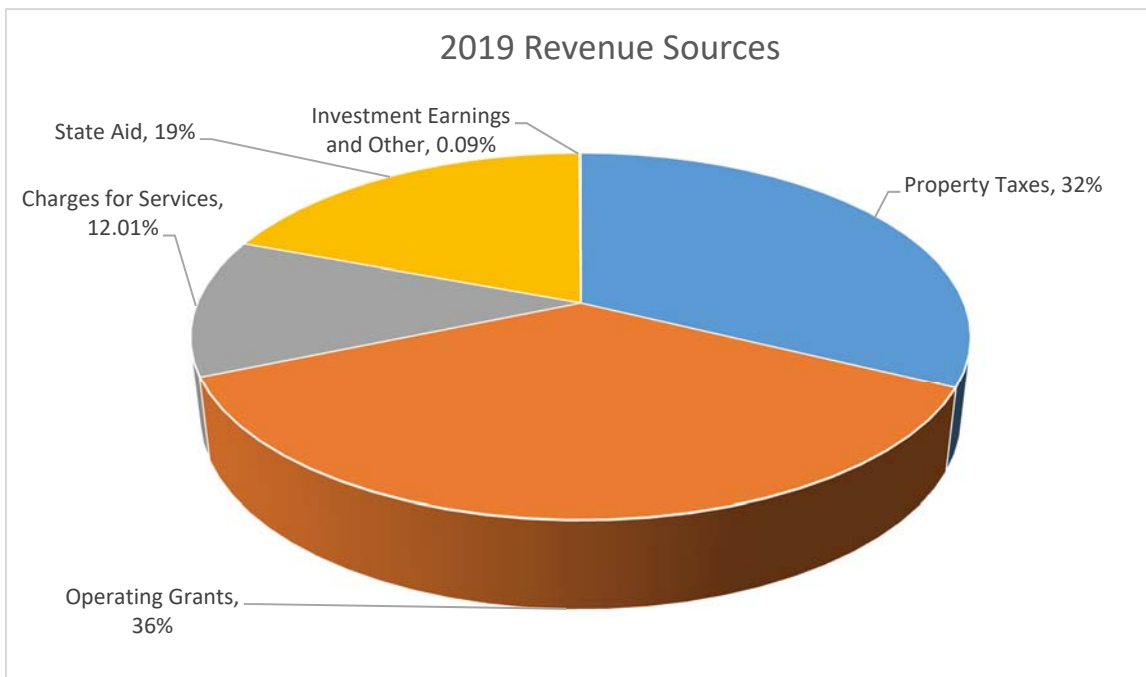
FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's Net Position from governmental activities was approximately \$5,931,000 at August 31.

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

	2019	2018
Current and other assets	\$ 8 062	\$ 6 434
Capital and non-current assets	9 548	9 305
TOTAL ASSETS	17 610	15 739
 Deferred outflows	 3 340	 1 462
Current liabilities	1 898	1 830
Long term liabilities	11 152	9 020
TOTAL LIABILITIES	13 050	10 850
 Deferred inflows	 1 970	 2 209
Net Position:		
Net investment in capital assets	6 243	5 295
Restricted	759	801
Unrestricted	(1 045)	(1 954)
TOTAL NET POSITION	\$ 5 931	\$ 4 142

Changes in Net Position. The District's total revenues were approximately \$14,984,000. 32% of the District's revenue comes from taxes (see Figure A-2), 19% comes from operating grants, and 36% comes from state aid-formula grants.



- The total cost of all programs and services was approximately \$13.7 million. 51 percent of these costs are for instruction and instructional resources.
- The amount that our taxpayers paid through property taxes for these activities was approximately \$4.8 million, an increase of approximately \$307 thousand over the previous year.
- The amount received in state aid-formula was approximately \$5.4 million, a decrease of approximately \$1 thousand over the previous year.
- Some of the cost was paid by those who directly benefited from the programs (\$325 thousand) or by grants and contributions (\$2.8 million).

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

	YEAR ENDED	
	2019	2018
Revenues:		
Program Revenues:		
Charges for services	\$ 325	\$ 340
Operating grants and contributions	2 788	1 907
General Revenues:		
Property taxes	4 812	4 531
State aid - Formula	5 390	5 391
Investment earnings	13	8
Other	1 656	1 148
TOTAL REVENUES	<u>14 984</u>	<u>13 324</u>
Expenses:		
Instructional and instructional resources	7 003	4 886
Curriculum, staff development, school and instructional leadership	1 523	1 159
Guidance, social work, health, transportation	1 279	1 037
Food service	803	865
Extracurricular activities	688	602
General administration	599	533
Plant maintenance and operations, security and data processing	1 260	951
Community services	171	167
Debt service	78	96
Capital outlay	18	149
Payments to fiscal agent/member districts - Shared service/ other governments	251	216
TOTAL EXPENSES	<u>13 673</u>	<u>10 481</u>
INCREASE (DECREASE) IN NET POSITION	<u>\$ 1 311</u>	<u>\$ 2 843</u>

Net cost of selected district functions. 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.

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

	TOTAL COST OF SERVICES		NET COST OF SERVICES	
	2019	2018	2019	2018
Instruction	\$ 6 990	\$ 4 880	\$ 5 686	\$ 3 950
Plant maintenance and operations	\$ 1 007	\$ 852	\$ 954	\$ 829
Debt service	\$ 78	\$ 96	\$ 78	\$ 96
School leadership	\$ 606	\$ 761	\$ 387	\$ 761

FINANCIAL ANALYSIS OF THE DISTRICT'S FUND

Revenues from governmental fund types (Exhibit C-2) totaled \$14.3 million.

Expenditures from governmental fund types (Exhibit C-2) totaled \$12.9 million.

The fund balance for all governmental fund types was \$6.7 million, with an excess of revenues over expenditures of \$1.4 million.

General Fund Budgetary Highlights

Over the course of the year, the District revised its budget several times (Exhibit G-1). As a result of these adjustments, actual expenditures were \$171 thousand below the final budgeted amounts.

Revenues received were \$1.7 million over the final budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

By the end of 2018, the District had invested \$9.5 million in a broad range of capital assets, including land, equipment, and buildings. (See Table A-4)

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

	2019	2018
Land	\$ 530	\$ 530
Buildings and improvements	20 444	20 207
Furniture and equipment	3 610	3 376
TOTALS AT HISTORICAL COST	24 584	24 113
Total accumulated depreciation	(15 035)	(14 809)
NET CAPITAL ASSETS	<u>\$ 9 549</u>	<u>\$ 9 304</u>

Long-term Liabilities

Table A-5
District's Long-term Liabilities
(in thousands of dollars)

	2019	2018
Bonds payable	\$ 2 685	\$ 3 375
Capital leases	581	635
Compensated absences	40	43
Net pension liability	3 492	1 867
Net OPEB liability	<u>4 809</u>	<u>3 692</u>
TOTAL LONG-TERM DEBT	<u>\$ 11 607</u>	<u>\$ 9 612</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The District's 2020 refined average daily attendance is expected to remain steady compared to 2019 ADA.

These indicators were taken into account when adopting the general fund budget for 2020.

The revenue and expenditure estimates are expected to balance this year; however, in future years the District will have to make decisions regarding services provided to students in order to balance the budget. The current state financing formula will reduce the District's fund balance if services remain at the same level or the formula is not amended by the state.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
August 31, 2019

EXHIBIT A-1

DATA CONTROL CODES		1 GOVERNMENTAL ACTIVITIES
	ASSETS	
1110	Cash and cash equivalents	\$ 6 746 673
1120	Investments	387 433
1225	Property taxes receivable	75 031
1240	Due from other governments	739 800
1290	Other receivables	49
1410	Prepaid expenses	109 946
	Capital Assets:	
1510	Land	529 735
1520	Buildings and improvements, net	7 755 650
1530	Furniture and equipment, net	1 263 442
1000	TOTAL ASSETS	<u>17 607 759</u>
	DEFERRED OUTFLOWS	
	Deferred pension outflows	2 216 356
	Deferred OPEB outflows	1 123 659
1700	TOTAL DEFERRED OUTFLOWS	<u>3 340 015</u>
	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ <u>20 947 774</u>
	LIABILITIES	
2110	Accounts payable	\$ 116 697
2140	Interest payable	21 581
2165	Accrued liabilities	492 517
2180	Due to state	695 528
2501	Due within one year	561 130
	Noncurrent Liabilities:	
2502	Due in more than one year	2 745 063
2516	Premium on bond issue	113 438
2540	Net pension liability	3 491 527
2545	Net OPEB liability	4 809 199
2000	TOTAL LIABILITIES	<u>13 046 680</u>
	DEFERRED INFLOWS	
	Deferred pension inflows	449 020
	Deferred OPEB inflows	1 520 784
2600	TOTAL DEFERRED INFLOWS	<u>1 969 804</u>
	NET POSITION	
3200	Net investment in capital assets	6 242 634
3850	Restricted for debt service	249 294
3820	Restricted for state and federal grants	484 814
3900	Unrestricted	(1 045 452)
3000	TOTAL NET POSITION	<u>5 931 290</u>
	TOTAL LIABILITIES, DEFERRED OUTFLOWS AND NET POSITION	\$ <u>20 947 774</u>

The accompanying notes are an integral part of this statement.

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2019

EXHIBIT B-1

DATA CONTROL CODES	FUNCTIONS/PROGRAMS	1 EXPENSES	3 PROGRAM REVENUES		4 OPERATING GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
			CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS		GOVERNMENTAL ACTIVITIES
	Governmental Activities:					
11	Instruction	\$ 6 989 032	\$ 42 766	\$ 1 260 092	\$ (5 686 174)	
12	Instruction resources and media services	13 820		297	(13 523)	
13	Curriculum and staff development	32 403		14 993	(17 410)	
21	Instructional leadership	605 504		218 980	(386 524)	
23	School leadership	885 205		60 779	(824 426)	
31	Guidance, counseling, and evaluation services	607 661		395 905	(211 756)	
33	Health services	139 462		-	(139 462)	
34	Student transportation	531 406		28 264	(503 142)	
35	Food services	802 734	61 097	696 683	(44 954)	
36	Cocurricular/extracurricular activities	688 462	201 811	22 628	(464 023)	
41	General administration	598 771	-	33 744	(565 027)	
51	Plant maintenance and operations	1 007 148	19 002	34 027	(954 119)	
52	Security and monitoring	60 594	-	3 847	(56 747)	
53	Data processing services	191 993	-	9 184	(182 809)	
61	Community services	170 552	-	-	(170 552)	
72	Debt service	77 807	-	-	(77 807)	
81	Capital outlay	17 979	-	-	(17 979)	
93	Payments related to shared services arrangements	142 516	-	-	(142 516)	
99	Other governmental charges	108 424	-	9 958	(98 466)	
TG	TOTAL GOVERNMENTAL ACTIVITIES	<u>13 672 626</u>	<u>324 676</u>	<u>2 787 981</u>	<u>(10 559 969)</u>	
TP	TOTAL PRIMARY GOVERNMENT	\$ <u>13 672 626</u>	\$ <u>324 676</u>	\$ <u>2 787 981</u>	<u>(10 559 969)</u>	
	General Revenues:					
MT	Property taxes, levied for general purposes				4 013 114	
DT	Property taxes, levied for debt service				799 333	
IE	Investment earnings				12 847	
GC	Grants and contributions not restricted to specific programs				5 389 896	
MI	Miscellaneous				1 655 728	
TR	TOTAL GENERAL REVENUES				<u>11 870 918</u>	
CN	CHANGE IN NET POSITION				<u>1 310 949</u>	
NB	Net position - Beginning				4 141 744	
PA	Prior period adjustment				478 597	
NB	NET POSITION - BEGINNING (RESTATED)				<u>4 620 341</u>	
NE	NET POSITION - ENDING				\$ <u>5 931 290</u>	

The accompanying notes are an integral part of this statement.

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
August 31, 2019

EXHIBIT C-1

DATA CONTROL CODES		10 GENERAL FUND	OTHER GOVERN- MENTAL FUNDS	98 TOTAL GOVERN- MENTAL FUNDS
	ASSETS			
1110	Cash and cash equivalents	\$ 6 387 593	\$ 359 080	\$ 6 746 673
1120	Investments	387 433	-	387 433
1225	Taxes receivable, net	66 146	8 885	75 031
1240	Due from other governments	424 638	318 226	742 864
1260	Due from other funds	793	-	793
1290	Other receivables	49	-	49
1410	Prepaid expense	-	109 946	109 946
1000	TOTAL ASSETS	<u>\$ 7 266 652</u>	<u>\$ 796 137</u>	<u>\$ 8 062 789</u>
	LIABILITIES			
2110	Accounts payable	\$ 67 410	\$ 52 351	\$ 119 761
2150	Other accrued expense	9 878	-	9 878
2160	Accrued wages payable	482 639	-	482 639
2170	Due to other funds	-	793	793
2180	Due to state	695 528	-	695 528
2000	TOTAL LIABILITIES	<u>1 255 455</u>	<u>53 144</u>	<u>1 308 599</u>
	Deferred Inflow:			
2600	Unearned revenue	66 146	8 885	75 031
	TOTAL LIABILITIES AND DEFERRED INFLOW	<u>1 321 601</u>	<u>62 029</u>	<u>1 383 630</u>
	Fund Balances:			
	Restricted Fund Balances:			
3420	Retirement of long-term debt	-	249 294	249 294
3490	Other restricted fund balance	-	484 814	484 814
	Assigned Fund Balances:			
3510	Construction	2 500 000	-	2 500 000
3590	Other	1 100 000	-	1 100 000
3600	Unassigned fund balance	2 345 051	-	2 345 051
3000	TOTAL FUND BALANCE	<u>5 945 051</u>	<u>734 108</u>	<u>6 679 159</u>
4000	TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 7 266 652</u>	<u>\$ 796 137</u>	<u>\$ 8 062 789</u>

The accompanying notes are an integral part of this statement.

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS
 BALANCE SHEET TO THE STATEMENT OF NET POSITION
 August 31, 2019

EXHIBIT C-1R

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS BALANCE SHEET \$ 6 679 159

Amounts Reported for Governmental Activities in the Statement of Net Position
 are Different Because:

Capital assets net of depreciation used in governmental activities are not reported in the funds.	9 548 827
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	75 031
Payables for debt which are not due in the current period are not reported in the funds.	(3 419 631)
Payables for interest which are not due in the current period are not reported in the funds.	(21 581)
Deferred pension and OPEB inflows and outflows are deferred in the governmental activities not in the funds.	1 370 211
The liability for net pension and OPEB is recognized in the governmental activities not in the funds.	<u>(8 300 726)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES -
 STATEMENT OF NET POSITION \$ 5 931 290

The accompanying notes are an integral part of this statement.

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Year Ended August 31, 2019

EXHIBIT C-2

DATA CONTROL CODES		10 GENERAL FUND	OTHER GOVERN- MENTAL FUNDS	98 TOTAL GOVERN- MENTAL FUNDS
	Revenues:			
5700	Local and intermediate sources	\$ 5 891 314	\$ 1 506 254	\$ 7 397 568
5800	State program revenues	4 568 331	204 986	4 773 317
5900	Federal program revenues	236 886	1 865 265	2 102 151
5020	TOTAL REVENUES	<u>10 696 531</u>	<u>3 576 505</u>	<u>14 273 036</u>
	Expenditures:			
	Current:			
0011	Instruction	4 783 865	1 039 528	5 823 393
0012	Instructional resources and media services	12 508	-	12 508
0013	Curriculum and staff development	15 554	14 993	30 547
0021	Instructional leadership	73 275	437 056	510 331
0023	School leadership	728 113	-	728 113
0031	Guidance, counseling and evaluation services	140 303	343 805	484 108
0033	Health services	129 209	2 266	131 475
0034	Student transportation	650 480	-	650 480
0035	Food services	-	731 154	731 154
0036	Cocurricular/extracurricular activities	440 827	168 963	609 790
0041	General administration	506 797	1 850	508 647
0051	Plant maintenance and operations	1 076 490	18 928	1 095 418
0052	Security and monitoring services	50 390	-	50 390
0053	Data processing services	164 920	-	164 920
0061	Community services	170 552	-	170 552
0071	Principle on long-term debt	76 167	775 586	851 753
0081	Capital outlay	-	55 110	55 110
0093	Payments to shared service arrangements	142 516	-	142 516
0099	Other governmental charges	98 466	9 958	108 424
6030	TOTAL EXPENDITURES	<u>9 260 432</u>	<u>3 599 197</u>	<u>12 859 629</u>
	EXCESS REVENUE OVER EXPENDITURES	<u>1 419 769</u>	<u>(6 362)</u>	<u>1 413 407</u>
	Other Financing Sources:			
7915	Transfer in	324 495	266 017	590 512
8911	Transfer out	<u>(279 915)</u>	<u>(310 597)</u>	<u>(590 512)</u>
	TOTAL OTHER FINANCING SOURCES (USES)	<u>44 580</u>	<u>(44 580)</u>	<u>-</u>
1200	NET CHANGE IN FUND BALANCES	1 480 679	(67 272)	1 413 407
0100	Fund balances - Beginning	<u>4 464 372</u>	<u>801 380</u>	<u>5 265 752</u>
3000	FUND BALANCES - ENDING	<u>\$ 5 945 051</u>	<u>\$ 734 108</u>	<u>\$ 6 679 159</u>

The accompanying notes are an integral part of this statement.

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 For the Year Ended August 31, 2019

EXHIBIT C-2R

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 1 413 407
Amounts Reported for Governmental Activities in the Statement of Activities ("SOA") are Different Because:	
Capital outlays are not reported as expenses in the Statement of Net Assets.	471 052
Change in depreciation of capital assets used in governmental activities is not reported in the funds.	(705 380)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(17 902)
Repayment of debt costs and interest are an expenditure in the funds but is not an expense in the SOA.	773 946
Governmental funds report district pension contributions as expenditures in the government wide statements, the cost of pension benefits earned net of employee contributions is reported as pension expense.	(594 658)
Governmental funds report district OPEB contributions as expenditures in the government wide statements, the cost of OPEB benefits earned net of employee contributions is reported as OPEB expense.	<u>(29 516)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES - STATEMENT OF ACTIVITIES	<u>\$ 1 310 949</u>

The accompanying notes are an integral part of this statement.

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
August 31, 2019

EXHIBIT E-1

DATA CONTROL CODES		SCHOLARSHIP FUNDS	STUDENT ACTIVITIES FUND	TOTAL
	ASSETS			
1110	Cash and cash equivalents	\$ 58 827	\$ 22 750	\$ 81 577
1000	TOTAL ASSETS	\$ 58 827	\$ 22 750	\$ 81 577
	LIABILITIES			
	Current Liabilities:			
2190	Due to students	\$ 58 827	\$ 22 750	\$ 81 577
2000	TOTAL LIABILITIES	\$ 58 827	\$ 22 750	\$ 81 577

The accompanying notes are an integral part of this statement.

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Corrigan Camden 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 ("GASB") 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.

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 GASB in its Statement No. 14, *The Financial Reporting Entity*. There are no component units included within the reporting entity.

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 Corrigan Camden Independent School District nonfiduciary activities with most of the interfund activities removed. Governmental activities include programs supported primarily by taxes, State foundation funds, grants and other intergovernmental revenues.

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 expenses are those that are clearly identifiable with a specific function or segment. 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 "operating 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 from 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 from 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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. 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, deferred inflows, deferred outflows 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).

In addition to assets, the statement of net position will report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

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

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

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as 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.

The fiduciary funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

D. Fund Accounting

The District reports the following major governmental funds:

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.

Additionally, the District reports the following fund types:

Governmental Funds

Capital Project Fund - The capital project fund is used to account for the construction of assets for the District.

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.

Debt Service Fund - The debt service fund is used to account for the property taxes and bond expense related to the District's bonds.

E. Other Accounting Policies

It is the District's policy to permit some employees to accumulate earned but unused and sick pay benefits. There a liability for local leave that is reimbursed upon retirements up to a maximum of 20 days. The liability for leave is accrued when incurred in the government-wide fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Capital assets, which include land, buildings, furniture and equipment, are reported 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 are depreciated using the straight-line method over the following estimated useful lives:

ASSETS	YEARS
Buildings	30
Building improvements	30
Equipment	5-18
Buses and vehicles	5-10

GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" provides defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

- Nonspendable fund balance - amounts that are not in spendable form (such as inventory) or are required to be maintained intact.

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
August 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance - amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., School Board). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.
- Assigned fund balance - amounts the District intends to use for a specific purpose. Intent can be expressed by the School Board or by an official or body to which the School Board delegates the authority.
- Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The School Board establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by School Board through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

When the District incurs an expense for which it may use either restricted, committed, assigned, or unrestricted assets, it uses the restricted, committed or assigned assets first whenever they will have to be returned if they are not used.

The Data Control Codes refer to the account code structure prescribed by the Texas Education Agency ("TEA") in the *Resource Guide*. TEA 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.

F. 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.

G. 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.

H. Subsequent Events

Management has evaluated subsequent events through November 18, 2019, the date the financial statements were available to be issued.

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
August 31, 2019

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Data

The Board adopts an "appropriated budget" for the General Fund, Debt Service Fund and the Food Service Fund. The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The General Fund budget report appears in Exhibit G-1, the Food Service budget and Debt Service budget reports appear in Exhibits 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. After the budget for the above listed funds is approved, any amendment that causes an increase or decrease in a fund or functional spending category or total revenue or other resources object category requires Board approval prior to the fact. These amendments are presented to the Board at its regular monthly meeting and are reflected in the official minutes.
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.

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Deposits and Investments

Legal and Contractual Provisions Governing Deposits and Investments

The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

At August 31, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$7,212,619 and the bank balance was \$7,353,950.

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 August 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - CONTINUED

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposits. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The district is in substantial compliance with the requirements of the Act and with local policies.

As of August 31, the District had the following investments:

NAME	CARRYING AMOUNT	DAYS WEIGHTED MATURITY
Certificate of Deposit	\$ <u>387 433</u>	<u>64 days</u>

Policies Governing Deposits and Investments

In compliance with the Public Funds Investment Act, the District has adopted a deposit and investment policy. That policy does address the following risks:

Custodial Credit Risk - Deposits: This is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District was not exposed to custodial credit risk since its deposits at year-end were covered by depository insurance or by pledged collateral held by the District's agent bank in the District's name.

Custodial Credit Risk - Investments: This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are subject to custodial credit risk only if they are evidenced by securities that exist in physical or book entry form; thus, positions in external investment pools are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.

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 when they become due or past due and receivable within the current period.

C. Delinquent Taxes Receivable

The allowance for uncollectible tax receivables within the General Fund is 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.

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 August 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - CONTINUED

Balance due to and due from other funds at August 31, consisted of the following:

DUE TO FUND	DUE FROM FUND	AMOUNT	PURPOSE
General Fund	Special Revenue Funds	\$ 793	Short-term loans
	TOTAL	\$ 793	

All amounts due are scheduled to be repaid within one year

D. Capital Asset Activity

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

	BEGINNING BALANCE	ADDITIONS	ADJUSTMENTS	ENDING BALANCE
Governmental Activities:				
Non-Depreciable Assets:				
Land and improvements	\$ 529 735	\$ -	\$ -	\$ 529 735
TOTAL NON-DEPRECIABLE ASSETS	529 735	-	-	529 735
Depreciable Assets:				
Buildings and improvements	20 207 458	236 903	-	20 444 361
Furniture and equipment	3 375 878	234 149	-	3 610 027
TOTAL DEPRECIABLE ASSETS	23 583 336	471 052	-	24 054 388
TOTAL AT COST	24 113 071	471 052	-	24 584 123
Less Accumulated Depreciation:				
Buildings and improvements	(12 640 772)	(526 536)	478 597	(12 688 711)
Furniture and equipment	(2 167 741)	(178 844)	-	(2 346 585)
TOTAL ACCUMULATED DEPRECIATION	(14 808 513)	(705 380)	478 597	(15 035 296)
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$ 9 304 558	\$ (234 328)	\$ (478 597)	\$ 9 548 827

Depreciation expense was charged to governmental functions as follows:

DATA CONTROL CODES	FUNCTIONS/PROGRAMS	EXPENSES
Governmental Activities:		
11	Instruction	\$ 356 226
12	Instructional resources and media services	765
13	Curriculum and staff development	1 869
21	Instructional leadership	31 217
23	School leadership	44 539
31	Guidance, counseling, and evaluation services	29 613
33	Health services	8 042
34	Student (pupil) transportation	39 791
35	Food services	44 725
36	Cocurricular/extracurricular activities	37 301
41	General administration	31 114
51	Plant maintenance and operations	67 008
52	Security and monitoring	3 082
53	Data processing	10 088
	TOTAL DEPRECIATION EXPENSE	\$ 705 380

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 August 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - CONTINUED

E. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Change in long-term obligations for the period ended August 31, are as follows:

DESCRIPTION	INTEREST RATE PAYABLE	AMOUNTS OUT-STANDING			AMOUNTS OUT-STANDING		AMOUNTS DUE WITHIN ONE YEAR
		08/31/2018	INCREASES	DECREASES	08/31/2019		
Energy efficiency project lease	3.45%	\$ 635 051	\$ -	\$ (54 258)	\$ 580 793	\$ 56 130	
Unlimited Tax Refunding							
Bond Series 2012	2 to 2.25%	940 000	-	(175 000)	765 000	180 000	
Premium		54 881	-	(13 720)	41 161	-	
Unlimited Tax Refunding							
Bond Series 2015	2 to 3%	2 435 000	-	(515 000)	1 920 000	325 000	
Premium		84 323	-	(12 046)	72 277	-	
Local leave		42 619	-	(2 219)	40 400	-	
		<u>\$ 4 191 874</u>	<u>\$ -</u>	<u>\$ (772 243)</u>	<u>\$ 3 419 631</u>	<u>\$ 561 130</u>	

2. Bonds:

Debt service requirements on bonds at August 31, are as follows:

YEAR ENDING AUGUST 31,	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS
2020	\$ 505 000	\$ 73 763	\$ 578 763
2021	525 000	59 700	584 700
2022	540 000	45 169	585 169
2023	560 000	30 150	590 150
2024	370 000	16 950	386 950
2025	185 000	5 700	190 700
	<u>\$ 2 685 000</u>	<u>\$ 231 432</u>	<u>\$ 2 916 432</u>

3. Capital Lease:

The District entered into a capital lease for energy efficient air conditioning and lighting controls for all buildings at a cost of \$882,500 to be financed at 3.45% for fifteen years, a capital lease for wireless technology at a cost of \$61,590 to be financed at 0.84% for three years, and a capital lease for a bus at a cost of \$85,099, to be financed at 2.10% for three years.

FUTURE LEASE PAYMENTS	
2020	\$ 76 167
2021	76 167
2022	76 167
2023	76 167
2024	76 167
Thereafter	304 668
Total	<u>685 503</u>
Amount for interest	<u>(104 710)</u>
	<u>\$ 580 793</u>

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - CONTINUED

F. Defined Benefit Pension Plan

Plan Description:

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

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

Pension Plan Fiduciary Net Position:

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/TRS%20Documents/cafr_2016.pdf; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Benefits Provided:

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

Contributions:

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 August 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - CONTINUED

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates. The 85th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2018 and 2019.

	CONTRIBUTION RATES	
	2018	2019
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
Employer Contributions - 2019	\$	240 858
Member Contributions - 2019	\$	525 441
NECE On-behalf Contributions - 2018	\$	330 363

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

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

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

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

- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district or charter school does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
August 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - CONTINUED

Actuarial Assumptions:

The total pension liability in the August 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2018
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	6.907%
Long-term Expected Investment Rate of Return	7.25%
Inflation	2.3%
Salary Increases	3.05% to 9.05% including inflation
Benefit Changes During the Year	None
Ad Hoc Post-Employment Benefit Changes	None

Discount Rate:

The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2018 are summarized below:

ASSET CLASS	TARGET ALLOCATION*	LONG-TERM EXPECTED ARITHMETIC REAL RATE OF RETURN	EXPECTED CONTRIBUTION TO LONG-TERM PORTFOLIO RETURNS**
Global Equity			
U.S.	18%	5.70%	1.04%
Non-U.S. Developed	13%	6.90%	0.90%
Emerging Markets	9%	8.95%	0.80%
Directional Hedge Funds	4%	3.53%	0.14%
Private Equity	13%	10.18%	1.32%
Stable Value			
U.S. Treasuries	11%	1.11%	0.12%
Absolute Return	-	-	-
Stable Value Hedge Funds	4%	3.09%	0.12%
Cash	1%	(0.30)%	-
Real Return			
Global Inflation Linked Bonds	3%	0.70%	0.02%
Real Assets	14%	5.21%	0.73%
Energy and Natural Resources	5%	7.48%	0.37%
Commodities	-	-	-
Risk Parity			
Risk Parity	5%	3.70%	0.18%
Inflation Expectation			2.30%
Volatility Drag**			(0.79)%
Total	100%		7.25%

* Target allocations are based on the FY2016 policy model.

** The Expected Contribution to Long-Term Portfolio Returns incorporates the volatility drag resulting from the conversion between arithmetic and geometric mean returns.

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 August 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - CONTINUED

For the fiscal year ended August 31, 2018, the annual money-weighted rate of return on pension plan investments was 7.25 percent. The annual money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate Sensitivity Analysis:

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the Net Pension Liability.

	1% DECREASE IN DISCOUNT RATE (7.0%)	DISCOUNT RATE (8.0%)	1% INCREASE IN DISCOUNT RATE (9.0%)
District proportionate share of the net pension liability	\$ 5 269 552	\$ 3 491 527	\$ 2 052 111

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

At August 31, 2019, the District reported a liability of \$3,491,527 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 3 491 527
State's proportionate share that is associated with the District	5 401 215
TOTAL	\$ <u>8 892 742</u>

The net pension liability was measured as of August 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2017 thru August 31, 2018.

At August 31, 2018 the District's proportion of the collective net pension liability was 0.0063% which was an increase (decrease) of (0.0005)% from its proportion measured as of August 31, 2017.

Changes Since the Prior Actuarial Valuation - The following changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

The total pension liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.

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

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 August 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - CONTINUED

Economic assumptions including rates of salary increase for individual participants was updated based on the same experience study.

The discount rate changed from 8.0 percent as of August 31, 2017 to 6.907 percent as of August 31, 2018.

The long term assumed rate of return changed from 8.0 percent to 7.25 percent.

The change in the long-term assumed rate of return combined with the change in the single discount rate was primary reason for the increase in the net pension liability.

For the year ended August 31, 2019, the District recognized pension expense of \$534,576 and revenue of \$534,576 for support provided by the State.

At August 31, 2019, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Differences between expected and actual economic experience	\$ 21 763	\$ 85 668
Changes in actuarial assumptions	1 258 864	39 340
Difference between projected and actual investment earnings	181 452	247 701
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	513 419	76 311
Contributions paid to TRS subsequent to the measurement date	240 858	-
TOTAL	\$ 2 216 356	\$ 449 020

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

YEAR ENDED AUGUST 31,	PENSION EXPENSE AMOUNT
2020	\$ 410 384
2021	\$ 270 964
2022	\$ 229 792
2023	\$ 236 887
2024	\$ 223 107
Thereafter	\$ 155 345

G. Defined Other Post-Employment Benefit Plans

Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan 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.

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - CONTINUED

OPEB Plan Fiduciary Net Position

Detail 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.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, Texas 78701-2698; or by calling 512.542.6592.

Benefits Provided

TRS-Care provides a basic health insurance coverage (TRS-Care 1), at no cost to all retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3). Eligible retirees and dependents enrolled in Medicare may elect to participate in one of the two Medicare health plans for an additional fee. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees 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. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for a retiree with and without Medicare coverage.

TRS-Care Monthly for Retirees			
January 1, 2018 - December 31, 2018			
	Medicare	Non-Medicare	
Retiree*	\$ 135	\$ 200	
Retiree and Spouse	529	689	
Retiree* and Children	468	408	
Retiree and Family	1 020	999	

* or surviving spouse

Contributions

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

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 August 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - CONTINUED

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.0% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	<u>Contribution Rates</u>	
	<u>2018</u>	<u>2019</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%
Employer Contributions - 2019	\$ 161 670	
Member Contributions - 2019	\$ 44 356	
NECE On-behalf Contributions - 2018	\$ 73 532	

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$182.6 million in fiscal year 2018. The 85th Texas Legislature, House Bill 30 provided an additional \$212 million in one-time, supplemental funding for the fiscal years 2018-19 biennium to continue to support the program. This was also received in fiscal year 2018 bringing the total appropriations received in fiscal year 2018 to \$394.6 million.

Actuarial Assumptions

The total OPEB liability in the August 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Methods and Assumptions:

Valuation Date	August 31, 2018
Methods and Assumptions:	
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	3.69% as of August 31, 2018
Demographic Assumptions	Based on the experience study performed for the Teachers Retirement System of Texas of the period ending August 31, 2017.
Mortality Assumption	The active mortality rates were based on 90% 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, with full generational projection, the ultimate improvement rates from the most recently published projection scale ("U-MP").
Healthcare Trend Rates	Initial medical trend rates of 107.74% and 9.00% for Medicare retirees and initial medical trend rate of 6.75% for non-Medicare retirees. Initial prescription drug trend rate of 11.00% for all retirees. The first year medical trend for Medicare retirees (107.74%) reflects the anticipated return of the Health Insurer Fee (HIF) in 2020.
Election Rates	Initial trend rates decrease to an ultimate trend rate of 4.50% over a period of 9 years. Normal Retirement: 70% participation prior to age 65 and 75% participation after age 65
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.

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 August 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - CONTINUED

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2018 TRS pension actuarial valuation:

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rate of Termination	Expected Payroll Growth
Rates of Disability Incidence	

Other Information: There was a significant plan change adopted in fiscal year ending August 31, 2017. Effective January 1, 2018, only one health plan option will be offered and all retirees will be required to contribute monthly premiums for coverage. Assumption changes made for the August 31, 2017 valuation include a change to the assumption regarding the phase-out of the Medicare Part D subsidies and a change to the discount rate from 2.98% as of August 31, 2016 to 3.42% as of August 31, 2017.

Discount Rate

A single discount rate of 3.42% was used to measure the total OPEB liability. There was a change of 0.44 % in the discount rate since the previous year. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to *not be able to* make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total 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 3.49% in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (2.69%)	Current Single Discount Rate (3.69%)	1% Increase in Discount Rate (4.69%)
District's proportionate share of the Net OPEB Liability	\$ 5 724 599	\$ 4 809 199	\$ 4 085 058

The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the assumed 8.5% rate is used.

	1% Decrease in Healthcare Trend Rate (7.5%)	Current Single Healthcare Trend Rate (8.5%)	1% Increase in Healthcare Trend Rate (9.5%)
District's proportionate share of the Net OPEB Liability	\$ 3 994 118	\$ 4 809 199	\$ 5 882 678

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - CONTINUED

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

At August 31, 2019, the District reported a liability of \$4,809,199 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provide to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 4 809 199
State's proportionate share that is associated with the District	5 329 767
TOTAL	\$ <u>10 138 966</u>

The Net OPEB Liability was measured as of August 31, 2018 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, 2017 thru August 31, 2018.

At August 31, 2018, the employer's proportion of the collective Net OPEB Liability was 0.0096% which is a decrease of 0.0011% from August 31, 2017.

Changes Since the Prior Actuarial Valuation - The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period:

The following assumptions and other inputs which are specific to TRS-Care were updated from the prior year's report:

1. Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018. This change increased the Total OPEB Liability.
2. The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020. This change increased the Total OPEB Liability.
3. Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. This change increased the Total OPEB Liability.
4. The discount rate was changed from 3.42% as of August 31, 2017 to 3.69% as of August 31, 2018. This change lowered the Total OPEB Liability
5. Change of Benefit Terms Since the Prior Measurement Date - Please see the 2018 TRS CAFR, page 68, section G. for a list of changes made effective September 1, 2017 by the 85th Texas Legislature.

There were no changes of benefit terms that affected measurement of the Total OPEB liability during the measurement period.

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
August 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - CONTINUED

For the year ended August 31, 2019, the District recognized OPEB expense of \$193,865 and revenue of \$193,865 for support provided by the State.

At August 31, 2019, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 255 206	\$ 75 896
Changes in actuarial assumptions	80 252	1 444 888
Difference between projected and actual investment earnings	841	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	625 690	-
Contributions paid to TRS subsequent to the measurement date	161 670	-
TOTAL	\$ 1 123 659	\$ 1 520 784

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

YEAR ENDED AUGUST 31,	OPEB EXPENSE AMOUNT
2020	\$ (111 442)
2021	\$ (111 442)
2022	\$ (111 442)
2023	\$ (111 601)
2024	\$ (111 694)
Thereafter	\$ (1 174)

The Medicare Modernization Act of 2003 (MMA) created an outpatient prescription drug benefit program (known as Medicare Part D) and a Retiree Drug Subsidy (RDS) program which were made available in 2006. The Texas Public School Retired Employee Group Insurance Program (TRS-Care) is offering a Medicare Part D Plan and is participating in the Retiree Drug Subsidy plan for eligible TRS-Care participants. Under Medicare Part D and the RDS program, TRS-Care received payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. On-behalf payments must be recognized as equal revenues and expenditures/expenses by each reporting entity. The allocation of these on-behalf payments is based on the ratio of a reporting entity's covered payroll to the entire covered payroll reported by all participating reporting entities. TRS based this allocation percentage on the "completed" report submissions by reporting entities for the month of May. For the fiscal years ended August 31, 2019, 2018 and 2017, the subsidy payments received by TRS-Care on behalf of the District were \$25,948, \$20,515 and \$19,578, respectively.

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 August 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - CONTINUED

H. Shared Services Arrangements

Membership

Title III, Part A, English Language Acquisition and Language Enhancement:

The District participates in a shared services arrangement for the improvement of the education of limited English proficient children funded under ESEA Title III, Part A, English Language Acquisition and Language Enhancement. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, Education Service Center - Region VI, nor does the District have a new equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent is responsible for part of the financial activities of the shared services arrangement. *Region VI is reporting \$5,001 as expenditures incurred on behalf of Corrigan-Camden ISD.*

Shared Services Arrangement - Fiscal Agent

The District is the fiscal agent for a Shared Services Arrangement ("SSA") which provides special education services to the member districts listed below. All services are provided by the fiscal agent. The member districts provide the funds to the fiscal agent. According to guidance provided in TEA's Resource Guide, the district has accounted for the fiscal agent's activities of the SSA in three special revenue funds (IDEA-B Formula, IDEA-B Preschool, and State Special Education) and will be accounted for using Model 3 in the SSA section of the Resource Guide. Expenditures of the SSA are allocated to member districts based on the number of children enrolled, and are summarized below:

	<u>IDEA-B</u>	<u>IDEA-B PRESCHOOL</u>	<u>VISUALLY IMPAIRED</u>
Big Sandy ISD	\$ 119 017	\$ 3 018	\$ 567
Corrigan Camden ISD	238 033	6 036	1 134
Leggett ISD	33 060	838	157
Onalaska ISD	271 094	6 875	1 292
Goodrich ISD	4 260	-	-
	<u>\$ 665 464</u>	<u>\$ 16 767</u>	<u>\$ 3 150</u>

NOTE 4 - CHAPTER 313 AGREEMENT

The CCISD Board of Trustees approved an Agreement(s) with multiple companies for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes pursuant to Chapter 313 of the Texas Tax Code, *i.e.*, the Texas Economic Development Act, as set forth in Chapter 313 of the Texas Tax Code, as amended. Each company qualified for a tax limitation agreement under Texas Tax Code §313.024(b)(5), as manufacturing projects.

Value limitation agreements are part of a state program, originally created in 2001, which allows school districts to limit the taxable value of an approved project for Maintenance and Operations (M&O) for a period of years specified in the statute. The project(s) under the Chapter 313 Agreement(s) must be consistent with the State's goal to "encourage large scale capital investments in this state." Chapter 313 of the Texas Tax Code grants eligibility to companies engaged in manufacturing, research and development, renewable electric energy production, clean coal projects, nuclear power generation and data centers.

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
August 31, 2019

NOTE 4 - CHAPTER 313 AGREEMENT - CONTINUED

In order to qualify for a value limitation agreement, each Applicant has been required to meet a series of capital investment, job creation, and wage requirements specified by state law. At the time of the Applications' approval, each of the Agreements were deemed to have done so by both the District's Board of Trustees and the Texas Comptroller's Office, which recommended approval of the projects. The Applications, the Agreements, and state reporting requirement documentation can be viewed at the Texas Comptroller's website: <https://www.comptroller.texas.gov/economy/local/ch313/agreement-docs.php>.

After approval, the Applicant company must maintain a viable presence in the District for the entire period of the value limitation, plus a period of years thereafter. In addition, there are specific reporting requirements, which are monitored on an annual and biennial basis in order to ensure relevant job, wage, and operational requirements are being met.

In the event that an entity terminates the Agreement without the consent of the District, or in the event that the company or its successor-in-interest fails to comply in any material respect with the terms of the Agreement or to meet any material obligation under the Agreement, then the District shall be entitled to the recapture of all ad valorem tax revenue lost as a result of the Agreement together with the payment of penalty and interest on that recaptured ad valorem tax revenue. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code §33.01(a), or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code §33.01(c), or its successor statute. The Agreement provides an administrative procedure to determine any company liability. Ultimately, enforcement of any payment obligation is through the local state district court.

As of the date of this letter, the Applicant companies are in full compliance with all of their obligations under law and the individual Agreements.

This agreement limits the taxable value of the covered property to \$20,000,000 for a ten year period beginning with fiscal year 2018. The result of this limitation in valuation is an estimated reduction of taxes of \$17,669,600 for the ten year period. For the fiscal year 2018, the Applicant Company has made a supplemental payment to the District of \$1,501,728.

NOTE 5 - PRIOR PERIOD ADJUSTMENT

The District corrected prior period accumulated depreciation which increased net position by \$478,597.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board, but not considered a part of the basic financial statements.

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended August 31, 2019

EXHIBIT G-1

DATA CONTROL CODES		BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
		1	2	3	
		ORIGINAL	FINAL	ACTUAL	
Revenues:					
5700	Local and intermediate sources	\$ 4 842 301	\$ 4 827 301	\$ 5 891 314	\$ 1 064 013
5800	State program revenues	4 118 945	4 097 467	4 568 331	470 864
5900	Federal program revenue	75 000	75 000	236 886	161 886
5020	TOTAL REVENUES	9 036 246	8 999 768	10 696 531	1 696 763
Expenditures:					
Current:					
0011	Instruction	4 795 095	4 854 357	4 783 865	70 492
0012	Instructional resources and media services	9 800	18 003	12 508	5 495
0013	Curriculum and staff development	19 310	17 310	15 554	1 756
0021	Instructional leadership	84 036	76 036	73 275	2 761
0023	School leadership	766 741	741 308	728 113	13 195
0031	Guidance, counseling and evaluation services	136 857	146 589	140 303	6 286
0033	Health services	127 068	133 192	129 209	3 983
0034	Student (pupil) transportation	503 755	678 970	650 480	28 490
0036	Cocurricular/extracurricular activities	445 053	459 237	440 827	18 410
0041	General administration	515 880	511 706	506 797	4 909
0051	Plant maintenance and operations	874 884	1 071 335	1 076 490	(5 155)
0052	Security and monitoring	60 300	49 300	50 390	(1 090)
0053	Data processing services	172 581	174 538	164 920	9 618
0061	Community services	151 000	176 000	170 552	5 448
0071	Debt service	76 167	76 267	76 167	100
0093	Payment to shared service arrangements	180 000	153 000	142 516	10 484
0099	Other governmental charges	94 000	94 000	98 466	(4 466)
6030	TOTAL EXPENDITURES	9 012 527	9 431 148	9 260 432	170 716
1100	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	23 719	(431 380)	1 436 099	1 867 479
Other Financing Sources:					
7915	Transfer in	10 000	10 000	324 495	314 495
8911	Transfer out	(15 000)	(30 000)	(279 915)	(279 915)
	TOTAL OTHER FINANCING SOURCES	(5 000)	(20 000)	44 580	34 580
1200	NET CHANGE IN FUND BALANCES	18 719	(451 380)	1 480 679	1 902 059
0100	Fund balance - Beginning	4 464 372	4 464 372	4 464 372	-
3000	FUND BALANCE - ENDING	\$ 4 483 091	\$ 4 012 992	\$ 5 945 051	\$ 1 902 059

See independent auditors' report.

PENSION AND OPEB SCHEDULES

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 TEACHER RETIREMENT SYSTEM
 LAST TEN FISCAL YEARS*

EXHIBIT G-2

	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.0063%	0.0058%	0.0061%	0.0062%
District's proportionate share of the net pension liability (asset)	\$ 3 491 527	\$ 1 866 848	\$ 2 322 232	\$ 2 201 621
State's proportionate share of the net pension liability (asset) associated with the District	5 401 215	3 385 448	1 569 780	1 494 056
TOTAL	\$ 8 892 742	\$ 5 252 296	\$ 3 892 012	\$ 3 695 677
District's covered-employee payroll	\$ 6 712 666	\$ 6 556 984	\$ 6 670 324	\$ 6 793 588
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	52.01%	28.47%	34.81%	32.41%
Plan fiduciary net position as a percentage of the total pension liability	73.74%	82.17%	78.00%	78.40%

* This schedule is illustrating the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

See independent auditors' report.

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT CONTRIBUTIONS
 TEACHER RETIREMENT SYSTEM
 LAST TEN FISCAL YEARS*

EXHIBIT G-3

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 240 858	\$ 207 105	\$ 183 539	\$ 177 815
Contributions in relation to the contractually required contribution	<u>(240 858)</u>	<u>(207 105)</u>	<u>(183 539)</u>	<u>(177 815)</u>
CONTRIBUTION DEFICIENCY (EXCESS)	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>
District's covered-employee payroll	\$ 6 823 904	\$ 6 712 666	\$ 6 556 984	\$ 6 670 324
Contributions as a percentage of covered-employee payroll	3.53%	3.09%	2.80%	2.67%

* This schedule is illustrating the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available. Prior year amounts were updated for corrections made to previously incorrect reported amounts.

See independent auditors' report.

CORRIGAN-CAMDEN INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF OPEB LIABILITY
 AND DISTRICT'S OPEB CONTRIBUTIONS
 TEACHER RETIREMENT SYSTEM
 LAST TEN FISCAL YEARS*

EXHIBIT G-4

District's Proportionate Share of Liability	2018	2017
District's proportion of the OPEBL	0.0096%	0.0085%
District's proportionate share of the OPEBL	\$ 4 809 199	\$ 3 692 266
State share of the OPEBL associated with the District	5 329 767	4 826 713
TOTAL	\$ 10 138 966	\$ 8 518 979
District's covered-employee payroll*	\$ 6 712 666	\$ 6 556 984
<i>*Prior FY TRS Gross - September through August</i>		
Proportionate share/covered payroll	71.64%	56.31%
Plan fiduciary net position/total OPEB liability	1.57%	0.91%
District Contributions		
	2019	2018
Contractually required contribution	\$ 161 670	\$ 59 363
Contributions to required contribution	(161 670)	(59 363)
CONTRIBUTION DEFICIENCY (EXCESS)	\$ -	\$ -
Current fiscal year TRS gross	\$ 6 823 904	\$ 6 712 666
Contributions to covered payroll	2.37%	0.88%

Information provided by the Teacher Retirement System of Texas.

* This schedule is illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

See independent auditors' report.

CORRIGAN-CAMDEN INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
August 31, 2019

Budgetary Information

The Board of Trustees adopts an "appropriated budget" for the General Fund and Debt Service Fund and the National School Breakfast and Lunch Fund which is included in the Special Revenue Funds. The District presented the General Fund budgetary comparison schedule as required supplementary information. The Child Nutrition Fund and Debt Service Fund budgetary comparison schedule is presented as required TEA schedules. The District is required to present the adopted and final amended budgeted revenue and expenditures for each of these funds. The District compares the final amended budget to actual revenue and expenditures.

See Note 2 for additional procedures followed in establishing the budget.

Excess of Expenditures Over Appropriations

For the fiscal year ended August 31, 2019, expenditures exceeded appropriations in the functions (the legal level of budgetary control) of the following fund:

<u>Fund</u>	<u>Function</u>	<u>Variance</u>
General Fund	51	(5 155)
General Fund	52	(1 090)
General Fund	99	(4 466)
Child Nutrition Fund	35	(189 423)

Pension and OPEB

See Note 8 for changes of assumptions that affected the pension liability.

See Note 9 for changes of assumptions that affected the OPEB liability.

COMBINING SCHEDULES

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 August 31, 2019

EXHIBIT H-1

DATA CONTROL CODES		DEBT SERVICE FUND	CAPITAL PROJECT FUND	SPECIAL REVENUE FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS (SEE EXHIBIT C-1)
	ASSETS				
1110	Cash and cash equivalents	\$ 249 294	\$ 554	\$ 109 232	\$ 359 080
1225	Taxes receivable, net	8 885	-	-	8 885
1240	Due from other government	-	-	318 226	318 226
1410	Prepaid expense	-	-	109 946	109 946
1000	TOTAL ASSETS	<u>\$ 258 179</u>	<u>\$ 554</u>	<u>\$ 537 404</u>	<u>\$ 796 137</u>
	LIABILITIES				
	Current Liabilities:				
2110	Accounts payable	\$ -	\$ -	\$ 52 351	\$ 52 351
2170	Due to other funds	-	-	793	793
2000	TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>53 144</u>	<u>53 144</u>
	DEFERRED INFLOWS				
2600	Unearned revenue	8 885	-	-	8 885
	TOTAL LIABILITIES AND DEFERRED INFLOWS	<u>8 885</u>	<u>-</u>	<u>53 144</u>	<u>62 029</u>
	FUND BALANCES				
	Restricted Fund Balances:				
3490	Other reserved of fund balance	249 294	554	484 260	734 108
3000	TOTAL FUND BALANCE	<u>249 294</u>	<u>554</u>	<u>484 260</u>	<u>734 108</u>
4000	TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 258 179</u>	<u>\$ 554</u>	<u>\$ 537 404</u>	<u>\$ 796 137</u>

See independent auditors' report.

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS

August 31, 2019

EXHIBIT H-2

DATA CONTROL CODES		DEBT SERVICE FUND	CAPITAL PROJECT FUND	SPECIAL REVENUE FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS (SEE EXHIBIT C-2)
	Revenues:				
5700	Local and intermediate sources	\$ 799 715	\$ 1 290	\$ 705 249	\$ 1 506 254
5800	State program revenues	10 711	-	194 275	204 986
5900	Federal program revenues	-	-	1 865 265	1 865 265
5020	TOTAL REVENUES	<u>810 426</u>	<u>1 290</u>	<u>2 764 789</u>	<u>3 576 505</u>
	Expenditures:				
	Current:				
0011	Instruction	-	-	1 039 528	1 039 528
0013	Curriculum and instructional staff development	-	-	14 993	14 993
0021	Instructional leadership	-	-	437 056	437 056
0031	Guidance, counseling, and evaluation services	-	-	343 805	343 805
0033	Health services	-	-	2 266	2 266
0035	Food services	-	-	731 154	731 154
0036	Extracurricular activities	-	-	168 963	168 963
0041	General administration	-	-	1 850	1 850
0051	Plant maintenance and operations	-	-	18 928	18 928
0071	Principle on long-term debt	690 000	-	-	690 000
0072	Interest on long-term debt	84 286	-	-	84 286
0073	Bond issuance costs and fees	1 300	-	-	1 300
0081	Capital outlay	-	55 110	-	55 110
0099	Other governmental charges	-	-	9 958	9 958
6030	TOTAL EXPENDITURES	<u>775 586</u>	<u>55 110</u>	<u>2 768 501</u>	<u>3 599 197</u>
1100	EXCESS REVENUE OVER EXPENDITURES	<u>34 840</u>	<u>(53 820)</u>	<u>(3 712)</u>	<u>(22 692)</u>
	Other Financing Sources and (Uses):				
7915	Transfer in	-	-	266 017	266 017
8700	Transfer out	-	-	(310 597)	(310 597)
	TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>(44 580)</u>	<u>(44 580)</u>
1200	NET CHANGE IN FUND BALANCES	34 840	(53 820)	(48 292)	(67 272)
0100	Fund balances - Beginning	<u>214 454</u>	<u>54 374</u>	<u>532 552</u>	<u>801 380</u>
3000	FUND BALANCES - ENDING	<u>\$ 249 294</u>	<u>\$ 554</u>	<u>\$ 484 260</u>	<u>\$ 734 108</u>

See independent auditors' report.

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 August 31, 2019

		211	240	244	255
DATA CONTROL CODES		ESEA TITLE I	CHILD NUTRITION	VOCATIONAL EDUCATION	TITLE II, PART A TRAINING
	ASSETS				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1242	Due from other government	31 502	126 163	-	5 473
1410	Prepaid expenses	-	109 946	-	-
1000	TOTAL ASSETS	<u>\$ 31 502</u>	<u>\$ 236 109</u>	<u>\$ -</u>	<u>\$ 5 473</u>
	LIABILITIES				
	Current Liabilities:				
2110	Accounts payable	\$ -	\$ 49 287	\$ -	\$ -
2170	Due to other funds	-	-	-	-
2000	TOTAL LIABILITIES	<u>-</u>	<u>49 287</u>	<u>-</u>	<u>-</u>
	FUND BALANCES				
	Reserved Fund Balances:				
3490	Other reserved of fund balance	31 502	186 822	-	5 473
3000	TOTAL FUND BALANCES	<u>31 502</u>	<u>186 822</u>	<u>-</u>	<u>5 473</u>
4000	TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 31 502</u>	<u>\$ 236 109</u>	<u>\$ -</u>	<u>\$ 5 473</u>

See independent auditors' report.

263	270	289	313	314	385
TITLE III, ENGLISH LANGUAGE ACQUISITION	TITLE IV, PART B	SUMMER SCHOOL LEP PROGRAM	SPECIAL EDUCATION SHARED SERVICES ARRANGEMENT	SPECIAL EDUCATION SHARED SERVICES ARRANGEMENT	VISUALLY IMPAIRED COOPERATIVE
\$ -	\$ -	\$ -	\$ 14 975	\$ -	\$ 1 000
-	1 853	-	66 994	793	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 1 853</u>	<u>\$ -</u>	<u>\$ 81 969</u>	<u>\$ 793</u>	<u>\$ 1 000</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	793	-
-	-	-	-	793	-
-	1 853	-	81 969	-	1 000
-	1 853	-	81 969	-	1 000
<u>\$ -</u>	<u>\$ 1 853</u>	<u>\$ -</u>	<u>\$ 81 969</u>	<u>\$ 793</u>	<u>\$ 1 000</u>

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS - CONTINUED
 August 31, 2019

DATA CONTROL CODES		392 POLK COUNTY RESPITE CARE FUND	410 STATE TEXTBOOK FUND	427 VIRTUAL SCHOOL GRANT	429 RURAL SCHOOL TECHNOLOGY
	ASSETS				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1242	Due from other government	3 064	-	-	-
1410	Prepaid expenses	-	-	-	-
1000	TOTAL ASSETS	<u>\$ 3 064</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	LIABILITIES				
	Current Liabilities:				
2110	Accounts payable	\$ 3 064	\$ -	\$ -	\$ -
2170	Due to other funds	-	-	-	-
2000	TOTAL LIABILITIES	<u>3 064</u>	<u>-</u>	<u>-</u>	<u>-</u>
	FUND BALANCES				
	Reserved Fund Balances:				
3490	Other reserved of fund balance	-	-	-	-
3000	TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3 064</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

437	461	481	
SPECIAL EDUCATION COOPERATIVE	CAMPUS ACTIVITY FUND	ELEMENTARY ACTIVITY FUND	SPECIAL REVENUE FUNDS (SEE EXHIBIT H-1)
\$ -	\$ 92 178	\$ 1 079	\$ 109 232
82 384	-	-	318 226
-	-	-	109 946
<u>\$ 82 384</u>	<u>\$ 92 178</u>	<u>\$ 1 079</u>	<u>\$ 537 404</u>
\$ -	\$ -	\$ -	\$ 52 351
-	-	-	793
<u>-</u>	<u>-</u>	<u>-</u>	<u>53 144</u>
<u>82 384</u>	<u>92 178</u>	<u>1 079</u>	<u>484 260</u>
<u>82 384</u>	<u>92 178</u>	<u>1 079</u>	<u>484 260</u>
<u>\$ 82 384</u>	<u>\$ 92 178</u>	<u>\$ 1 079</u>	<u>\$ 537 404</u>

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
 For the Year Ended August 31, 2019

DATA CONTROL CODES	211	240	244	255	
ESEA TITLE I	CHILD NUTRITION	VOCATIONAL EDUCATION	TITLE II, PART A TRAINING		
Revenues:					
5700	Local and intermediate sources	\$ -	\$ 61 166	\$ -	\$ -
5800	State program revenues	-	13 527	-	-
5900	Federal program revenues	410 507	668 528	20 262	54 841
5020	TOTAL REVENUES	<u>410 507</u>	<u>743 221</u>	<u>20 262</u>	<u>54 841</u>
Expenditures:					
Current:					
0011	Instruction	378 322	-	20 262	11 206
0013	Curriculum and instructional staff development	-	-	-	-
0021	Instructional leadership	50 791	-	-	43 628
0031	Guidance, counseling, and evaluation services	-	-	-	-
0033	Health services	-	-	-	-
0035	Food services	-	731 154	-	-
0036	Curriculum/extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-
0099	Other governmental charges	-	-	-	-
6030	TOTAL EXPENDITURES	<u>429 113</u>	<u>731 154</u>	<u>20 262</u>	<u>54 834</u>
	EXCESS REVENUE OVER EXPENDITURES	<u>(18 606)</u>	<u>12 067</u>	<u>-</u>	<u>7</u>
Other Financing Sources:					
7915	Transfers in	18 172	163 854	-	-
8911	Transfers out	<u>(86 326)</u>	<u>(964)</u>	<u>(35)</u>	<u>(21 012)</u>
	TOTAL OTHER FINANCING SOURCES	<u>(68 154)</u>	<u>162 890</u>	<u>(35)</u>	<u>(21 012)</u>
1200	NET CHANGE IN FUND BALANCE	(86 760)	174 957	(35)	(21 005)
0100	Fund balances - Beginning	<u>118 262</u>	<u>11 865</u>	<u>35</u>	<u>26 478</u>
3000	FUND BALANCES - ENDING	<u>\$ 31 502</u>	<u>\$ 186 822</u>	<u>\$ -</u>	<u>\$ 5 473</u>

See independent auditors' report.

263	270	289	313	314	385
TITLE III, ENGLISH LANGUAGE ACQUISITION	TITLE IV, PART B	SUMMER SCHOOL LEP PROGRAM	SPECIAL EDUCATION SHARED SERVICES ARRANGEMENT	SPECIAL EDUCATION SHARED SERVICES ARRANGEMENT	VISUALLY IMPAIRED COOPERATIVE
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	3 150
4 702	13 869	26 655	649 134	16 767	-
<u>4 702</u>	<u>13 869</u>	<u>26 655</u>	<u>649 134</u>	<u>16 767</u>	<u>3 150</u>
4 702	13 867	8 063	215 263	15 974	3 150
-	-	-	14 993	-	-
-	-	17 337	90 003	-	-
-	-	-	343 805	-	-
-	-	-	2 266	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>4 702</u>	<u>13 867</u>	<u>25 400</u>	<u>666 330</u>	<u>15 974</u>	<u>3 150</u>
-	2	1 255	(866)	793	-
-	1 675	-	-	-	-
<u>(1 183)</u>	<u>(12 168)</u>	<u>(6 800)</u>	<u>(60 554)</u>	<u>(9 037)</u>	<u>-</u>
<u>(1 183)</u>	<u>(10 493)</u>	<u>(6 800)</u>	<u>(60 554)</u>	<u>(9 037)</u>	<u>-</u>
(1 183)	(10 491)	(5 545)	(77 750)	(8 244)	-
<u>1 183</u>	<u>12 344</u>	<u>5 545</u>	<u>159 719</u>	<u>8 244</u>	<u>1 000</u>
\$ -	\$ 1 853	\$ -	\$ 81 969	\$ -	\$ 1 000

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS - CONTINUED
 For the Year Ended August 31, 2019

DATA CONTROL CODES		392 POLK COUNTY RESPITE CARE FUND	410 STATE TEXTBOOK FUND	427 VIRTUAL SCHOOL GRANT	429 RURAL SCHOOL TECHNOLOGY
	Revenues:				
5700	Local and intermediate sources	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	9 958	141 665	5 263	-
5900	Federal program revenues	-	-	-	-
5020	TOTAL REVENUES	<u>9 958</u>	<u>141 665</u>	<u>5 263</u>	<u>-</u>
	Expenditures:				
	Current:				
0011	Instruction	-	137 282	5 286	-
0013	Curriculum and instructional staff development	-	-	-	-
0021	Instructional leadership	-	-	-	-
0031	Guidance, counseling, and evaluation services	-	-	-	-
0033	Health services	-	-	-	-
0035	Food services	-	-	-	-
0036	Curriculum/extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-
0099	Other governmental charges	9 958	-	-	-
6030	TOTAL EXPENDITURES	<u>9 958</u>	<u>137 282</u>	<u>5 286</u>	<u>-</u>
	EXCESS REVENUE OVER EXPENDITURES	<u>-</u>	<u>4 383</u>	<u>(23)</u>	<u>-</u>
	Other Financing Sources:				
7915	Transfers in	-	-	-	-
8911	Transfers out	-	(38 522)	(389)	(584)
	TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>(38 522)</u>	<u>(389)</u>	<u>(584)</u>
1200	NET CHANGE IN FUND BALANCE	-	(34 139)	(412)	(584)
0100	Fund balances - Beginning	-	34 139	412	584
3000	FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

437	461	481	
SPECIAL EDUCATION COOPERATIVE	CAMPUS ACTIVITY FUND	ELEMENTARY ACTIVITY FUND	SPECIAL REVENUE FUNDS (SEE EXHIBIT H-2)
\$ 464 868	\$ 176 465	\$ 2 750	\$ 705 249
20 502	210	-	194 275
-	-	-	1 865 265
<u>485 370</u>	<u>176 675</u>	<u>2 750</u>	<u>2 764 789</u>
223 698	-	2 453	1 039 528
-	-	-	14 993
235 297	-	-	437 056
-	-	-	343 805
-	-	-	2 266
-	-	-	731 154
-	168 963	-	168 963
1 850	-	-	1 850
18 928	-	-	18 928
-	-	-	9 958
<u>479 773</u>	<u>168 963</u>	<u>2 453</u>	<u>2 768 501</u>
<u>5 597</u>	<u>7 712</u>	<u>297</u>	<u>(3 712)</u>
82 316	-	-	266 017
<u>(73 023)</u>	<u>-</u>	<u>-</u>	<u>(310 597)</u>
<u>9 293</u>	<u>-</u>	<u>-</u>	<u>(44 580)</u>
14 890	7 712	297	(48 292)
<u>67 494</u>	<u>84 466</u>	<u>782</u>	<u>532 552</u>
<u>\$ 82 384</u>	<u>\$ 92 178</u>	<u>\$ 1 079</u>	<u>\$ 484 260</u>

REQUIRED TEA SCHEDULES

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 For the Year Ended August 31, 2019

LAST 10 YEARS	TAX RATES		APPRaised VALUE FOR TAX PURPOSES	BEGINNING BALANCE
	MAINTENANCE	DEBT SERVICE		
2010 and prior years	Various	Various	Various	\$ 126 763
2011	1.0400	0.1675	\$ 242 905 961	17 527
2012	1.0400	0.1529	\$ 247 955 148	18 424
2013	1.0400	0.1600	\$ 251 546 345	22 646
2014	1.0400	0.1400	\$ 260 871 613	25 587
2015	1.0400	0.1400	\$ 290 942 847	29 814
2016	1.0400	0.1400	\$ 323 151 509	28 383
2017	1.0400	0.1400	\$ 362 111 938	35 660
2018	1.0400	0.1400	\$ 381 217 542	82 673
2019 (School year under audit)	1.0400	0.1400	\$ 408 149 068	-
TOTALS				\$ <u>387 477</u>

See independent auditors' report.

<u>CURRENT YEAR'S LEVY</u>	<u>MAINTENANCE COLLECTIONS</u>	<u>DEBT SERVICE COLLECTIONS</u>	<u>ADJUSTMENTS</u>	<u>TOTAL ENDING BALANCES</u>
\$ -	\$ 1 961	\$ 258	\$ (11 527)	\$ 113 017
-	1 135	176	(177)	16 039
-	1 339	216	(178)	16 691
-	1 751	257	(5 150)	15 488
-	2 909	447	(4 479)	17 752
-	2 541	342	(4 114)	22 817
-	2 751	370	(4 506)	20 756
-	5 590	765	(3 936)	25 369
-	35 673	4 829	(6 816)	35 355
<u>4 816 159</u>	<u>3 926 942</u>	<u>785 028</u>	<u>(12 318)</u>	<u>91 871</u>
\$ <u>4 816 159</u>	\$ <u>3 982 592</u>	\$ <u>792 688</u>	\$ <u>(53 201)</u>	\$ <u>375 155</u>

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
 NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
 BUDGETARY COMPARISON SCHEDULE
 For The Year Ended August 31, 2019

EXHIBIT J-2

DATA CONTROL CODES		1	2	3	4
		BUDGETED AMOUNTS		ACTUAL	VARIANCE POSITIVE (NEGATIVE)
		ORIGINAL	FINAL		
Revenues:					
5700	Local and intermediate sources	\$ 66 572	\$ 66 572	\$ 61 166	\$ (5 406)
5800	State program revenues	16 425	16 425	13 527	(2 898)
5900	Federal program revenues	594 735	594 735	668 528	73 793
5020	TOTAL REVENUES	<u>677 732</u>	<u>677 732</u>	<u>743 221</u>	<u>65 489</u>
Expenditures:					
Current:					
Support Services - Student:					
0035	Food services	<u>692 732</u>	<u>707 732</u>	<u>731 154</u>	<u>(23 422)</u>
6030	TOTAL EXPENDITURES	<u>692 732</u>	<u>707 732</u>	<u>731 154</u>	<u>(23 422)</u>
1100	EXCESS REVENUE OVER EXPENDITURES	<u>(15 000)</u>	<u>(30 000)</u>	<u>12 067</u>	<u>42 067</u>
Other Financing Sources (Uses):					
7915	Transfer in	15 000	30 000	163 854	78 854
8511	Transfer out	<u>-</u>	<u>-</u>	<u>(964)</u>	<u>(964)</u>
	TOTAL OTHER FINANCING SOURCES (USES)	<u>15 000</u>	<u>30 000</u>	<u>162 890</u>	<u>77 890</u>
1200	NET CHANGE IN FUND BALANCES	-	-	174 957	119 957
0100	Fund balance - Beginning	<u>11 865</u>	<u>11 865</u>	<u>11 865</u>	<u>-</u>
3000	FUND BALANCE - ENDING	<u>\$ 11 865</u>	<u>\$ 11 865</u>	<u>\$ 186 822</u>	<u>\$ 119 957</u>

See independent auditors' report.

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended August 31, 2019

EXHIBIT J-3

DATA CONTROL CODES		1	2	3	4
		BUDGETED AMOUNTS		ACTUAL	VARIANCE POSITIVE (NEGATIVE)
		ORIGINAL	FINAL		
	Revenues:				
5700	Local and intermediate sources	\$ 768 213	\$ 768 213	\$ 799 715	\$ 31 502
5800	State program revenues	-	-	10 711	10 711
5020	TOTAL REVENUES	<u>768 213</u>	<u>768 213</u>	<u>810 426</u>	<u>42 213</u>
	Expenditures:				
	Debt Service:				
0071	Principal on long-term debt	<u>768 213</u>	<u>775 613</u>	<u>775 586</u>	<u>27</u>
	TOTAL DEBT SERVICE	<u>768 213</u>	<u>775 613</u>	<u>775 586</u>	<u>27</u>
6030	TOTAL EXPENDITURES	<u>768 213</u>	<u>775 613</u>	<u>775 586</u>	<u>27</u>
1200	NET CHANGE IN FUND BALANCES	-	(7 400)	34 840	42 240
0100	Fund balance - Beginning	<u>214 454</u>	<u>214 454</u>	<u>214 454</u>	<u>-</u>
3000	FUND BALANCE - ENDING	<u>\$ 214 454</u>	<u>\$ 207 054</u>	<u>\$ 249 294</u>	<u>\$ 42 240</u>

See independent auditors' report.

FEDERAL AWARDS SECTION

INDEPENDENT AUDITORS' 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
Corrigan Camden Independent School District
Corrigan, Texas

Members of the Board of Trustees:

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 Corrigan Camden Independent School District as of and for the year ended August 31, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated November 18, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Corrigan Camden Independent School 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 Corrigan Camden Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Corrigan Camden Independent School 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 Corrigan Camden Independent School 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.

Lufkin, Texas
November 18, 2019


CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE

Board of Trustees
Corrigan Camden Independent School District
Corrigan, Texas

Members of the Board of Trustees:

Report on Compliance for Each Major Federal Program

We have audited Corrigan Camden Independent School District's compliance with the types of compliance requirements described in the Uniform Guidance that could have a direct and material effect on each of Corrigan Camden Independent School District's major federal programs for the year ended August 31, 2019. Corrigan Camden Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Corrigan Camden Independent School District's major federal programs based on our audit of the types of compliance requirements referred to above. 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 *Title 2, U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence and Corrigan Camden Independent School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Corrigan Camden Independent School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Corrigan Camden Independent School 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, 2019.

Report on Internal Control Over Compliance

Management of Corrigan Camden Independent School District, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Corrigan Camden Independent School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Corrigan Camden Independent School District's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Lufkin, Texas
November 18, 2019


CERTIFIED PUBLIC ACCOUNTANTS

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended August 31, 2019

A. Summary of the Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

2. Federal Awards

Internal control over major programs:

Material control over major programs:

Material weakness(es) identified? Yes No

Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? Yes No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.553/10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended August 31, 2019

NONE

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
For the Year Ended August 31, 2019

NONE

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2019

EXHIBIT K-1

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	(2) FEDERAL CFDA NUMBER	(2A) PASS-THROUGH ENTITY IDENTIFYING NUMBER	(3) FEDERAL EXPENDITURES
U.S. Department of Education:			
Passed Through State Department of Education:			
ESEA, Title I, Part A - Improving basic programs	84.010	S010A180043	\$ 410 507
ESEA, Title II, Part A - Teacher/principal training	84.367	S367A180041	54 841
Title IV, Part B	84.358	S358B180043	13 869
Title III, English Language Acquisition	84.365	19671001187904	4 702
IDEA-B, Formula	84.027	H027A170008	665 464
IDEA-B, Preschool	84.173	H173A170004	16 767
Career and Technical Education - Basic	84.048	V048A180043	20 262
Grants for State Assessments and Related Activity	84.369	S369A170045	1 252
Student Support and Academic Enrichment	84.424	S424A180045	25 403
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>1 213 067</u>
U.S. Department of Agriculture:			
Direct Programs:			
Commodity Supplemental Food Program	10.565	N/A	37 638
TOTAL DIRECT PROGRAMS			<u>37 638</u>
Passed Through State Department of Agriculture:			
National School Breakfast Program	10.553	201919N109946	242 804
National School Lunch Program	10.555	201919N109946	388 086
TOTAL PASSED THROUGH STATE DEPARTMENT OF AGRICULTURE			<u>630 890</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>668 528</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u>1 881 595</u>
 Reconciliation for Exhibit C-2			
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1 881 595
Other Federal Programs:			
School Health and Related Services	93.778	N/A	220 556
TOTAL FEDERAL REVENUE PER EXHIBIT C-2			\$ <u>2 102 151</u>

See independent auditors report and the accompanying notes are integral part of this schedule.

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT
NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS
For the Year Ended August 31, 2019

1. For all federal programs, the district uses the fund types specified in Texas Education Agency's *Financial Accountability System Resource Guide*. 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.
2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types and Expendable Trust funds are accounted for using a current financial resources measurement focus. All federal grant funds were accounted for in a Special Revenue Fund which is a Governmental Fund type. 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, the Expendable Trust Funds, and Agency Funds. The 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 deferred revenues until earned.

3. The period of availability 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 30 days beyond the federal project period ending date, in accordance with provisions in *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).
4. The District has elected not to use the 10-percent de minimis indirect cost rate per Uniform Guidance (2.CRF.200.414).

CORRIGAN CAMDEN INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF REQUIRED RESPONSES TO SELECTED
SCHOOL FIRST INDICATORS

As of August 31, 2019

Exhibit L-1

<u>DATA CONTROL CODES</u>		<u>RESPONSES</u>
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF4	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
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 make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
SF8	Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of hardships?	Yes
SF10	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	\$ -
SF11	Net Pension Assets (1920) at fiscal year-end.	\$ -
SF12	Net Pension Liabilities (2540) at fiscal year-end.	\$ 3 491 527
SF13	Pension Expense (6147) at fiscal year-end.	\$ -