



CISCO COLLEGE DISTRICT

ANNUAL FINANCIAL REPORT

AUGUST 31, 2022 and 2021

CISCO COLLEGE DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEARS ENDED AUGUST 31, 2022 AND 2021
TABLE OF CONTENTS

Page **Exhibit**

Names and Terms of the Board of Regents, Principal Administrative Officers, and
the Business and Financial Staff

Financial Section

December 9, 2022

**To the Board of Regents
Cisco College District
Cisco, Texas**

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of Cisco College District (the "District"), as of and for the years ended August 31, 2022 and 2021, and the related notes to the financial statements, which colle

Auditor's Responsibilities for the Audit of the Financial Statements

**Management's Discussion and Analysis
Required Supplementary Information**

Cisco College District

Condensed Comparative Financial Information

Table 1- Net Position

	Year Ended August 31, 2022	Year Ended August 31, 2021	Year Ended August 31, 2020
Current and Other Assets	\$ 8,878,944	\$ 9,264,772	\$ 6,856,726
Capital Assets	\$ 16,777,801	\$ 14,914,987	\$ 14,781,800
Deferred Resource Outflows	\$ 2,780,298	\$ 3,322,410	\$ 4,448,615
Total Assets and Deferred Resource Outflows	\$ 28,437,043	\$ 27,502,169	\$ 26,087,141
Current Liabilities	\$ 3,788,500	\$ 4,084,172	\$ 3,083,043
Long-term Liabilities	\$ 17,440,777	\$ 19,354,598	\$ 21,002,373
Deferred Resource Inflows	\$ 5,386,071	\$ 5,352,283	\$ 5,666,616
Total Liabilities and Deferred Resource Inflows	\$ 26,615,348	\$ 28,791,053	\$ 29,752,032
Net Position:			
Net Investment in Capital Assets	\$ 13,384,199	\$ 10,994,987	\$ 10,196,800
Restricted	\$ 972,182	\$ 989,947	\$ 1,634,976
Unrestricted and Expendable	(\$ 12,534,686)	(\$ 13,273,818)	(\$ 15,496,667)
Total Net Position	\$ 1,821,695	(\$ 1,288,884)	(\$ 3,664,891)

Table 2 - Changes in Net Position

	Year Ended August 31, 2022	Year Ended August 31, 2021	Year Ended August 31, 2020
Operating Revenue:			
Tuition and Fees, Net of Discounts	\$ 5,521,943	\$ 5,479,384	\$ 5,284,395
Federal Grants and Contracts	\$ 196,363	\$ 243,336	\$ 286,814
Auxiliary Enterprises, Net of Discounts	\$ 1,148,219	\$ 1,254,109	\$ 1,106,258
Other Operating Revenues	\$ 794,791	\$ 903,557	\$ 515,129

Analysis of the District's Overall Financial Position and Results of Operations

Contacting Cisco College District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Chief Financial Officer: Cisco College District, 101 College Heights, Cisco, Texas 76437.

Basic Financial Statements

CISCO COLLEGE DISTRICT
STATEMENTS OF NET POSITION
AUGUST 31, 2022 AND 2021

	EXHIBIT 1	93,510	
Current Assets	7,152,958	7,359,896	
Current Assets:			
Restricted cash and cash equivalents	678,167	684,548	
Restricted cash and cash equivalents - endowments	597,393	894,902	
Term investments - restricted for endowments	350,000	50,000	
Term investments - other	-	175,000	
Investments in real estate	100,426	100,426	
Capital assets (net)	16,777,801	14,914,987	
Noncurrent Assets	18,503,787	16,819,863	
ASSETS	25,656,745	24,179,759	
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	911,788	1,197,434	
Deferred outflows of resources related to OPEB	1,868,510	2,124,976	
DEFERRED OUTFLOWS OF RESOURCES	2,780,298	3,322,410	
LIABILITIES			
Liabilities:			
Accounts payable	308,285	306,371	
Accrued liabilities	324,806	425,490	
Unearned revenues	2,317,093	2,587,311	
Note payable - current portion	15,900	-	
Lease liabilities - current portion	47,416	-	
Bonds payable - current portion	775,000	765,000	
Total Current Liabilities	3,788,500	4,084,172	
Noncurrent Liabilities:			
Accrued compensated absences	206,705	195,088	
Net pension liability	1,554,901	3,417,692	
Net OPEB liability	13,107,985	12,586,818	
Note payable	47,700	-	
Lease liabilities	143,486	-	
Bonds payable	2,380,000	3,155,000	
Total Noncurrent Liabilities	17,440,777	19,354,598	
TOTAL LIABILITIES	21,229,277	23,438,770	
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	2,126,738	909,796	
Deferred inflows of resources related to OPEB	3,259,333	4,442,487	
TOTAL DEFERRED INFLOWS OF RESOURCES	5,386,071	5,352,283	
NET POSITION			
Net investment in capital assets	13,384,199	10,994,987	
Restricted:			
Nonexpendable for scholarships, fellowships and other	947,393	944,902	
Expendable for:			
Student aid	24,789	45,045	
Unrestricted	(12,534,686)	(13,273,818)	
TOTAL NET POSITION	\$ 1,821,695	\$ (1,288,884)	

The accompanying notes are an integral part of the financial statements.

CISCO COLLEGE DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED AUGUST 31, 2022 AND 2021
EXHIBIT 2

	2022	2021
OPERATING REVENUES AND EXPENSES		
Operating Revenues:		
Tuition and fees (net of discounts of \$3,132,217 and \$3,200,362, respectively)	\$ 5,521,943	\$ 5,479,384
Federal grants and contracts	196,363	243,336
State grants and contracts	364,497	461,423
Nongovernmental grants and contracts	132,632	102,737
Auxiliary enterprises	1,148,219	1,254,109
General operating revenues (net of discounts of \$0, both years)	297,662	339,397
Total Operating Revenues (Schedule A)	7,661,316	7,880,386
Operating Expenses:		
Instruction	7,227,357	7,255,579
Public service	-	1,107
Academic support	813,167	875,795
Student services	1,527,155	1,419,003
Institutional support	7,181,007	5,031,087
Operation and maintenance of plant	1,944,037	1,637,439
Scholarships and fellowships	4,114,012	4,333,129
Auxiliary enterprises	2,271,067	2,062,601
Depreciation	785,162	697,790
Total Operating Expenses (Schedule B)	25,862,964	23,313,530
Operating Loss	(18,201,648)	(15,433,144)
NON-OPERATING REVENUES (EXPENSES)		
State appropriations	7,492,741	6,946,089
Maintenance ad valorem taxes	1,391,421	

accompanying notes are an integral part of the financial statements.

CISCO COLLEGE DISTRICT
 STATEMENTS OF CASH FLOWS
 YEARS ENDED AUGUST 31, 2022 AND 2021
 EXHIBIT 3

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	\$ 4,934,709	\$ 7,606,044
Receipts of appropriations, grants, and contracts	427,706	765,499
Other receipts	297,662	339,397
Payments to or on behalf of employees	(10,821,734)	(10,624,422)
Payments to suppliers for goods or services	(10,173,323)	(7,523,929)
Payments of scholarships	(3,720,304)	(4,877,306)
Net cash used in operating activities	(19,055,284)	(14,314,717)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	7,492,741	6,946,089
Ad valorem tax revenues	1,391,421	1,227,997
Federal revenue, nonoperating	12,296,370	9,727,826
Gifts and grants (other than capital)	151,287	138,546
Net cash provided by non-capital financing activities	21,331,819	18,040,458
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Interest expense paid	(48,705)	(195,773)
Purchases of capital assets	(2,397,745)	(868,017)
Payments on debt and capital leases	(812,622)	(665,000)
Net cash used in capital and related financing activities	(3,259,072)	(1,728,790)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings	30,301	1,506
Proceeds from sale of investments	-	183,062
Purchases of investments	(125,000)	-
Net cash (used) provided by investing activities	(94,699)	184,568
Increase in cash and cash equivalents	(1,077,236)	2,181,519
Cash and cash equivalents - September 1	7,920,592	5,739,073
Cash and cash equivalents - August 31	\$ 6,843,356	\$ 7,920,592
Cash and cash equivalents	\$ 5,567,796	6,341,142
Restricted cash and cash equivalents	678,167	684,548
Restricted cash and cash equivalents - endowment	597,393	894,902
Total cash and cash equivalents	\$ 6,843,356	\$ 7,920,592
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating loss	\$ (18,201,648)	\$ (15,433,144)
Adjustments to reconcile operating loss to net cash used by operating activities		
Depreciation expense	785,162	697,790
Lease amortization expense	47,622	-

CISCO COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 and 2021

Note 1: Reporting Entity

Cisco College District (the "District") was established in 1940 in accordance with the laws of the State of Texas to serve the educational needs of Cisco and the surrounding communities. The District is considered to be a special purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement 14. While the District receives funding from local, state, and federal sources, and must comply with the spending, reporting and recordkeeping requirements of these entities, it is not a component unit of any other governmental entity.

The Board of Regents (the "Board"), a nine member group, is the level of government which has governance responsibilities over all activities related to the education of students who attend the District. The Board members are elected by the public and have decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for the fiscal matter concerning the District. The District has two campuses, Cisco and Abilene, which offer a wide variety of general academic and vocational courses in a two year curriculum.

Note 2: Summary of Significant Accounting Policies

The significant accounting policies followed by Cisco College District in preparing these financial statements are in accordance with the Texas Higher Education Coordinating Board's Annual Financial Reporting Requirements for Texas Public Community Colleges. The District applies all applicable GASB pronouncements. The District is reported as a special-purpose government engaged in business-type activities.

Tuition Discounting

Texas Public Education Grants

Certain tuition amounts are required to be set aside for use as scholarships by qualifying students. This set aside, called the Texas Public Education Grant (TPEG), is shown with tuition and fee revenue amounts as a separate set aside amount (Texas Education Code 56.033). When the award is used by the student for tuition and fees, the amount is recorded as tuition discount. If the amount is dispersed directly to the student, the amount

CISCO COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 and 2021

Budgetary Data

Each community college in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenditures for the fiscal year beginning September 1. The District's Board of Regents adopts the budget, which is prepared on the accrual basis of accounting. A copy of the approved budget and subsequent amendments must be filed with the Texas Higher Education Coordinating Board, Legislative Budget Board, Legislative Reference Library, and Governor's Office of Budget and Planning by December 1.

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with original maturities of three months or less from the date of acquisition. Restricted cash and cash equivalents are held for federal programs, debt payments and debt reserves, and funds held for others.

Deferred Outflows

In addition to assets, Cisco College District is aware that the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net

CISCO COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 and 2021

Depreciation is computed using the straight-line method over the estimated useful lives of the assets applying the half-year convention. The following lives are used:

<u>Asset Type</u>	<u>Years</u>
Buildings	50
Facilities and other improvements	20
Library books	20
Furniture, machinery, vehicles and other equipment	10
Telecommunications and peripheral equipment	5

Other Postemployment Benefits (OPEB)

The District participates in the Employee's Retirement System of Texas (ERS) post-employment health care plan, a multiple-employer cost-sharing defined benefit plan with a special funding situation. The fiduciary net position of ERS 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 OPEB, OPEB expense, and information about assets, liab

CISCO COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 and 2021

Operating and Non-Operating Revenue and Expense Policy

The District distinguishes operating revenues and expenses from non-operating items. The District reports as a Business Type Activity and as a single, proprietary fund. Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing operations. The principal

CISCO COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 and 2021

Note 4: Deposits and Investments

Cash and Deposits

Cash and Deposits included in Exhibit 1, Statements of Net Position, consist of the items reported below at August 31,:

	2022	2021
Bank Deposits		
Demand and savings deposits	\$ 5,643,120	\$ 6,737,505
Total Bank Deposits	5,643,120	6,737,505
Other Cash and Cash Equivalents		
Petty cash on hand	7,275	6,275
Money market accounts	146,496	70,045
Investment pools	1,046,465	1,106,767
Total Other Cash and Cash Equivalents	1,200,236	1,183,087
Total Cash and Deposits	\$ 6,843,356	\$ 7,920,592

Reconciliation of Deposits to Exhibit 1:

	2022	2021
Per Note 4:		
Total bank deposits	\$ 5,643,120	\$ 6,737,505
Total other cash and cash equivalents	1,200,236	1,183,087
Total	6,843,356	7,920,592

Per Exhibit 1:

Unrestricted:				
Cash and cash equivalents	5,567,796	6,34-	\$	1,18-

CISCO COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 and 2021

Fair Value of Financial Instruments

The three levels of the fair value of hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the government can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

The fair value hierarchy of investments at August 31, 2022 follows:

Description	Fair Value Measurements at Reporting Date Using			
	(Level 1)	(Level 2)	(Level 3)	Total
Certificates of deposit	\$ 350,000	\$ -	\$ -	\$ 350,000
Total	\$ 350,000	\$ -	\$ -	\$ 350,000

Credit Risk

This is the risk that an issuer of an investment will be unable to fulfill its obligations. The rating of securities by nationally recognized rating agencies is designed to give an indication of credit risk. It is the District's policy to limit its investments to those investments that are fully insured or collateralized from a bank in the State of Texas and under the term of written depository agreement, obligations of the United States government, its agencies,, and instrumentalities and government sponsored enterprises, or Texas Local

CISCO COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 and 2021

Note 5: Capital Assets

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

<u>Business-type activities</u>	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets not being depreciated:				
Land	\$ 468,928	\$ 80,280	\$ -	\$ 549,208
Total capital assets not being depreciated	<u>468,928</u>	<u>80,280</u>	<u>-</u>	<u>549,208</u>
Capital assets being depreciated:				
Buildings	20,968,697	903,797	(10,645)	21,861,849
Improvements	2,175,215			2,175,215
Library books	265,056			265,056
Right of use assets	-	235,441	-	235,441
Furniture, machinery, vehicles and other equipment	3,524,757	1,477,268	(80,260)	4,921,765
Total capital assets being depreciated	<u>26,933,725</u>	<u>2,616,506</u>	<u>(90,905)</u>	<u>29,459,326</u>
Less accumulated depreciation for:				
Buildings	(8,608,830)	(410,160)	10,644	(9,008,346)
Improvements	(1,620,828)	(79,638)		(1,700,466)
Library books	(158,427)	(12,113)		(170,540)
Right of use assets	-	(47,622)		(47,622)
Furniture, machinery, vehicles and other equipment	(2,099,581)	(283,250)	79,072	(2,303,759)
Total accumulated depreciation	<u>(12,487,666)</u>	<u>(832,783)</u>	<u>89,716</u>	<u>(13,230,733)</u>
Net other capital assets	<u>14,446,059</u>	<u>1,783,723</u>	<u>(1,189)</u>	<u>16,228,593</u>
Capital assets, net	<u>\$ 14,914,987</u>	<u>\$ 1,864,003</u>	<u>\$ (1,189)</u>	<u>\$ 16,777,801</u>

CISCO COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 and 2021

Capital asset activity for the year ended August 31, 2021, was as follows:

CISCO COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 and 2021

CISCO COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 and 2021

On May 23, 2013, the District issued \$1,585,000 in consolidated fund revenue refunding bonds to provide the resources to place in an escrow account for the purpose of generating resources for future debt service payments of \$1,500,000 of consolidated fund revenue and refunding bonds issued in 2002. Interest rates

CISCO COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

CISCO COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 and 2021

CISCO COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 and 2021

As the non-employer contributing entity for public education an

CISCO COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 and 2021

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The single discount rate was based on the expected rate of return on pension plan investments of 7.25 percent. T

CISCO COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 and 2021

Discount Rate Sensitivity Analysis

CISCO COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 and 2021

At August 31, 2022, the District reported its proportion share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual economic experience	\$ 2,602	\$ 109,466
Changes in actuarial assumptions	549,627	239,590
Difference between projected and actual investment earnings	96,579	1,400,343
Changes in proportion and difference between the employer's contribution and the proportionate share of contributions	-	377,339
Contributions paid to TRS subsequent to the measurement date	<u>262,980</u>	<u>-</u>
Total	<u>\$ 911,788</u>	<u>\$ 2,126,738</u>

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

CISCO COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 and 2021

The retirement expense to the State for the District was \$100,618 and \$105,348 for the fiscal years ended August 31, 2022 and 2021, respectively. This amount represents the portion of expended appropriations made by the State Legislature on behalf of the District (totaling \$50,309 and \$52,674 for each fiscal year, respectively).

The total payroll for all District employees was \$8,173,039 and \$7,730,861 for fiscal years 2022 and 2021, respectively. The total payroll for employees covered by the Teacher Retirement System was \$5,798,444 and \$5,501,059, and the total payroll for employees covered by the Optional Retirement Program was \$1,524,528 and \$1,596,190 for fiscal years 2022 and 2021, respectively.

Note 11: Deferred Compensation Program

District employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Government Code 609.001. The plan is essentially an unfunded promise to pay by the employer and is implemented

The deferred compensation program is a defined contribution plan. The plan is a non-qualified plan and is not subject to ERISA. The plan is a non-qualified plan and is not subject to ERISA. The plan is a non-qualified plan and is not subject to ERISA.

CISCO COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 and 2021

CISCO COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 and 2021

Contributions of premiums to the GBP plan for the current and prior fiscal year by source is summarized in the following table.

Premium Contributions by Source
Group Benefits Program Plan
For the Years Ended August 31, 2021 and 2020

	<u>2022</u>	<u>2021</u>
Employers	\$ 766,689,167	\$ 748,369,212
Members (Employees)	\$ 192,426,941	\$ 230,151,101

CISCO COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 and 2021

Many of the actuarial assumptions used in this valuation were based on the results of actuarial experience studies performed by the ERS and TRS retirement plan actuaries for the period September 1, 2010 to August 31, 2017 for higher education members.

Investment Policy

The State Retiree Health Plan is a pay-as-you-go plan and does not accumulate funds in advance of retirement. The System's Board of Trustees adopted the amendment to the investment policy in August 2017 to require that all funds in the plan be invested in short-term fixed income securities and specify that the expected rate of return on these investments is 2.4%.

Discount Rate

Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 2.2%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 2.14%, which amounted to a decrease of 0.06%. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds' average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp's AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go (PAYGO) basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets and therefore the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

CISCO COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 and 2021

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

As of August 31, 2022, the District reported a liability of \$13,107,985 for its proportionate share of the ERS's net OPEB liability. This liability reflects a reduction for State support provided to the District for OPEB. The amount recognized by the District as its proportion-ate 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:

CISCO COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 and 2021

Payables as of August 31, 2022 and 2021 are as follows:

	<u>2022</u>		<u>2021</u>
Vendor payables	\$ 308,285	\$	306,371
A			

CISCO COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 and 2021

Required Supplementary Information

CISCO COLLEGE DISTRICT
 SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 FOR THE YEAR ENDED AUGUST 31, 2022 *
 EXHIBIT 4

Fiscal Year Ending August 31, *	2021	2020	2019	2018	207	2016	2015
District's proportionate share of collective net pension liability (%)	0.000061056803	0.000063812956	0.000069380182	0.000071452679	0.000074787872	0.000074824066	0.000077287000
District's proportionate share of collective net pension liability (\$)	\$1,554,901	\$3,417,692	\$3,606,599	\$3,932,929	\$2,391,313	\$2,827,490	\$2,731,993
State's proportional share of net pension liability associated with District	927,667	2,000,672	1,929,390	1,987,965	1,251,800	1,540,588	1,479,871
Total	<u>\$2,482,568</u>	<u>\$5,418,364</u>	<u>\$5,535,989</u>	<u>\$5,920,894</u>	<u>\$3,643,113</u>	<u>\$4,368,078</u>	<u>\$4,211,864</u>
District's covered payroll	5,501,059	5,568,993	\$5,534,345	\$5,357,884	\$5,489,110	\$5,374,211	\$4,211,864
District's proportionate share of collective net pension liability as a percentage of covered payroll	28.27%	61.37%	65.17%	73.40%	43.56%	52.61%	64.86%

Plan fiduciary net position as % covered The amounts presented above are as of the respective fiscal year.

**Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CISCO COLLEGE DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
LAST SEVEN FISCAL YEARS
EXHIBIT 5

Fiscal Year Ending August 31, *	2022**	2021**	2020**	2019**	2018**	2017**	2016**
Legally required contributions	\$262,980	\$245,919	\$256,734	\$246,474	\$235,698	\$245,111	\$237,735
Actual contributions	262,980	245,919	256,734	246,474	235,698	245,111	237,735
Contributions deficiency (excess)	-	-	-	-	-	-	-
District's covered payroll amount	\$5,797,924	\$5,501,059	\$5,568,993	\$5,534,345	\$5,357,884	\$5,489,110	\$5,374,211
Contributions as a percentage of covered payroll	4.54%	4.47%	4.61%	4.45%	4.40%	4.47%	4.42%

*The amounts presented above are as of the College's respective fiscal year-end.

**Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Fiscal Year Ending August 31, *	2021**	2020**	2019**	2018**
District's proportionate share of collective net pension liability (%)	0.0003653742	0.0003809035	0.0003855513	0.0004248597
District's proportionate share of collective net pension liability (\$)	\$13,107,985	\$12,586,818	\$13,325,685	\$12,591,882
State's proportional share of net pension liability associated with District	10,586,040	9,748,537	11,048,685	9,162,825
Total	\$23,694,025	\$22,335,355	\$24,374,370	537

Fiscal Year Ending August 31, *	2022**	2021**	2020**	2019**
Legally required contributions	\$718,284	\$986,315	\$1,204,256	\$1,454,450
Actual contributions	718,284	986,315	1,204,256	1,454,450
Contributions deficiency (excess)	-	-	-	-
College's covered payroll amount	\$7,300,307	\$6,567,076	\$6,984,025	\$7,017,912
Contributions as a percentage of covered payroll	9.84%	15.02%	17.24%	20.72%

*The amounts presented above are as of the College's respective fiscal year-end.

**Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Supplemental Schedules

CISCO COLLEGE DISTRICT
SCHEDULE OF OPERATING REVENUES
YEAR ENDED AUGUST 31, 2022
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2021)
SCHEDULE A

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	Fiscal Year 2022	Totals Fiscal Year 2021
Tuition						
State-funded courses						
In-district resident tuition	\$ 66,607	\$ -	\$ 66,607	\$ -	\$ 66,607	\$ 53,810
Out-of-district resident tuition	2,755,268	-	2,755,268	-	2,755,268	2,695,895
Non-resident tuition	171,234	-	171,234	-	171,234	224,339
TPEG - credit (set aside)*	174,196	-	174,196	-	174,196	186,684
Non-state funded educational programs	105,863	-	105,863	-	105,863	175,487
Total Tuition	3,273,168	-	3,273,168	-	3,273,168	3,336,215
Fees						
General fee	2,570,807	-	2,570,807	38,557	2,609,364	2,718,037
Student service fee	1,128,288	-	1,128,288	-	1,128,288	1,119,539
Out-of-district fees	2,008,173	-	2,008,173	-	2,008,173	1,880,564
Laboratory fee	97,810	-	97,810	-	97,810	90,240
Other fees (as needed)	96,456	-	96,456	-	96,456	73,133
Total Fees	5,901,534	-	5,901,534	38,557	5,940,091	5,881,513
Scholarship Allowances and Discounts						
Bad debt allowances	-	-	-	-	-	-
Remissions and exemptions - state	-	-	-	-	-	-
Remissions and exemptions - local	(42,517)	-	(42,517)	-	(42,517)	(54,940)
Title IV federal grants	(3,132,217)	-	(3,132,217)	-	(3,132,217)	(3,200,362)
TPEG awards	(195,908)	-	(195,908)	-	(195,908)	(201,034)
Other state grants	(282,117)	-	(282,117)	-	(282,117)	(256,118)
Total Scholarship Allowances and Discounts	(3,652,759)	-	(3,652,759)	-	(3,652,759)	(3,712,454)
Total Net Tuition and Fees	5,521,943	-	5,521,943	38,557	5,560,500	5,505,274
Other Operating Revenues						
Federal grants and contracts	-	196,363	196,363	-	196,363	243,336
State grants and contracts	-	364,497	364,497	-	364,497	461,423
Local grants and contracts	-	132,632	132,632	-	132,632	102,737
Sales and services of educational activities	-	-	-	-	-	-
General operating revenues	297,662	-	297,662	-	297,662	339,397
Total Other Operating Revenues	297,662	693,492	991,154	-	991,154	1,146,893
Auxiliary Enterprises						
Bookstore	-	-	-	37,138	37,138	73,375
Food service	-	-	-	675,658	675,658	728,129
Residential life	-	-	-	396,866	396,866	426,715
Total Net Auxiliary Enterprises	-	-	-	1,109,662	1,109,662	1,228,219
Total Operating Revenues	\$ 5,819,605	\$ 693,492	\$ 6,513,097	\$ 1,148,219	\$ 7,661,316	\$ 7,880,386
					(Exhibit 2)	(Exhibit 2)

The accompanying notes are an integral part of the financial statements.

Operating Expenses

Public Service	-	-	-	-	1
Academic support	-	93,338	-	-	'i' , 97,685
Student services	-	205,697	-	-	'&\$)'i'++ 192,855
Institutional support	-	238,039	-	3,573,931	'i, %&2'-\$ 2,156,556
Operation and maintenance of plant	-	65,271	-	-	'i&+%' 67,286
Scholarships and fellowships	-	-	-	4,114,012	'(i%)(i\$& 4,333,129
Total Restricted	<u>153,358</u>	<u>1,646,246</u>	<u>-</u>	<u>7,873,410</u>	<u>'-i'+'i\$%' 8,150,934</u>
Total Educational and General	<u>7,836,286</u>	<u>1,646,246</u>	<u>841,453</u>	<u>12,482,750</u>	<u>'&&i, \$*i+') 20,553,139</u>
Auxiliary Enterprises	369,053	-	39,629	1,862,385	'&i&+&i\$*'+ 2,062,601
Depreciation expense - buildings and other real estate	-	-	-	489,798	'(, -i+ , 462,532
Depreciation expense - equipment and furniture	-	-	-	295,364	'&-)'i'*(235,258
Total Operating Expenses	<u>\$ 8,205,339</u>	<u>\$ 1,646,246</u>	<u>\$ 881,082</u>	<u>\$ 15,130,297</u>	<u>'&i, *&i-*(\$ 23,313,530</u> (Exhibit 2) (Exhibit 2)

The accompanying notes are an integral part of the financial statements.

CISCO COLLEGE DISTRICT
SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
YEAR ENDED AUGUST 31, 2022
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2021)
SCHEDULE C

	Unrestricted	Restricted	Auxiliary Enterprises	Totals	
				Fiscal Year 2022	Fiscal Year 2021
NON-OPERATING REVENUES					
State Appropriations					
Education and general state support	\$ 5,840,238	\$ -	\$ -	\$ 5,840,238	\$ 5,354,100
State group insurance	-	1,214,094	-	1,214,094	1,181,533
State retirement matching	-	438,409	-	438,409	410,456
Total State Appropriations	5,840,238	1,652,503	-	7,492,741	6,946,089
Maintenance ad valorem taxes	1,391,421	-	-	1,391,421	1,227,997
Federal revenue, non-operating	-	12,296,370	-	12,296,370	9,727,826
Gifts	151,287	-	-	151,287	138,546
Investment income	30,301	-	-	30,301	1,506
Total Non-Operating Revenues	7,413,247	13,948,873	-	21,362,120	18,041,964
NON-OPERATING EXPENSES					
Interest on capital related debt	48,705	-	-	48,705	195,773
Loss on disposal of capital assets	1,188	-	-	1,188	37,040
Total Non-Operating Expenses	49,893	-	-	49,893	232,813
NET NON-OPERATING REVENUES	\$ 7,363,354	\$ 13,948,873	\$ -	\$ 21,312,227	\$ 17,809,151
				(Exhibit 2)	(Exhibit 2)

The accompanying notes are an integral part of the financial statements.

Cisco College District
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2022
Schedule E

Federal Grantor/Pass Through Grantor/ Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Direct Awards	Pass-Through Awards	Total Expenditures
U.S. Department of Education					
Direct Programs:					
Student Financial Assistance Cluster					
Federal Supplemental Educational Opportunity Grants	84.007		\$ 85,238	\$	\$ 85,238
Federal Work-Study Program	84.033		108,530		108,530
Federal Pell Grant Program	84.063		4,639,606		4,639,606
Federal Direct Student Loans	84.268		1,402,901		1,402,901
Total Student Financial Assistance Cluster			<u>6,236,275</u>		<u>6,236,275</u>
Coronavirus Aid Relief and Economic Security					
CARES - Institutional	84.425F		3,208,081		3,208,081
CARES - Student	84.425E		2,814,393		2,814,393
CARES - MSI	84.425L		37,621		37,621
Total CARES			<u>6,060,095</u>		<u>6,060,095</u>
Total Direct Programs			12,296,370		12,296,370
Passed Through From:					
Pass-Through From:					
Texas Higher Education Coordinating Board					
Carl Perkins Voc. Ed.	84.048	224220		196,363	196,363
Total U.S. Department of Education					<u>12,492,733</u>
Total Federal Financial Assistance					<u>\$ 12,492,733</u>

Note 1: Federal Assistance Reconciliation

Federal Revenues - per Schedule A:		
Federal Grants and Contracts		\$ 196,363
Total Federal Revenues Per Schedule A		<u>196,363</u>
Federal Revenues - per Schedule C:		
Federal Grants, Non-Operating		12,296,370
Total Federal Revenues Per Schedule C		<u>12,296,370</u>
Total Federal Revenues per Schedule A and C		<u>\$ 12,492,733</u>

Note 2: Significant accounting policies used in preparing the schedule.

The expenditures included in the schedule are reported for the District's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds which have been expended by the District for the purposes of the award. The expenditures reported may not have been reimbursed by the funding agencies as of the end of the fiscal year. Some amounts reported in the schedule may differ from amounts used in the preparation of the general purpose financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The District has followed all applicable guidelines issued by various entities in the preparation of the schedule. Since the District has a Department of Health and Human Services approved Indirect Recovery Rate it has elected not to use the 10% de minimis cost rate as permitted in the UG, section 200.414.

Note 3: Student Loans Processed and Administrative Cost Recovery

Federal Grantor CFDA Number/Program Name	Total Loans Processed
U.S Department of Education CFDA 84.268 Federal Direct Student Loans	\$ 1,402,901
Total U.S. Department of Education	<u>\$ 1,402,901</u>
(There were no administrative costs recovered and included in above amount)	

Note 4: Pass through amounts included in program expenditures:

All pass through amounts are identified in the schedule.

Cisco College District
Schedule of Expenditures of State Awards
For the Year Ended August 31, 2022
Schedule F

; fUbhcf 5 [YbWm/Pfc [fU a H]h`Y	; fUbh 7 cbhfUWh Ni a VYf	9 IdYbX]h i fYg
<u>HYIUg <][\Yf 9X i WUh]cb 7 ccfX]bUh]b [6 cUfX</u>		
Direct Programs:		
Texas Education Opportunities Grant		\$ 276,650
Educational Aide Exemption	23481	9,112
Nursing Regular	24528	1,559
Governor's Emergency Education Relief (GEER) Fund		
Texas Reskilling and Upskilling for Education (TRUE)	25650	21,590
Texas Reskilling Support Fund Grant	24129	35,546
Texas Completion Repayment Grant	26146	3,873
HchU` HYIUg <][\Yf 9X i WUh]cb 7 ccfX]bUh]b [6 cUfX		348,330
 <u>HYIUg VYhYfUbg 7 c a a]gg]cb</u>		
Pass Through From:		
Texas Comptroller of Public Accounts		
Hazlewood Reimbursment		11,156
HchU` VYhYfUbg 7 c a a]gg]cb		11,156
 HchU` GhUhY :]bUbW]U` 5gg]ghUbWY		\$ 359,486
 Note 1: State Assistance Reconciliation		
State Revenues - per Schedule A:		
State Financial Assistance per Schedule of Expenditures of State Awards		\$ 359,486
Skills Small Business (SSB) Refunded to Texas Workforce Commission in Fiscal Year 2023 Included in Exhibit 2 Captioned "State Grants and Contracts"		5,011
Total State Revenues per Schedule A		\$ 364,497

Note 2: Significant Accounting Policies Used in Preparing the Schedule
The accompanying schedule is presented using the accrual basis of accounting. See Note 2 to the financial statements for the District's significant accounting policies. These expenditures are reported on the District's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis.

Internal Control Section

December 9, 2022

**To the Board of Regents
Cisco College District
Cisco, Texas**

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

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 business-type activities of Cisco College District, as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise Cisco College District's basic financial statements, and have issued our report thereon dated December 9, 2022.

Report on Internal Control Over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cisco College 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 (including the Public Funds Investment Act Chapter 2256, Texas Government Code), noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or the Public Funds Investment Act.

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

Auditor's Responsibilities for the Audit of Compliance

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the r n

CISCO COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended August 31, 2022

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? None reported

Noncompliance material to financial statements? No

Federal Awards

Internal controls over major program:

- Material weakness identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? No

Type of auditor’s report issued on compliance for major program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major program:

<u>CFDA Number (s)</u>	<u>Name of Federal Program or Cluster</u>
84.007, 84.033, 84.063, 84.268	Student Financial Aid Cluster
84.425, 84.425E, 84.425F, 84.425L	Education Stabilization Funds Unmod 3 OM i Id á

M
f ä I M

CISCO COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended August 31, 2022

Identifying number 2021-001

Status: Finding was fully corrected.

Identifying number 2021-002

Status: Finding was fully corrected.