



NORTHWEST INDEPENDENT SCHOOL DISTRICT
Fort Worth • Texas

Annual Comprehensive FINANCIAL REPORT



2021

Fiscal Year Ended June 30, 2021



Certificate of Board

Northwest Independent School District

Fort Worth, Texas

(Denton County)

County District Number 061911

We, the undersigned, certify that the attached annual financial report of the above-named school district was reviewed and (check one) 7 approved 0 disapproved for the fiscal year ended June 30, 2021 at a meeting of the Board of Trustees of such school district on the 15th day of November 2021.


Signature of Board Secretary


Signature of Board President

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

Northwest Independent School District

Fort Worth, Texas

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

Prepared by the Financial Services Department

Brian Carter
Chief Financial Officer

Jonathan Pastusek
Executive Director of Financial Services

**NORTHWEST INDEPENDENT SCHOOL DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2021**

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INTRODUCTORY SECTION



November 15, 2021

To the Board of Trustees and Taxpayers of the Northwest Independent School District:

The Texas Education Code requires that all school districts file a set of financial statements with the Texas Education Agency (TEA) within 150 days of the close of each fiscal year. The financial statements must be presented in conformity with the generally accepted accounting principles (GAAP) and audited by a firm of licensed certified public accountants in accordance with generally accepted auditing standards. Pursuant to the requirement, we hereby issue the Annual Comprehensive Financial Report of the Northwest Independent School District (the District) for the fiscal year ended June 30, 2021.

The Annual Comprehensive Financial Report consists of four major sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, a copy of the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for 2020, a copy of the Association of School Business Officials International (ASBO) Certificate of Excellence in Financial Reporting for 2020, a list of principal consultants and advisors and an organizational chart. The financial sections include the auditor's report, the basic financial statements, including the Government Wide Financial Statements and the Governmental Fund Financial Statements. Also included are the combining schedules and required supplementary information. The statistical section includes selected financial and demographic information, generally presented in a multi-year basis. The single audit section includes the schedule of federal awards, auditor's reports and the schedule of findings for current and prior years.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with generally accepted accounting principles (GAAP). Because the costs of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

Hankins, Eastup, Deaton, Tonn & Seay, a firm of licensed certified public accountants, has issued an unmodified opinion based upon the audit of the District's financial statement for the fiscal year ending June 30, 2021. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements is part of a broader, federally mandated "Single Audit" designed to meet the special need of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Single Audit Section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

Profile of the District

In the late 1800's, schools began appearing in the area amid railroads, general stores, and livery stables. Descendants of early settlers recall tales of early schoolhouses and how in 1949 the one-school districts in Justin, Haslet, Rhome, and Roanoke joined hands to form the Northwest Independent School District. Newark was annexed in 1973. Residents of the district elect a seven-member Board of Trustees (the Board), each of which serves for three years. Monthly meetings of the Board are posted and advertised as prescribed under state law so that the Board may fulfill its charge to the students, parents, staff, and taxpayers of the District. Special meetings or study sessions are scheduled as needed. The Board has final control over all school matters except as limited by state law.

Serving the communities of Haslet, Justin, Newark, Rhome, Roanoke, Trophy Club, Aurora, Avondale, Drop, New Fairview, and Northlake, along with portions of Fort Worth, Southlake, Keller, Westlake and Flower Mound, the District's boundaries encompass approximately 234 square miles in Denton, Tarrant, and Wise Counties. The District provides a well-rounded program of public education for children from pre-kindergarten through grade twelve. In addition to basic instructional programs, the District offers special education, gifted and talented, bilingual/ESL, remedial, college preparatory, and career and technical programs. The District is fully accredited by the Texas Education Agency (TEA).

The District operates nineteen elementary schools, six middle schools, four high schools, an alternative education program campus, and an outdoor learning center. Enrollment for the 2020-2021 school year was 25,383 students per the PEIMS October Snapshot, an increase of approximately 1.4 percent over the previous year. A total of 1,682 seniors graduated from the District in 2021.

A high degree of professionalism exists among our employees, and an on-going recognition of student and staff excellence contributes to this environment. The instructional program is geared toward having the student meet or exceed grade level expectations. Emphasis is placed on higher level thinking skills, including research methodologies and independent, complex and critical thinking skills.

The District attracts highly qualified personnel because of its commitment to excellence. During the 2020-2021 school year, the District employed 2,583 employees consisting of 2,115 professionals, 214 educational aides, and 254 auxiliary staff. Professional employees include 1,689 classroom teachers with an average of 18 years of experience. Thirty (.30) percent of the teaching staff has earned a master's degree and one (1) percent of the teaching staff has earned a doctorate degree. The average student/teacher ratio is 14.1 in the District. Texas law mandates that no more than 22 students can be assigned to one classroom teacher in kindergarten through fourth grade. The District set district policy with a TEA waiver exception of a 24-to-1 limit for kindergarten through fourth grades.

Strategic Planning

Our Mission – Northwest ISD, in collaboration with students, families, communities, and global partners, will engage in a culture of learning that prepares all students to confidently navigate their future.

Our Vision – Northwest ISD empowers learners and leaders to positively impact the world.

Our Core Beliefs – Kids come first; continuous learning is essential to prepare for college and career opportunities; each student's success is the shared responsibility of students, families, schools and communities; and learning is influenced by environment.

District Improvement Plan – Northwest ISD's annual development of a District Improvement Plan helps maintain the direction of the district as we empower learners and leaders to positively impact the world. In accordance with the Texas Education Code, the superintendent is to annually develop the District Improvement Plan, with the Board of Trustees annually approving the performance objectives. The 2020-2021 District Improvement Plan is an extension of the district's Strategic Framework. As part of our strategic initiative, the emphasis in developing the District Improvement Plan was again placed on focusing on identified imperatives for the coming school year. It was approved by the Northwest ISD Board of Trustees on October 19, 2020.

Budget Process

The annual budget serves as the foundation for the District's financial planning and control. The District budget process is instructionally driven and guided by the strategic plan. District budget planning begins with the senior administrative staff and the Board of Trustees holding goal setting sessions. The budget calendar and five-year forecast are reviewed with the Board of Trustees. Also, campuses annually prepare the required campus improvement plans.

Budget preparation begins with a training session with principals and program managers. At that time, the budget manual and budget worksheets are distributed and budgets are prepared on-line for submissions. The District uses site-based budgeting to enhance the ability of principals to serve as effective instructional leaders and places the principal at the center of the budget preparation process. The campus budget worksheet reflects the initial campus funding allocations addressing equity issues between campuses. They are designed around three cost drivers: pupils, staff, and buildings. Pupil allocations reflect both the number of students and additional funds for special needs students. Staff allocations provide for campus staff development. Building allocations are based on building size, age, and reflect past usage. The allocation may be revised by the Principal per the Campus Improvement Plan subject to review.

After the completed campus and program budget packages have been returned, they are reviewed in detail by the Superintendent with the senior staff. The review focuses on the instructional impact and goals. The Board of Trustees regularly receives budget updates that include any revisions to the earlier five-year financial forecast. The Texas Legislatures meet biannually and revisions to school finance are reviewed with the Board of Trustees.

The Board of Trustees received budget updates that included any revisions to the original Five-Year Financial Forecast. The Preliminary Budget including the Personnel & Compensation Plan was reviewed in detail throughout April. The 2020-2021 Personnel & Compensation Plan was then adopted May 18, 2020. Early adoption provides advantages in teacher recruitment and allows for the salary detail to be loaded into the adopted budget. Compensation for 2020-2021 increased one percent of midpoint from 2019-2020.

The proposed budget is presented for approval to the Board of Trustees for a July 1 fiscal year start date. The board president must call a board meeting for the purpose of discussing and adopting the budget and the tax rate. Notice of this meeting is required to be published at least 10 days but no more than 30 days before the public meeting. The budget must be adopted prior to June 30th for a July 1 fiscal year start date.

Budget Adoption – The Central Appraisal Districts ("CAD") 2020 Certified Estimate Appraisal Roll Totals occurred in early June and the rollback tax rate was calculated shortly thereafter. The required legal notice was published on June 13, 2020. The Board of Trustees held the required public meeting and adopted the budget on June 29, 2020.

Tax Rate Adoption – The Central Appraisal Districts ("CAD") Certification of the 2020 Appraisal Records occurred in late July and the Denton County Tax Assessor-Collector calculated the effective and rollback tax rates shortly thereafter. The required legal notice was published on July 29, 2020. The Board of Trustees held the required public meeting and adopted the tax rate on August 10, 2020.

The District maintains budgetary controls throughout all of its financial systems. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the official budget adopted by the Board. The Board adopts an official budget for the general fund, debt service fund, and child nutrition program (which is included in special revenue funds). In accordance with procedures prescribed by the State Board of Education, budget amendments that affect the total amount in a fund or functional spending category must be approved by the Board prior to the expenditure of funds. The functional level is specified by Board policy as the legal level of encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Outstanding encumbrances at the end of the fiscal year are accounts payable and treated as expenditures in the prior year upon receipt of the goods and services.

Tax Rate - There were two elections in November 2020: The Bond Election with Props A - D, and the Voter-Approval Tax Rate Election (VATRE) on Prop E. The bond election dealt only with funds on the I&S side, or the debt side, of the district's tax rate while the VATRE dealt only with funds on the M&O side, the operations side. House Bill 3 further compressed the M&O tax rate in August of 2020 to \$0.9163 and the VATRE was the district's way of asking for voter approval to return to the previous tax rate and avoid a \$20 million operational budget shortfall. When the VATRE didn't pass, it meant the M&O tax rate was returned to the compressed rate of \$0.9163. The Denton County Tax Assessor/Collector, who handles all of NISD tax collections, issued amended tax statements at that time to reflect the adjusted M&O rate. When the bond propositions didn't pass in November, it meant a delay in construction projects, but it did not affect the tax rate. The current total tax rate in NISD is the lowest it has been in over 10 years. The decrease shown in the M&O rate in 2019 and 2020 is a result of the compression from House Bill 3, the state's property tax relief bill. In 2020, the NISD Board of Trustees also voted to lower the I&S rate by \$0.03. Even with voter approval of the May 1 bond election, the I&S rate will remain at \$0.42. Compared to other fast-growth districts in North Texas, NISD has the lowest overall tax rate (\$1.3363), largest geographic area (234 square miles) and greatest potential for growth (25 percent built out). The total rate is \$1.3363 for purposes of the adopted budget. The District provides homestead exemptions, over 65 exemptions, disabled persons exemptions and disabled veterans exemptions to qualified taxpayers. A ten-year comparison of tax rates is presented in the statistical section.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered within the broader perspective of the specific environment in which the District operates.

Introduction – The Northwest Independent School District, uniquely situated northwest of the Fort Worth/Dallas Metroplex, lies within one of the fastest growing areas in Texas. Northwest continues to add about 1,200 new students to its total enrollment population each year. With such a growth rate, NISD ranks among the top in the state for enrollment increases. Northwest stretches across 234 square miles and is located in Denton, Tarrant and Wise Counties, Texas.

Local Economy – The commercial, industrial, and residential growth of the District has kept pace with that of the Fort Worth/Dallas area, and has been aided by the District's close proximity to both the Dallas/Fort Worth International Airport and Fort Worth's Alliance Airport. Diversified manufacturing is responsible for the local economy with increasing growth in commercial aviation. Agriculture-oriented industries relating to livestock marketing, grain and agri-business related industry and services join with the aerospace products, food and beverage, mobile homes, auto making, and medical industries to offer numerous manufacturing jobs in the Metropolitan Area.

Population – The population of the Northwest Independent School District in 2000 was 35,364 as compared to 145,794 in 2021.

District Educational Campuses – The District is considered a fast-growth district in the state of Texas. The District serves 25,383 students in grades pre-kindergarten through twelfth grade. The district operates three comprehensive high schools, an accelerated high school, six middle schools, nineteen elementary schools, a special programs center and a community-based youth residential program. In the 1997-1998 school year, the District had one high school, one middle school and five elementary schools. The District has constructed additional schools as follows: three elementary schools and two middle schools in 1998-1999; two elementary schools in 2005-2006; one elementary school in 2007-2008; two elementary schools in 2008-2009; one high school and one elementary school in 2009-2010; one middle school and the first replacement elementary school, the old elementary school was remodeled into the fourth high school in 2010-2011; two elementary schools in 2011-2012; one middle school in 2012-2013; one elementary school in 2013-2014; and an additional comprehensive high school that opened at the beginning of the 2015-2016 school year. The sixth middle school, Leo Adams and the eighteenth elementary school, Lizzie Curtis opened at the beginning of the 2018-2019 school year. Lance Thompson, the nineteenth elementary school, opened August of 2019. A replacement school for Haslet Elementary opened in August of 2020. The ages of the instructional school buildings range from one to thirty-four years (original dates of construction included within schedule 19).

Dedication for the impressive and newly renovated Outdoor Learning Center on October 20, 2016 provided the community with exploration of the property. The OLC features several buildings and trails designed to facilitate new vantage points of nature. The facility, which is composed of five buildings on 193 acres reopened for the 2016-2017 academic year with a plan to foster unique learning experience not found anywhere else.

The Northwest ISD Aquatic Center opened in January of 2021. For the first time in Northwest ISD history, swimmers representing the district can now train in a home facility. The Aquatic Center features a 50-meter competition pool and 25-meter practice pool as well as an athletic training center and sports medicine facility. The facility will feature uses for all age levels.

With health care workers in high demand, Northwest ISD is helping to bridge the gap between students and the industry with innovative programs. The district provides classes to become certified as an EMT or medical assistant as well as a more intensive, four-year Biomedical Sciences Academy at Byron Nelson High School. Planned additions include a sports medicine program at the recently opened NISD Aquatic Center in partnership with Texas Health Resources.

Impacts of COVID-19 – As with school districts across the world, NISD fought the challenges of COVID-19 but continued to educate children all year long. On July 21, 2020, Tarrant County Public Health and Human Services issued an order requiring school districts to begin the 2020-2021 school year with Remote Learning until September 28, 2020. The district included academic and social-emotional supports to continue to meet the needs of students and staff, while also meeting state requirements for accountability and student academic progress.

While the pandemic created difficulties, NISD students and staff overcame all obstacles on the path to another successful school year. Some of the major actions taken to protect students, staff and the community from the spread of COVID-19 included: Implemented districtwide safety protocols to provide a clear and set standard for a response to COVID-19 infections, close contacts, infection data reporting and campus notifications. A Return to Learn website and regular series of emails kept families informed of actions the district took to keep students, staff and families safe. Emails were sent to the district's nearly 30,000 stakeholders at regular intervals, and more than 950,000 text messages – the desired form of communication among 83% of NISD families – were sent during the school year. NISD provided transparency and safety through virtual school board meetings streamed live at the height of the pandemic. Procedures for social distancing and sanitization practices were created to provide limited mobility for the airborne disease to spread. A virtual learning option was provided for families who wished to remain vigilant in the fight against COVID-19 by limiting their children's exposure to others.

For many businesses within NISD boundaries, the Federal Paycheck Protection Program became crucial in keeping people employed and businesses open during the COVID-19 pandemic and after the unexpected 2021 winter storm. In late December, a second round worth \$284 billion was approved to benefit small businesses that exhausted their initial loan or did not receive a loan during the first round. Part of the incentive for businesses to apply for the loan is the loan forgiveness program, which frees business owners from any financial obligations if the money was used as required.

Employment Data – Texas and DFW's unemployment rates peaked in September then began a continuous drop. Northwest ISD counties fall below the United States average of 8.65% unemployment.

**Historical Employment Data
2nd Quarter Averages**

	2021	2020	2019	2018	2017	2016
Tarrant County						
Civilian Labor Force	1,089,781	1,039,573	1,073,246	1,057,062	1,029,784	1,006,674
Total Employment	1,024,774	918,992	1,040,188	1,020,442	991,857	967,694
Unemployment	65,007	120,581	33,058	36,620	37,927	38,980
Percent Unemployment	6.0%	11.70%	3.10%	3.50%	3.70%	3.90%
Denton County						
Civilian Labor Force	510,939	478,409	490,251	481,853	468,788	448,720
Total Employment	485,654	427,137	476,573	466,646	453,224	433,974
Unemployment	25,285	51,272	13,678	15,207	15,564	14,746
Percent Unemployment	5.00%	10.80%	2.80%	3.20%	3.30%	3.30%
Wise County						
Civilian Labor Force	32,490	30,084	31,641	31,212	30,098	29,466
Total Employment	30,744	27,084	30,685	30,173	28,890	28,080
Unemployment	1,746	3,000	956	1,039	1,209	1,386
Percent Unemployment	5.40%	10%	3.00%	3.30%	4.00%	4.70%
State of Texas						
Civilian Labor Force	14,085,435	13,417,737	13,969,081	13,796,656	13,545,510	13,306,077
Total Employment	13,126,958	11,867,044	13,486,749	13,255,272	12,951,220	12,697,812
Unemployment	926,279	1,550,693	482,332	541,384	594,290	608,265
Percent Unemployment	6.6%	11.60%	3.40%	3.90%	4.40%	4.60%

Source: <https://fred.stlouisfed.org/series/TXTARR9LFN>

Area Developments

AllianceTexas – The AllianceTexas region of north Fort Worth, which comprises 27,000 acres as part of a master-planned development by Hillwood, continues to drive the local economy. Although the coronavirus pandemic forced many developments to halt, the Alliance area generated more than \$8.24 billion in economic impact in 2020. It has generated an estimated \$91.98 billion in regional economic impact since 1990. Developments within the AllianceTexas region have also contributed more than \$2.82 billion in property tax revenue to local entities, including the cities of Fort Worth and Roanoke, Keller ISD and Northwest ISD. Hillwood officials also noted that despite the effects of the coronavirus pandemic, the AllianceTexas region surpassed its 2019 economic output by more than \$1 billion. The overall investment in the region totals more than \$11.9 billion, with about \$955 million of that in public funds. That represents a 12-to-1 ratio of private-to-public-dollar investment.

Circle T Ranch – Circle T Ranch is a 2,500-acre development in North Texas. Centrally located and connected within the Dallas-Fort Worth Metroplex and only 12 miles west of DFW International Airport, Circle T Ranch is one of nation’s most prominent corporate destinations. More than 800 acres of corporate campuses and pristine office parks are strategically nestled among 1,700 acres of public and private open space including upscale living, shopping, and entertainment. BOKA Powell was selected to design both the shell and interiors of the 130,000 square-foot corporate campus and call center for DaimlerChrysler Financial Services, the first campus to be developed at Circle T. Also home to Front 44, a highly crafted mixed-use development, private residences, and an award-winning golf course, Circle T Ranch fosters community engagement and facilitates active lifestyles. A planned preserve that will include an organic farm, greenhouse, and farm-to-table bistros, will further enhance the unique experience of parks, trails and open spaces winding through prairies and ranch lands with herds of roaming cattle.

Charles Schwab Corp – Charles Schwab officially moved their headquarters to Westlake in January 2021. The new \$100 million campus spans 500,000 sq. ft. on more than 70 acres at Hwy 170 & Hwy 114. Schwab, which was based in San Francisco, acquired TD Ameritrade Holding Corp. (Nasdaq: AMTD) in a deal valued at about \$26 million. They have a combined employee force of 4,500 and the new location will be able to house up to 7,000 employees.

Facebook – Social media giant Facebook has started construction on the final phase of its Fort Worth, Texas data center. Once completed, the more than 2.6 million square feet campus will represent an investment of more than \$1.5 billion. There are currently more than 150 people working at the data center. Following completion of the work, the campus will employ around 200 staff, including both Facebook employees and contractors. It is LEED Gold certified and supported by 100 percent renewable energy. The new \$200 million addition to Facebook's Fort Worth data center will increase the capacity of the company's 'cold storage' facilities for posts, photos, and videos that are rarely accessed by users. When it comes online in 2022, the cold storage facility will be one of only four such facilities the company operates around the world, supporting the company's 2.74 billion active users, according to the latest figures.

North City – A new 300 acre mixed-use urban village development at the intersection of I-35W and US 287 is focusing on experiential retail. The northern portion of the site is anchored by a 150,000 square foot Living Spaces Furniture store. A Schulman's Movie Bowl Grille has also committed to the site. Music venues and outdoor entertainment will be drivers for North City. There will be active life style housing for residents age 55 and older. Other options include single family homes and multifamily apartments. One setback caused by the coronavirus pandemic has been the exit of at least 14 retail brands. Despite setbacks, the development is currently ahead of schedule and will break ground in 2021 on the residential developments.

Wesco Aircraft Hardware Corp – currently known as Incora, will relocate its headquarters from California to Texas, bringing with it a \$6 million capital investment and up to 239 jobs. Wesco Aircraft's new location near I-35W and HWY 114, not only will bring more jobs to Fort Worth, but it also positions the company for continued success and future growth. Wesco is one of the largest aerospace supply chain service companies in the world. It specializes in procurement, warehouse management, logistics and on-site customer services. As a result of the relocation, Wesco will receive a \$1.8 million grant from the Texas Enterprise Fund. According to Incora CEO Todd Renehan, the larger office space will allow the company to increase efficiency, encourage collaboration and support future growth.

HEB – HEB expands North Texas presence with land purchase in Alliance area. In late March, HEB announced deed restrictions require HEB to build within five years of purchasing the land. Texas-based grocery store chain HEB has purchased land from Hillwood at the northwest corner of Heritage Trace Parkway and North Riverside Drive in the Alliance area of Fort Worth. The property is located near the Alliance Town Center. The land sale was finalized Feb. 4th, no plans or timeline for a possible grocery store at that site have been announced.

Medical City Alliance – A \$51.4 million construction project at Medical City Alliance is the latest phase in the expansion plans for the 75-acre hospital campus as it continues to evolve into a regional medical hub. On April 28, the hospital began welcoming patients to its newly built floors and expanded emergency room. This expansion allows Medical City Alliance to provide expert care to even more patients in the north Fort Worth and Alliance community. Right now, half of the fifth floor is open. The second half of the fifth floor and the fourth floor are expected to be completed in 2022. Once completed, the expansion is estimated to bring the total number of licensed beds at the facility from 99 to 159. Medical City Alliance hopes to have between 650 and 700 beds in the future. A new ambulatory surgery center is expected to open in August 2021 to accommodate day-surgery patients. This would allow the current ER to prioritize overnight and long-term patients. Adding a sixth floor to the existing hospital and building a connecting seven-story tower are on the list. Future projects include an oncology center, additional office space and working with individual providers to open physician offices on the campus.

TuSimple – TuSimple, an autonomous trucking firm is coming to the Alliance area in North Fort Worth near Eagle Parkway and I-35 West. The self-driving technology company focuses on heavy-duty transportation and will operate out of a Hillwood developed trucking terminal near Alliance Airport. TuSimple is in the process of developing a cross country autonomous freight corridor. Construction on the new Alliance facility began this fall and is expected to be complete by March 2021. TuSimple is the latest addition to the AllianceTexas Mobility Innovation Zone, which provides a commercial platform for testing the latest technological solutions related to the movement of goods and people.

Continued growth – The far north area of Fort Worth continues to see tremendous growth. The AllianceTexas region as a whole has seen unprecedented growth in recent years, more than doubling its lifetime economic impact since 2010. The airport was the anchor, but it's now far broader and more impacted. With the addition of an Amazon E-Fulfillment center and a Facebook data center, the economic impact of AllianceTexas on the region accelerated in 2015. The addition of major facilities, such as an Amazon Air regional hub at Fort Worth Alliance Airport, a Mercedes-Benz business operations center near I-35W and Charles Schwab headquarters, anchor of the Front 44 mixed-use development at Circle T Ranch, have only increased growth.

Future innovation – Hillwood’s partnership with AllianceTexas-based companies led to the creation of a Mobility Innovation Zone. It is centered around Alliance Airport and the BNSF Railway Intermodal facility. The goal of the Mobility Innovation Zone is to develop, test and commercialize new surface and air transportation technology. The Mobility Innovation Zone fosters partnerships with Bell, BNSF, Uber, AT&T, Verizon and others. Companies are encouraged to develop emerging technologies, such as autonomous lift vehicles, autonomous container and product capabilities, an air taxi service and 5G infrastructure.

Source: <https://www.alliancetexas.com>, www.communityimpact.com

Other Area Developments

Roadways – Continuous growth near the Alliance corridor has created the need for more lanes along six miles of SH 170 at a total cost of almost \$100 million. The expansion of SH 170 began in October 2020 and is projected to be completed by 2023. Once finished, this section of SH 170 will have 10 lanes and seven bridges. Hwy. 377 construction began in Roanoke. The Texas Department of Transportation began construction in June on a more-than-one-mile portion of Hwy. 377 in Roanoke. The roads improvement project will stretch an estimated 1.12 miles from Henrietta Creek Road north of Byron Nelson Boulevard to James Street. The project will include reconstruction and widening of Hwy. 377 from a two lane rural road to a four-lane, divided roadway with raised medians and sidewalks. The estimated \$33.7 million project is expected to be completed by the fourth quarter of 2023. The project will implement additional left-turn lanes and traffic signals at a number of intersections within the project limits. A new railroad bridge and retaining walls will also be constructed at the Hwy. 377 and Byron Nelson Boulevard intersection.

Community Development – New home sales within NISD have increased by 69% since 2010. The average new home price has increased by 64% and the existing home price has increased 70% since 2010. The district has 50 actively building subdivisions, there are 33 future subdivisions. Groundwork is underway on 4,650 lots within 18 subdivisions. There are more than 42,400 planned future lots in 56 subdivisions. These new communities offer affordable living for all lifestyles with convenient access to shopping, entertainment and attractions, featuring housing from as low as \$100,000 all the way up to luxury home estates that exceed \$1 million. There are currently 1,098 multi-family housing units under construction in the district. There are roughly 3,667 future multi-family units in the planning stages.

State Funding

Demographic predictions indicate that the District’s enrollment will reach 29,517 by the 2022-2023 school year as outlined below. State funding is provided through the Foundation School Program, which provides each school district with a minimum level of funding (a “Basic Allotment”) for each student in average daily attendance (“ADA”). For fiscal year 2020-2021, the Basic Allotment is \$6,160 for each student in average daily attendance. The allotment is adjusted by several different weights to address varying economic conditions, district size and sparsity of district’s student population.

The 87th Regular Session of the Texas Legislature began on January 12, 2021, and adjourned on May 31, 2021. The Regular Session of the 87th Texas Legislature was one of the most unusual Regular Sessions the citizens of Texas have ever seen. The Legislature operated the entire session under the conditions created by the Covid-19 pandemic and many normal legislative activities were impacted by the pandemic in some way. The state experienced a major winter storm event, Winter Storm Uri, in February that caused a substantial number of deaths and significantly impacted the electric grid in Texas. The Legislature invested a large amount of time and effort during the Regular Session to try and address the issues that Winter Storm Uri brought to light. Hundreds of bills affecting public education were filed during the 87th Texas Legislature. House Bill 1525 (Rep. Dan Huberty, R-Houston)—Known as the “cleanup bill” for the 86th session’s House Bill 3, HB 1525 adjusted various allotments and allows compensatory education funds to be used for social-emotional learning, instructional coaches and attendance officers. It also prohibits the reduction of teacher salaries from 2019-20 levels. House Bill 3610 (Rep. Barbara Gervin-Hawkins, D-San Antonio)—The bill exempts open-enrollment charter schools from paying property taxes on properties purchased, leased, built or renovated with state funds after Sept. 1, 2001.

State Equalization – Funding for school districts in the State is provided primarily from State and local sources. State funding for all school districts is provided through a set of funding formulas comprising the “Foundation School Program”, as well as two facilities funding programs. Generally, the Finance System is designed to promote wealth equalization among school districts by balancing State and local sources of funds available to school districts. In particular, because districts with relatively high levels of property wealth per student can raise more local funding, such districts receive less State aid, and in some cases, are required to disburse local funds to equalize their overall funding relative to other school districts. Conversely, because districts with relatively low levels of property wealth per student have limited access to local funding, the Finance System is designed to provide more State funding to such districts. Thus, as a school district’s property wealth per student increases, State funding to the school district is reduced. As a school district’s property wealth per student declines, the Finance System is designed to increase that district’s State funding. The Finance System provides a similar equalization system for facilities funding wherein districts with the same tax rate for debt service raise the same amount of combined State and local funding. The District’s wealth per student is greater than the equalized wealth value. Accordingly, the District has been required to exercise one of the permitted wealth equalization options. As a district with wealth per student in excess of the equalized wealth value, the District reduces its wealth per student by exercising Option 3 (purchase of attendance credits) pursuant to

Chapter 49 of the Texas Education Code, as amended. District voters previously authorized Option 3 as a means of equalizing wealth at an election held within the District. As a so-called “Chapter 49 district”, the District does not receive any State funding to pay debt service requirements on its outstanding indebtedness, including the Bonds.

Capital Projects –When the Northwest ISD board of trustees called a bond election in early 2020, officials had no idea that election would be pushed from May to November by the COVID-19 pandemic, where it was forced to compete for attention with a presidential election and voters’ financial concerns. Still, growth and development in the district did not slowdown in response to the pandemic. The November bond election was up against several obstacles. There were voters who were confused by the nature of school financing in Texas. Compounding the problem, COVID19 precautions moved the election from May to November, and the voter education campaign to address that confusion had to compete with the presidential election cycle. Only 28.71% to 44.08% of voters said “Yes” on the four bond propositions.

The bond was reduced by \$240 million for the May bond election after the NISD Long Range Planning Committee reprioritized projects. Voters were able to vote for each proposition individually. Northwest ISD voters approved three of the four bond propositions on the May 1 ballot. Proposition A, which included \$712.4 million for school facilities and capital improvements, included 6 new schools (Middle School #7, 2 new elementary schools, 2 replacement elementary schools, 1 replacement middle school), significant renovations to Northwest High School, classroom additions at 11 elementary schools for Pre-K, land for future school sites, and additional buses. Proposition C included \$5.7 million for middle school recreational facilities. Proposition D included \$19.4 million for technology devices.

Enrollment Projections - Methodology

Enrollment projections are generated using new home census information and specific neighborhood forecasts provided through a contract with Templeton Demographics. The projections are updated annually and regular reports are presented to the Board of Trustees and Administration to explain the findings, provide comments on new and potential housing developments and create an understanding of future residential development’s impact on the school district.

This allows the District to take a proactive stance with regard to new school locations so sites can be targeted not only where the need is greatest, but also far enough in advance of actual new home construction to minimize acquisition costs. This methodology provides significant accuracy in addressing the District’s rapid growth and large areas of undeveloped land. The regular reports help the District keep abreast of the area development as the 2008, 2012, 2017 bond issues near depletion and new bonds are issued.

This year the District is projected to grow 343 students for a 1.4 percent increase. Only 1 district in DFW exceeded their forecasted student enrollment for 2020-2021. The average district was down 3%, NISD has a historically large decline in PK, KG and early elementary due to the impacts of Covid 19. District projected growth is expected to reach 39,100 students by 2030/31. Northwest has added 5,639 students between 2014/15 and 2020/21.

Demographics

<u>Year</u>	<u>Total</u>	<u>Elementary (EC-5th)</u>	<u>Middle (6th-8th)</u>	<u>High School (9th-12th)</u>
Actual:				
2010-2011	15,293	7,834	3,468	3,991
2011-2012	16,556	8,411	3,788	4,357
2012-2013	17,752	8,904	4,100	4,748
2013-2014	18,893	9,346	4,425	5,122
2014-2015	19,760	9,652	4,612	5,496
2015-2016	20,900	10,122	4,798	5,980
2016-2017	22,044	10,563	5,130	6,351
2017-2018	23,163	11,081	5,419	6,663
2018-2019	24,298	11,611	5,714	6,973
2019-2020	25,263	12,043	5,943	7,277
2020-2021	25,399	11,778	6,065	7,556
Projections:				
2021-2022	27,049	12,703	6,369	7,977
2022-2023	28,272	13,360	6,552	8,360
2023-2024	29,518	13,949	6,859	8,710
2024-2025	30,840	14,535	7,157	9,148

Templeton Demographics 2020 4th QTR Data

Major Initiatives and Accomplishments

The Northwest Independent School District has consistently received a rating of “Superior Achievement” under the State of Texas School FIRST – financial accountability rating system. The Superior Achievement rating is the state’s highest, demonstrating the quality of the District’s financial management and reporting system. Northwest Independent School District’s Schools FIRST rating shows that the District is making the most of the taxpayers’ dollars and that Northwest’s schools are accountable not only for student learning, but also for achieving these results cost-effectively and efficiently.

This is the 20th year of School FIRST (Financial Integrity Rating System of Texas), a financial accountability system of Texas school districts developed by the Texas Education Agency in response to Senate Bill 875 of the 76th Texas Legislature in 1999. The primary goal of Schools FIRST is to achieve quality performance in the management of school districts’ financial resources, a goal made more significant due to the complexity of accounting associated with Texas’ school finance system.

School FIRST – Financial Integrity Rating System of Texas

<u>Description</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>
School FIRST Rating	Superior Achievement				

State Accountability System

The Texas Assessment of Knowledge and Skills (“TAKS”) used as the state test beginning 2003 measured the statewide curriculum of specific subjects at specific grade levels and included a broad assessment of the Texas Essential Knowledge and Skills (“TEKS”), statewide curriculum.

Texas Accountability System Campus Rating

	TAKS Actual	TAKS Actual	TAKS Actual	TAKS Actual	TAKS Actual
<u>Description</u>	<u>2006-2007</u>	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>
Exemplary	1	5	12	12	5
Recognized	11	8	3	7	14
Acceptable	2	2	2	1	2
District Rating	Acceptable	Acceptable	Acceptable	Acceptable	Acceptable

Texas Assessment of Knowledge and Skills (“TAKS”)

	TAKS Actual	TAKS Actual	TAKS Actual	TAKS Actual	TAKS Actual
<u>Description</u>	<u>2006-2007</u>	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>
Reading/English					
Language Arts	95.00%	95.00%	97.00%	95.00%	95.00%
Writing	94.00%	96.00%	96.00%	96.00%	94.00%
Social Studies	94.00%	96.00%	98.00%	98.00%	99.00%
Mathematics	86.00%	88.00%	91.00%	92.00%	92.00%
Science	82.00%	86.00%	89.00%	93.00%	94.00%
District Rating	Acceptable	Recognized	Recognized	Recognized	Recognized

Starting with 2011-2012 school year the Texas Education Agency transitioned from TAKS to State of Texas Assessment of Academic Readiness (“STAAR”) for students in grades 3-9 while students in grades 10 and 11 took TAKS. Part of the new assessment system required students entering ninth grade during the 2011-2012 school year or after to pass the End of Course Exams (“EOC”) in order to graduate. With the new STAAR program, the TAKS exit-level tests were replaced with 15 end-of-course assessments.

STAAR, a more rigorous standardized testing program for elementary, middle and high school students emphasized “readiness” standards, which are the knowledge and skills considered most important for success in the grade or subject that follows and for college and career readiness. The 2011 TEA accountability suspended assignments of performance ratings for 2012.

In 2013, the state of Texas implemented a new accountability system to focus on the achievement of postsecondary readiness for all Texas public school students. The new accountability system assigned a rating label of Met Standard, Met Alternative Standard or Improvement Required based on the evaluation of the four performance indexes for Student Achievement, Student Progress, Closing Achievement Gaps, and Postsecondary Readiness. The indexes include assessment results from the State of Texas Assessments of Academic Readiness (STAAR) testing program, graduation rates, and rates of students achieving the Recommended High School Program and Distinguished Achievement High School Program. Campuses that receive an accountability rating of *Met Standard* are eligible for distinction designations.

TEA maintained the same accountability rating labels 2014 through 2018. In 2019, TEA moved to a new accountability system in which campuses and districts are scored from A-F. A campus/district with an overall A, B, or C are considered to have met the standard to avoid improvement requirement sanctions. Campuses with an overall D or F are considered to be Improvement Required under the new system. Campuses are eligible to earn up to seven Academic Achievement Distinction Designations in the areas of Reading/ELA, Mathematics, Science, Social Studies, Top 25 Percent Student Progress, Top 25 Percent Closing Achievement Gaps and Postsecondary Readiness. Districts are eligible to earn an Academic Achievement Distinction Designation in Postsecondary Readiness.

Description	STAAR	STAAR	STAAR	STAAR	STAAR	STAAR	STAAR
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
All Subjects	87%	85%	85%	86%	87%	No Tests due to COVID	79%
Reading	87%	85%	84%	85%	85%	No Tests due to COVID	78%
Mathematics	88%	84%	86%	88%	89%	No Tests due to COVID	78%
Writing	81%	81%	76%	78%	79%	No Tests due to COVID	73%
Science	89%	89%	89%	90%	90%	No Tests due to COVID	85%
Social Studies	90%	87%	88%	89%	89%	No Tests due to COVID	85%
Overall District Rating	Met Standard	Met Standard	Met Standard	A	A	Not Rated: Declared State of Disaster	Not Rated: Declared State of Disaster

All Texas school districts and campuses will receive a Not Rated: Declared State of Disaster label for their 2020 accountability ratings, according to the Texas Education Agency. Texas students take the State of Texas Assessments of Academic Readiness each year to measure standards in reading, writing, math, science and social studies and are traditionally given letter grades ranging from A-F based on performance. Although the coronavirus pandemic is ongoing, the state has said all students will be required to take the STAAR exam in 2021. The ratings are based on several categories, including Student Achievement, School Progress and Closing the Gaps, all of which compare student performance.

Campus Rating	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Met Standard	26	26	27	28	Not Rated	Not Rated
Earned one or more Distinctions	9	7	12	12	Not Rated	Not Rated
Total Distinctions Earned	14	11	22	26	Not Rated	Not Rated
Improvement Required	0	0	0	0	Not Rated	Not Rated
Not Rated (TYC Campus)	1	1	1	1	Not Rated	Not Rated
District Rating	Met Standard	Met Standard	Met Standard	A	Not Rated: Declared State of Disaster	Not Rated: Declared State of Disaster

Financial Policies

The Annual Comprehensive Financial Report for the year ended June 30, 2021 is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). All funds of the District are covered by this report. The District’s financial policies address accounting and fiscal operations of the District, with an emphasis on asset, procurement, and budget management.

Internal Controls

The management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of “reasonable assurance” recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit

As a recipient of federal financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

As part of the District’s single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations. The results of the District’s single audit for the year ended June 30, 2021 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgetary Controls

The District maintains budgetary controls, and the objective is to ensure compliance with legal provisions embodied in the annual budget approved by the District’s Board of Trustees. The annual expenditure budget serves as the foundation for the District’s financial planning and control. Every school district in Texas is required, by law, to prepare and file a budget with the Texas Education Agency (TEA). The Board legally adopts a budget for the General Fund, Debt Service Fund and Child Nutrition Fund and budget-to-actual comparisons for these three funds are found in the financial section of this report. Budgets for Special Revenue Funds (other than Child Nutrition) and Capital Projects Fund are prepared on a project bases, based on grant regulations or applicable bond ordinances.

Budgetary control (the level at which expenditures cannot legally exceed appropriations) is mandated at the functional category level within each fund. These functional categories are defined by TEA and identify the purpose of transactions. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year end.

Student, Staff, and District Accomplishments

Student Accomplishments

Northwest ISD was named a District of Distinction by the Texas Art Education Association, an honor given to Texas school districts that advocate for and integrate visual arts curriculum in their schools.

The Class of 2021 was offered more than \$2.3 million in college fine arts scholarships.

Some of the year's fine arts highlights include:

BNHS competition cheer team won the State UIL 6A Division II Cheer Championship.

Debate students from BNHS and NHS earned top honors at regional tournaments and qualified for state and national tournaments.

NISD Middle School Musical performed "Shrek Jr." to sold-out audiences and live streamed the show for at-home audiences.

BNHS, NHS, and EHS musicals earned a combined six awards at the Betty Buckley Awards, including the district's first-ever Best Musical award for Eaton's performance of "Matilda." BNHS won Best Lighting Design and NHS earned a special recognition for Outstanding Performance at the Dallas Summer Musicals High School Musical Theatre Awards.

Eight high school art students advanced to the State VASE contest, and an EHS student won first place in the Congressional Art Competition.

A combined 12 students from BNHS, NHS and EHS were selected to a TMEA all-state ensemble. Medlin Middle School Band was named a Class AA Commended Winner from the Foundation for Music Education.

The Dazzlers, Sapphires, and Sidekicks drill teams each performed in regional and national competitions, earning top marks including Grand Championships.

During the 2020-2021 school year, 74 student-athletes signed letters of intent to take part in collegiate athletics. Some of the year's athletic postseason highlights include:

Football - NHS 5A Bi-District Qualifiers, BNHS 6A Bi-District Qualifiers, EHS 6A Regional Quarterfinalist

Volleyball - BNHS 6A Regional Semifinalist, EHS 6A Regional Finalist

Cross Country - NHS 1 Boys 5A Regional Qualifier, EHS 2 Boys 6A Regional Qualifiers

Boys Basketball - BNHS 6A Regional Semifinalist, EHS 6A Area Finalist

Girls Basketball - NHS 5A Bi-District Qualifiers

Team Tennis - BNHS 6A Area Finalist

Tennis - EHS 1 Boys 6A Regional Qualifier

Powerlifting - NHS 1 Boys State Qualifier, EHS 1 Boys State Qualifier and 1 Girls State Qualifier

Wrestling - NHS 5 Girls 5A State Qualifiers / 1 Silver Medalist and 5 Boys 5A State Qualifiers, BNHS 1 Girls 6A State Qualifier and 4 Boys 6A State Qualifiers, EHS 1 Girls 6A State Alternate

Swim & Dive - BNHS 4 Girls 6A State Qualifiers, NHS 1 Girls 5A State Qualifier, EHS 2 Boys 6A State Qualifiers

Track & Field - BNHS 4 Boys 6A State Qualifiers / Boys Silver Medalist 110 Hurdles / 1 Girls 6A State Qualifier, NHS 1 Girls 5A State Qualifier / Bronze Medalist High Jump

Golf - NHS Girls 5A State Qualifying Team, BNHS Girls 6A Regional Qualifying Team / 1 Boys 6A Regional Qualifier

Seven teams from Northwest ISD advanced to the Destination Imagination Global Finals tournament, which took place virtually this year. Four teams garnered a first-place finish at the state Destination Imagination tournament including the Toxic Tiger Sharks and the Fla-Mangos from Lakeview Elementary, the Desperadoes of DI from Beck Elementary and the Fire-Breathing Rubber Ducks, which consists of team members from Northwest High School, Medlin Middle School and Adams Middle School. The Rubber Ducks and the Desperadoes teams also won the highest score on the Instant Challenge in their divisions. The JES Detectives from Justin Elementary placed second, while A Strong Finish from Northwest High School and Cumberland from Byron Nelson High School each earned seventh place in their divisions.

A student from Steele Accelerated High School was named a semifinalist in the National Merit Scholarship Program. Thirteen students: 2 from NHS, 9 from BNHS, and 2 from EHS were named as Commended Scholars.

Fourteen Steele Accelerated High School students earned associate degrees while still in high school.

Thirteen Cosmetology Academy seniors received their cosmetology licenses before graduation.

Staff Accomplishments

Fifth grade teacher Valerie Valadez from Clara Love, was named a distinguished award recipient of the 2021 Ernest and Sarah Butler Awards for Excellence in Science Teaching by the Texas Medical Association.

Cara Carter, Northwest ISD's executive director of technology, was named the 2021 Technology Administrator of the Year for Texas by the Texas Computer Education Association.

Executive Director for College, Career Readiness, and Innovation, CyLynn Braswell, was named the Career and Technical Association of Texas (CTAT) Administrator of the Year.

EHS teacher Matthew Moore was selected to Yamaha's 40 Under 40 educators list.

Kristy Butler, Medlin Middle School teacher, was named state finalist for Presidential Awards for Excellence in Mathematics and Science Teaching.

NHS English teacher Lisa Day, was named ESC Region 11's Secondary Teacher of the Year.

District/Campus Accomplishments

Elementary schools across our district again held the annual Northwest Reads program, which invites community members to share their love of reading with young students. This year, more than 700 community members read books to children virtually because of the COVID-19 pandemic. Visitors were brought in over video chat and led reading sessions at each of Northwest ISD's 19 elementary schools. Childhood literacy continues to remain a focal point in our district, and we hope every student loves to read, across all ages and grade levels!

Northwest ISD was named a District of Distinction by the Texas Art Education Association.

The National Parent Teacher Association named seven Northwest ISD schools – Justin, Hughes, Lance Thompson, and Lakeview elementary schools, Pike Middle School, and Northwest Byron Nelson high schools – to its list of 2020-22 Schools of Excellence. The schools were named to the list for maintaining positive community environments with their associations.

The design of Lance Thompson Elementary earned the Caudill Class recognition for 2020-2021 in the Texas Association of School Administrators' annual architecture competition, the top honor available for a school's architecture. Together, nearly 200 students, educators and district leaders envisioned a school with no boundaries, where learning was always on display. Biophilic design elements, connection to the outdoors, flexible small and large learning spaces, grade-level neighborhoods and an iconic, treehouse-inspired commons create a unique and inspirational academic experience.

All four high schools have been named to the U.S. News & World Report 2021 Best High Schools list.

Niche.com ranks Northwest ISD among the top 100 school districts in Texas for the 2020-2021 school year. The website gave the district high marks in all categories, particularly academics, college prep, and clubs and activities.

The Northwest ISD Education Foundation supported NISD with multiple events including: Rookie-of-the-Year in partnership of the NRSEA; Teacher Campus Transition Grants; PTA-support programs, Student Snack-Packs, and North TX Giving Day Campus Mini-Grants with a total of \$60,375.00.

The Northwest ISD Education Foundation presented 28 teaching grants to 17 campuses totaling \$61,846. For the first time ever, NEF also awarded a \$45,000 NISD all campus grant. All thirty campuses received a \$1,500 grant to support instruction in the classroom! NEF also awarded 41 scholarships to students across all four high schools totaling \$57,000.

NEF also supported students directly with the NEF Back-to-School Fair donating \$13,115.00 towards backpacks and school supplies, 119 coats donated to students in need during the winter storm, and over 3,000 books were donated to students in grades K-5.

Northwest ISD received the **Award of Merit for Purchasing Operations** with Recognized Status from the Texas Association of School Business Officials for the tenth consecutive year.

The Northwest ISD budget document was awarded the **Meritorious Budget Award** by ASBO for the 19th time.

The Government Finance Officers Association of the United States and Canada (**GFOA**) awarded a **Certificate of Achievement for Excellence in Financial Reporting** to Northwest Independent School District for its Comprehensive Annual Financial Report (CAFR) for the year ending June 30, 2020 for the 19th time.

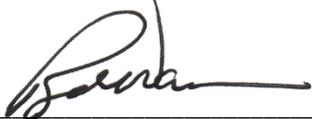
The Association of School Business Officials International (**ASBO**) awarded a **Certificate of Excellence in Financial Reporting** to Northwest Independent School District for its Comprehensive Annual Financial Report (CAFR) for the year ending June 30, 2020 for the 17th time.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements. The Certificate of Excellence in Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report. The GFOA and ASBO award is for school districts whose annual comprehensive financial reports substantially conform to the recommended principles and standards of financial reporting adopted by that organization. The award is granted after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials. Management believes that the current year annual comprehensive report meets the Certificate of Achievement and Certificate of Excellence programs' requirements and will be submitted for review to determine award eligibility.

Acknowledgments

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated efforts of the entire staff of the Financial Services Department. We would like to express our sincere appreciation to all members of the departments who assisted and contributed to the preparation of this report. We would also like to express appreciation to the Board of Trustees for their interest and support in the financial operations of the District. Finally, we would like to thank the residents of the District for their support of, and belief in, our public schools, and principals and teachers who provide the quality education for which the District has become known.

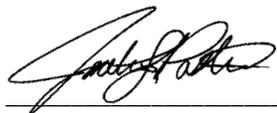
Respectfully submitted,



Ryder Warren, Ed.D.
Superintendent of Schools



Brian Carter
Chief Financial Officer



Jonathan Pastusek
Executive Director of Financial Services



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Northwest Independent School District
Texas**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO



**The Certificate of Excellence in Financial Reporting
is presented to**

Northwest Independent School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2020.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



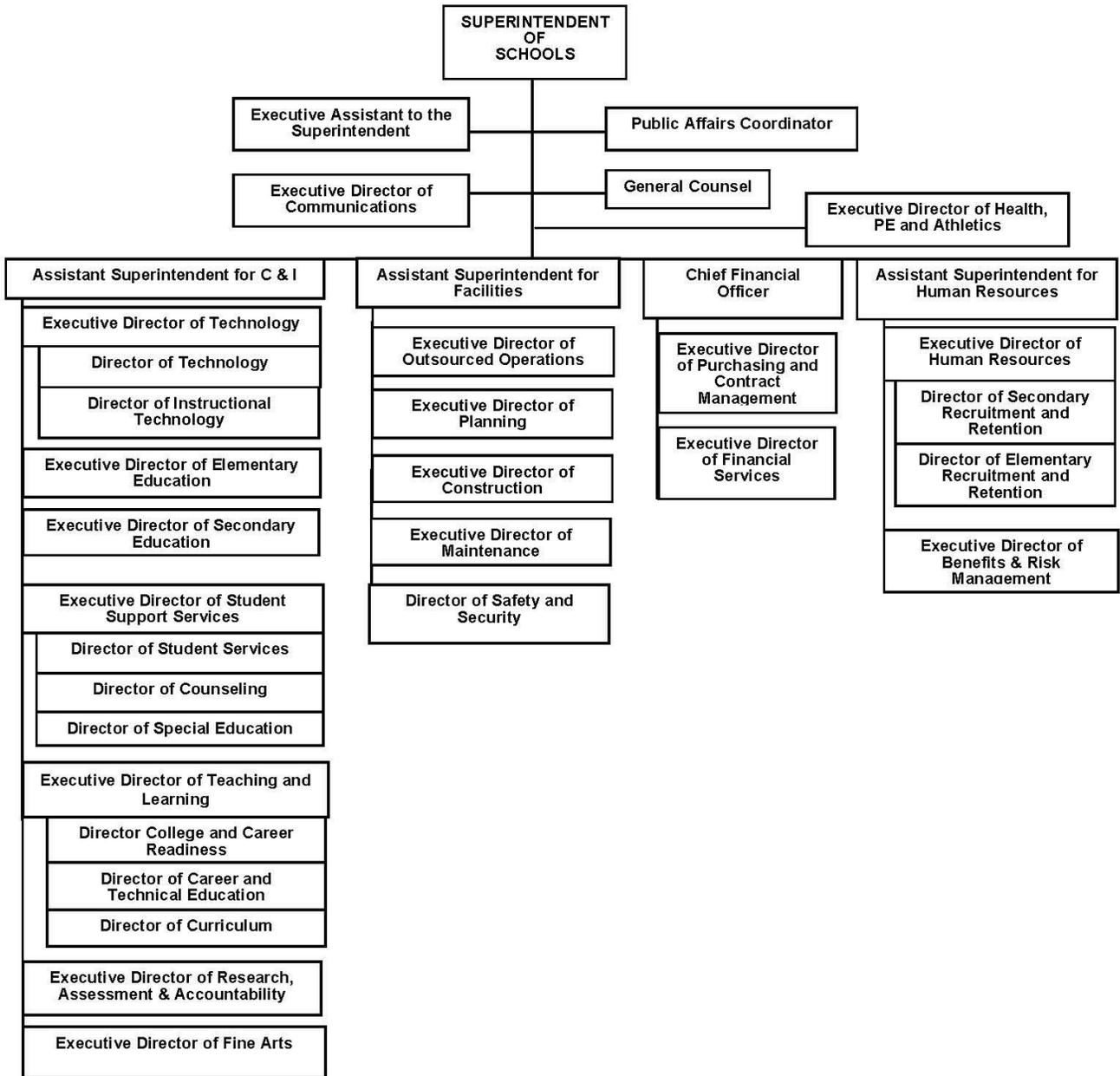
A handwritten signature in black ink that reads 'W. Edward Chabal'.

W. Edward Chabal
President

A handwritten signature in black ink that reads 'David J. Lewis'.

David J. Lewis
Executive Director

Northwest Independent School District 2021 – 2022 Administrative Organizational Chart



**NORTHWEST INDEPENDENT SCHOOL DISTRICT
2021 - 2022 BOARD OF TRUSTEES**



Anne Davis-Simpson, Ph.D.
President, Place 3
Retired Educator
Elected 2013
Term Ends 2022



Steve Sprowls
Vice President, Place 5
Airline Pilot
Elected 2017
Term Ends 2023



Lillian Rauch, Ph.D.
Secretary, Place 6
Retired Educator
Elected 2014
Term Ends 2023



Judy Copp
Member, Place 4
Retired Educator
Elected 2012
Term Ends 2022



DeAnne Hatfield
Member, Place 1
Retired School Administrator
Elected 2019
Term Ends 2024



Jennifer Murphy
Member, Place 7
Post-Secondary Education
Elected 2020
Term Ends 2023



Mark Schluter
Member, Place 2
Senior Project Engineer
Elected 2006
Term Ends 2024



Ryder Warren, Ed.D.
Superintendent
Appointed by
Board of Trustees 2016

Board Meetings: All Northwest ISD board meetings are open to the public. Regular meetings are held at 6:30 p.m. on the second and fourth Monday of each month in the board room located at the NISD Administration Building at 2001 Texan Drive, Justin. With public notice, trustees will also hold special meetings and work sessions as needed. Within the limits of the Texas Open Meetings Act, parts of the board meetings may be closed to the public for topics including, but not limited to, real estate transactions, personnel matters, student hearings, and legal matters.

If You Wish to Address the Board: The public may address the board during the public participation portion of the board meeting. Remarks may be related to any topic, whether agenda items or non-agenda items, and are usually limited to three minutes. Those wishing to speak during public participation may sign the roster in the room within the hour preceding the meeting.

NORTHWEST INDEPENDENT SCHOOL DISTRICT

School Board and Administrators

Board of Trustees

Anne Davis-Simpson, Ph.D.....	President
R. Stephen Spowls.....	Vice President
Lillian Rauch, Ph.D.	Secretary
Judy Copp.....	Member
DeAnne Hatfield.....	Member
Jennifer Murphy	Member
Mark Schluter	Member

Administration

Ryder Warren, Ed.D.	Superintendent of Schools
Michael Griffin, Ed.D.	Assistant Superintendent for Curriculum and Instruction
Kim Caley, Ed.D.	Assistant Superintendent for Human Resources
Brian Carter	Chief Financial Officer
Tim McClure	Assistant Superintendent for Facilities
Christie Hobbs.....	General Counsel

Principals

Carrie Jackson... ..	Northwest High School
Ron Myers, Ph.D.	Byron Nelson High School
Stacy Miles.....	V.R. Eaton High School
Todd Rogers.....	Steele Accelerated High School
Monty Brown, Ed.D.	Denton Creek
Diana Foster	Special Programs Center
Paige Cantrell.....	Medlin Middle School
Patricia Lutkenhaus	Gene Pike Middle School
Anthony Fontana	Chisholm Trail Middle School
Ryan Barnhart	John M. Tidwell Middle School
Natalie Childress	Truett Wilson Middle School
Matrice Raven, Ed.D.....	Leo Adams Middle School
Melissa Webber.....	Haslet Elementary School
Lisa Ransleben, Ed.D.	Justin Elementary School
Erika Oster	Lakeview Elementary School
Kristi King.....	Roanoke Elementary School
Kim Blackburn	Seven Hills Elementary School
Amanda Bunch	Samuel Beck Elementary School
Jim Mahler.....	W.R. Hatfield Elementary School
Yolanda Wallace	Prairie View Elementary School
Lindsie Smith	Sonny & Allegra Nance Elementary School
Jessica McDonald.....	J. Lyndal Hughes Elementary School
Michelle McAdams	Kay Granger Elementary School
John Booles	Sendra Ranch Elementary School
Danielle Grimes.....	O.A. Peterson Elementary School
Lisa Crosslin.....	Clara Love Elementary School
Leigh Anne Romer, Ed.D.	J.C. Thompson Elementary School
Kasey Williams	Carl E. Schluter Elementary School
Chrisa Oakley	Wayne A. Cox Elementary School
Carrie Pierce.....	Lizzie Curtis Elementary School
Amy Howell.....	Lance Thompson Elementary School

Northwest ISD offers an easy and free way to get the latest district information. Subscribe to the electronic mail list and stay informed about district activities and urgent news such as school closings. Join today by completing the *Northwest News* registration form on the District’s homepage at www.nisdtx.org

NORTHWEST INDEPENDENT SCHOOL DISTRICT

Consultants and Advisors

<u>ARCHITECTS</u>	<u>OFFICIAL DEPOSITORY</u>
Huckabee	BBVA Compass Bank
801 Cherry Street, Suite 500	300 W 7 th Street
Fort Worth, Texas 76102	Fort Worth, Texas 76102
Perkins + Will	
10100 N. Central Expressway, Suite 300	<u>TAX COLLECTION COUNSEL</u>
Dallas, Texas 75231	Linebarger Goggan Blair & Sampson, LLP
	100 Throckmorton, Suite 300
<u>ACCOUNTANTS</u>	Fort Worth, Texas 76102
Hankins, Eastup, Deaton, Tonn & Seay	
902 N Locust Street	
Denton, TX 76202	<u>BOND FISCAL AGENTS</u>
	Regions Bank Corporate Trust
	1717 St James Place, Suite 500
<u>BOND COUNSEL</u>	Dallas, Texas 75201
McCall, Parkhurst & Horton, LLP	
717 North Harwood	UMB Corporate Trust
Dallas, Texas 75201	P O Box 419692
	Kansas City, MO 64141
<u>FINANCIAL ADVISORS</u>	
Hilltop Securities	
1201 Elm Street, Suite 3500	
Dallas, Texas 75270	
<u>GENERAL COUNSEL</u>	
Abernathy, Roeder, Boyd & Joplin	
P O Box 1210	
1700 Redbud Boulevard, Suite 300	
McKinney, Texas 75069	
Underwood Law Firm	
1008 Macon Street, Suite 101	
Fort Worth, Texas 76102	
Buechler & Associates, P.C	
3660 Stoneridge Road, Suite D-101	
Austin, Texas 78746	

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FINANCIAL SECTION

Members:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC
ACCOUNTANTS
TEXAS SOCIETY OF CERTIFIED
PUBLIC ACCOUNTANTS

**HANKINS, EASTUP, DEATON,
TONN & SEAY**
A PROFESSIONAL CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS

902 NORTH LOCUST
P.O. BOX 977
DENTON, TX 76202-0977
TEL. (940) 387-8563
FAX (940) 383-4746

**UNMODIFIED OPINION ON BASIC FINANCIAL STATEMENTS
ACCOMPANIED BY REQUIRED SUPPLEMENTARY INFORMATION AND OTHER
SUPPLEMENTARY INFORMATION
AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Independent Auditor's Report

To the Board of Trustees
Northwest Independent School District
Fort Worth, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Northwest Independent School District (the District), as of and for the year ended June 30, 2021, 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 Standard* 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 District'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 Northwest Independent School District as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* on pages 33 through 41, the budgetary comparison information on page 91 and the Teacher Retirement System schedules on pages 92 through 98 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 Northwest Independent School District's basic financial statements. The combining and individual nonmajor fund financial statements and the TEA required schedules listed in the table of contents 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 the Uniform Guidance, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, the schedules listed in the table of contents, 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory Section and Statistical Section listed in the foregoing table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the District. Such additional information has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2021 on our consideration of Northwest Independent School District's internal control over financial reporting and on our test 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 is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Northwest Independent School District's internal control over financial reporting and compliance.



Hankins, Eastup, Deaton, Tonn & Seay, PC
Denton, Texas

November 9, 2021

**NORTHWEST INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
(UNAUDITED)**

As management of Northwest Independent School District, we offer readers of the District's financial statement this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2021. Please read this narrative in conjunction with the independent auditors' report on page 31, and the District's Basic Financial Statements that begin on page 42.

FINANCIAL HIGHLIGHTS

- The liabilities and deferred inflows of resources of Northwest Independent School District exceeded its assets and deferred outflows at the close of the most recent fiscal year by \$5,535,125 (deficit net position).
- The District's total net position increased by \$4,942,997 during the fiscal year as the result of current year operations.
- As of the close of the current fiscal period, the District's governmental funds reported combined ending fund balances of \$242,257,707. Over 34% of this total amount (\$82,533,696) is unassigned and available for use within the District's commitments and policies.
- At the end of the current fiscal period, the unassigned fund balance of the general fund of \$82,533,696 was 32.84% of the total general fund expenditures.
- The District is defined by Chapter 41 of the Texas Education Code (TEC) as a high wealth District but the District's wealth per student was less than the equalized wealth value; therefore, during 2021 the District paid \$14,340,703 for contracted instructional services between schools as part of the state wealth equalization requirements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (on pages 42 and 43). These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (starting on page 44) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how goods or services of the District were sold to departments within the District or to external customers and how the sales revenues covered the expenses of the goods or services. The remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the District. The District has no component units for which it is financially accountable.

The notes to the financial statements (starting on page 56) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The combining statements for nonmajor funds contain even more information about the District's individual funds. The section labeled Single Audit Section contains data used by monitoring or regulatory agencies for assurance that the District is using funds supplied in compliance with the terms of grants.

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the District's overall financial condition and operations begins on page 42. Its primary purpose is to show whether the financial position of the District is improving or deteriorating as a result of the year's activities. The Statement of Net Position includes all the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources at the end of the year while the Statement of Activities includes all revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting (the basis used by private sector companies).

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

These two statements report the District's net position and changes in them. The District's net position provides one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider nonfinancial factors as well, such as changes in the District's average daily attendance or its property tax base and the condition of the District's facilities.

In the Statement of Net Position and the Statement of Activities, information is divided into two kinds of activities:

- **Governmental activities**—Most of the District's basic services are reported here, including the instruction, counseling, co-curricular activities, food services, transportation, maintenance, community services, and general administration. Property taxes, tuition, fees, and state and federal grants finance most of these activities.
- **Business-type activities**—Activities in which the District charges a fee to “customers” to help cover the cost of services it provides are reported as business-type activities. The District had no business-type activities at June 30, 2021.

Reporting the District's Most Significant Funds

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

The fund financial statements begin on page 44 and provide detailed information about the most significant funds—not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received under the No Child Left Behind Act from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes (like campus activities).

All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. The District maintains twenty-four governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and capital projects fund, each of which are considered to be major funds. Data from the other twenty-one governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report. The District adopts an annual appropriated budget for its general fund, debt service fund and food service fund. A budgetary comparison schedule has been provided to demonstrate compliance with these budgets. The basic governmental fund financial statements can be found on pages 44 through 51 of this report.
- **Proprietary funds.** The District reports the activities for which it charges users (whether outside customers or other units of the District) in proprietary funds using the same accounting methods employed in the Statement of Net Position and the Statement of Activities. The internal service funds (one category of proprietary funds) report activities that provide supplies and services for the District's other programs and activities—such as the District's self-insurance programs and student devices.
- **Fiduciary funds.** *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the District's own programs. The District is the trustee, or *fiduciary*, for these funds and 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 custodial net position and statement of changes in custodial fund net position on pages 55 and 56. These activities are excluded from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following analysis presents both current and prior year data and discuss significant changes in the accounts. Our analysis focuses on the net position (Table I) and changes in net position (Table II) of the District's governmental activities.

Governmental Activities

Net Position. The net position of the District's governmental activities at June 30, 2021 was a \$5,535,125 deficit. Investment in capital assets (e.g. land, building, furniture, vehicles and equipment) less any related debt used to acquire those assets that is still outstanding was a deficit of \$11,400,314 at June 30, 2021. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's governmental activities net position (\$70,371,929) represents resources that are subject to external restrictions on how they may be used. The unrestricted net position at June 30, 2021 is a deficit of \$64,506,740.

Changes in Net Position. The District's total revenues of its governmental activities were \$366,838,436. A significant portion, approximately 81.3 percent, of the revenue comes from property taxes. Another 6.4 percent comes from state aid - formula grants while 2.1 percent relates to charges for services. This reflects a \$26.7 million increase in revenues from 2019-2020, primarily from increases in property taxes and state aid. The total revenues were used to fund the cost of all programs and services in the amount of \$361,895,439, and to pay down the District's debt. This reflects a \$16.8 million increase in expenses from 2019-2020.

Governmental Activities. The District's total net position of its governmental activities increased \$4,942,997. The total cost of all government activities for the fiscal year ended June 30, 2021 was \$361,895,439. Funding for these governmental activities is by specific program revenue or through general revenues such as property taxes, state aid and investment earnings. Program revenues directly attributable to specific activities funded some of the governmental activities costs. These program revenues amounted to \$45,297,496 (grant revenues, tuition and facility leasing, for example). The remaining cost of governmental activities not directly funded by program revenues was \$316,597,943, which were primarily funded by property taxes in the amount of \$297,854,616 and state revenue of \$23,316,174.

Table I
NET POSITION

	Governmental Activities		
	2021	2020	Change
Current and other assets	\$ 305,430,457	\$ 392,131,050	\$ (86,700,593)
Capital and non-current assets	1,031,386,570	978,918,182	52,468,388
Total assets	1,336,817,027	1,371,049,232	(34,232,205)
Deferred outflows of resources	107,271,956	120,814,391	(13,542,435)
Total assets and deferred outflows of resources	1,444,088,983	1,491,863,623	(47,774,640)
Long-term liabilities	1,317,219,447	1,391,102,170	(73,882,723)
Other liabilities	72,135,200	66,315,570	5,819,630
Total liabilities	1,389,354,647	1,457,417,740	(68,063,093)
Deferred inflows of resources	60,269,461	44,924,005	15,345,456
Total liabilities and deferred inflows of resources	1,449,624,108	1,502,341,745	(52,717,637)
Net Position (Deficit):			
Net investments in capital assets	(11,400,314)	(5,042,817)	(6,357,497)
Restricted	70,371,929	61,170,787	9,201,142
Unrestricted	(64,506,740)	(66,606,092)	2,099,352
Total Net Position (Deficit)	\$ (5,535,125)	\$ (10,478,122)	\$ 4,942,997

Table II
CHANGES IN NET POSITION

	Governmental Activities		Change
	2021	2020	
Revenues:			
Program Revenues:			
Charges for services	\$ 7,552,501	\$ 11,254,395	\$ (3,701,894)
Operating grants and contributions	37,744,995	31,158,936	6,586,059
General Revenues:			
Maintenance and operations taxes	204,728,927	194,521,793	10,207,134
Debt service taxes	93,125,689	90,028,391	3,097,298
State aid - formula grants	23,316,174	8,666,078	14,650,096
Interest earnings	142,604	3,583,423	(3,440,819)
Miscellaneous	227,546	502,107	(274,561)
Total Revenue	<u>366,838,436</u>	<u>339,715,123</u>	<u>27,123,313</u>
Expenses:			
Instruction, curriculum and media services	183,741,791	186,474,752	(2,732,961)
Instructional and school leadership	20,395,470	16,083,240	4,312,230
Student support services	26,479,290	24,897,698	1,581,592
Food services	8,521,261	8,346,944	174,317
Extracurricular activities	10,784,586	10,689,926	94,660
General administration	9,189,948	9,795,822	(605,874)
Plant maintenance, security and data process	47,275,272	38,157,995	9,117,277
Community services	285,390	238,664	46,726
Debt services	37,275,893	42,051,961	(4,776,068)
Intergovernmental charges	17,946,538	8,359,190	9,587,348
Total Expenses	<u>361,895,439</u>	<u>345,096,192</u>	<u>16,799,247</u>
Increase (Decrease) in Net Position	4,942,997	(5,381,069)	10,324,066
Net Position - beginning of year	<u>(10,478,122)</u>	<u>(5,097,053)</u>	<u>(5,381,069)</u>
Net Position - end of year	<u>\$ (5,535,125)</u>	<u>\$ (10,478,122)</u>	<u>\$ 4,942,997</u>

The cost of all governmental activities for the current fiscal period was \$361,895,439. However, as shown in the Statement of Activities on page 43, the amount that our taxpayers ultimately financed for these activities through District taxes was only \$297,854,616 because some of the costs were paid by those who directly benefited from the programs (\$7,552,501) or by State equalization funding (\$23,316,174).

THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, bond covenants, and segregation for particular purposes.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$242,257,707 a decrease of \$89,880,473. Approximately 35 percent of this total amount (\$85,687,863) constitutes *committed, assigned and unassigned fund balance*, which is available for spending at the District's discretion. The remainder of fund balance is *nonspendable or restricted* to indicate that it is not available for new spending because it is already restricted to pay debt service (\$70,371,929), or for capital projects (\$83,859,437), or for Federal grants (\$1,048,622), or already spent on prepaid items (\$1,289,856).

The general fund is the primary operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$82,533,696, while the total fund balance was \$83,823,552. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to the total fund expenditures. Unassigned fund balance represents 32.84 percent of the total general fund expenditures, while the total fund balance represents 33.35 percent of that same amount.

The fund balance of the District's general fund decreased by \$6,239,158 during the current fiscal year, compared to a \$9,072,016 decrease in the previous year. Key factors related to this change are as follows:

- A \$10,040,320 increase in property tax and other local revenues combined with a \$14,847,032 increase in foundation, per capita and other state funding contributed to a \$22,138,947 overall increase in total revenues. However, expenditures increased \$19,740,633 or 8.5% with \$9,481,077 of the increase being in contracted instructional services between schools.

The debt service fund has a total fund balance of \$70,371,929, all of which is reserved for the payment of debt service. The net increase in fund balance during the period from current year operations was \$9,201,142, compared to a \$5,633,491 increase in the previous year. Tax revenues were \$3,052,661 higher than the previous year, while debt service expenditures were \$3,456,985 higher as well.

Other changes in fund balances should also be noted. The fund balance in the capital projects fund decreased by \$93,088,422 due primarily to \$93,231,026 spent on construction-related costs. Although these and other capital expenditures reduce available fund balances, they create new assets for the District as reported in the Statement of Net Position and discussed in Note 4 to the financial statements.

Over the course of the year, the Board of Trustees revised the District's budget several times. These budget amendments fall into three categories. The first category includes amendments and supplemental appropriations that were approved shortly after the beginning of the year and reflect the actual beginning balances (versus the amounts we estimated in June, 2020). The second category includes changes that the Board made during the year to reflect new information regarding revenue sources and expenditure needs. The principal amendment in this case was an increase in the anticipated amount of State funding to be received. The third category involves amendments moving funds from programs that did not need all the resources originally appropriated to them to programs with resource needs.

The District's General Fund balance of \$83,823,552 reported on page 44 differs from the General Fund's budgetary fund balance of \$57,464,489 reported in the budgetary comparison schedule on page 91. For the year ended June 30, 2021, actual general fund expenditures on a budgetary basis were \$251,335,843, below the original budget expenditures of \$254,028,363 and the revised final budget of \$265,241,490. The majority of the actual variance of \$13,905,647 consists of savings achieved in payroll costs in several areas. Actual revenue on a budgetary basis was \$246,424,428 compared to the original budget of \$230,861,517 and a revised budget of \$234,643,269. The actual variance of \$11,781,159 was due primarily to higher than expected state revenue.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2021, the District had \$1,031,386,570 (net of accumulated depreciation) invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. This amount represents a net increase of \$52,468,388, or 5.4 percent, above last year.

This fiscal year's major additions include:

Continuing construction costs on three new elementary schools, paid for with proceeds of general obligation bonds.	\$31,578,865
Continuing construction costs on renovations/additions at three high schools, paid for with proceeds of general obligation bonds.	20,997,757
Continuing construction costs on renovations/additions at several schools, paid for with proceeds of general obligation bonds.	8,975,659
Continuing construction costs on an aquatic center facility, paid for with proceeds of general obligation bonds.	8,361,556
Initial construction costs on a network operations center, paid for with proceeds of general obligation bonds.	6,158,629
Totaling	\$76,072,466

More detailed information about the District's capital assets is presented in Note 4 to the financial statements.

Debt Administration

At year-end, the District had \$1,041,982,016 in bonds outstanding (including accreted interest on bonds) versus \$1,086,148,323 last year—a decrease of 4.07 percent. No new debt was incurred during the fiscal period. The District's underlying rating for unlimited tax bonds is "Aa2" by Moody's, and "AA" by Fitch but is considered AAA as a result of guarantees of the Texas Permanent School Fund.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the District is \$2,219,702,836, which is significantly in excess of the District's outstanding general obligation debt.

Other obligations include accrued vacation benefits and special termination benefits. More detailed information about the District's long-term liabilities is presented in Note 5 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's elected officials considered many factors when setting the fiscal year 2022 budget and tax rates, including the economy, student enrollment growth, and funding levels by the State of Texas.

The District has adopted a \$2,015,404 budget for 2021-2022 for the general fund. Budgeted revenues for the general fund are \$5,366,397 lower than actual 2020-2021 revenues, and budgeted expenditures are \$8,245,422 lower than actual 2020-2021 expenditures.

The District has adopted a \$15,830,453 surplus budget for 2021-2022 for the debt service fund. Budgeted revenues for the debt service fund are \$1,383,129 higher than actual 2020-2021 revenues and budgeted expenditures are \$5,246,182 lower than actual 2020-2021 expenditures.

The 2021 tax rate was set at \$1.292 per \$100 valuation (\$0.872 maintenance and operations and \$0.42 debt service). The maintenance and operations rate decreased from \$1.0463 the prior year and the debt service rate remained the same.

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 funds the District receives. If you have questions about this report or need additional financial information, contact the District's business office, at Northwest Independent School District, P.O. Box 77070, Fort Worth, Texas 76177-0070.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

EXHIBIT A-1

Data Control Codes	Primary Government Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 17,428,831
1120 Current Investments	273,283,465
1220 Property Taxes - Delinquent	8,079,815
1230 Allowance for Uncollectible Taxes	(605,986)
1240 Due from Other Governments	5,733,396
1250 Accrued Interest	35,808
1290 Other Receivables, Net	177,472
1410 Prepayments	1,297,656
Capital Assets:	
1510 Land	61,787,258
1520 Buildings, Net	730,123,588
1530 Furniture and Equipment, Net	5,163,187
1540 Other Capital Assets, Net	16,877,510
1580 Construction in Progress	217,435,027
1000 Total Assets	1,336,817,027
DEFERRED OUTFLOWS OF RESOURCES	
1701 Deferred Charge for Refunding	59,914,745
1705 Deferred Outflow Related to TRS Pension	28,445,977
1706 Deferred Outflow Related to TRS OPEB	18,911,234
1700 Total Deferred Outflows of Resources	107,271,956
LIABILITIES	
2110 Accounts Payable	15,368,413
2150 Payroll Deductions and Withholdings	3,917
2160 Accrued Wages Payable	24,515,335
2180 Due to Other Governments	13,657,347
2200 Accrued Expenses	18,311,339
2300 Unearned Revenue	278,849
Noncurrent Liabilities:	
2501 Due Within One Year: Loans, Note, Leases, etc.	46,475,823
Due in More than One Year:	
2502 Bonds, Notes, Leases, etc.	1,142,403,297
2540 Net Pension Liability (District's Share)	67,387,254
2545 Net OPEB Liability (District's Share)	60,953,073
2000 Total Liabilities	1,389,354,647
DEFERRED INFLOWS OF RESOURCES	
2605 Deferred Inflow Related to TRS Pension	14,159,563
2606 Deferred Inflow Related to TRS OPEB	46,109,898
2600 Total Deferred Inflows of Resources	60,269,461
NET POSITION	
3200 Net Investment in Capital Assets	(11,400,314)
3850 Restricted for Debt Service	70,371,929
3900 Unrestricted	(64,506,740)
3000 Total Net Position	\$ (5,535,125)

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

NORTHWEST INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT B-1

Data	Program Revenues			Net (Expense)
Control	1	3	4	Revenue and
Codes		Charges for	Operating	Changes in Net
	Expenses	Services	Grants and	Position
			Contributions	Primary Gov.
				Governmental
				Activities

Primary Government:

GOVERNMENTAL ACTIVITIES:

11	Instruction	\$ 173,346,518	\$ 184,112	\$ 14,409,798	\$ (158,752,608)
12	Instructional Resources and Media Services	3,261,056	-	167,256	(3,093,800)
13	Curriculum and Instructional Staff Development	7,134,217	-	654,926	(6,479,291)
21	Instructional Leadership	3,049,467	-	163,267	(2,886,200)
23	School Leadership	17,346,003	-	887,634	(16,458,369)
31	Guidance, Counseling, and Evaluation Services	12,277,043	-	3,448,519	(8,828,524)
32	Social Work Services	457,647	-	114,849	(342,798)
33	Health Services	2,920,291	3,059,857	210,804	350,370
34	Student (Pupil) Transportation	10,824,309	-	2,722,817	(8,101,492)
35	Food Services	8,521,261	3,134,405	5,719,213	332,357
36	Extracurricular Activities	10,784,586	384,928	2,600,216	(7,799,442)
41	General Administration	9,189,948	622,510	631,242	(7,936,196)
51	Facilities Maintenance and Operations	23,951,164	166,689	3,182,987	(20,601,488)
52	Security and Monitoring Services	2,584,271	-	162,666	(2,421,605)
53	Data Processing Services	5,395,861	-	148,620	(5,247,241)
61	Community Services	285,390	-	153,169	(132,221)
72	Debt Service - Interest on Long-Term Debt	37,211,852	-	2,367,012	(34,844,840)
73	Debt Service - Bond Issuance Cost and Fees	64,041	-	-	(64,041)
81	Capital Outlay	15,343,976	-	-	(15,343,976)
91	Contracted Instructional Services Between Schools	14,340,703	-	-	(14,340,703)
93	Payments Related to Shared Services Arrangements	83,800	-	-	(83,800)
95	Payments to Juvenile Justice Alternative Ed. Prg.	4,386	-	-	(4,386)
97	Payments to Tax Increment Fund	1,776,627	-	-	(1,776,627)
99	Other Intergovernmental Charges	1,741,022	-	-	(1,741,022)
	[TP] TOTAL PRIMARY GOVERNMENT:	\$ 361,895,439	\$ 7,552,501	\$ 37,744,995	(316,597,943)

Data	General Revenues:		
Control	Taxes:		
Codes			
MT	Property Taxes, Levied for General Purposes		204,728,927
DT	Property Taxes, Levied for Debt Service		93,125,689
SF	State Aid - Formula Grants		23,316,174
IE	Investment Earnings		142,604
MI	Miscellaneous Local and Intermediate Revenue		227,546
TR	Total General Revenues		321,540,940
CN	Change in Net Position		4,942,997
NB	Net Position - Beginning		(10,478,122)
NE	Net Position - Ending		\$ (5,535,125)

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

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NORTHWEST INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
ASSETS			
1110 Cash and Cash Equivalents	\$ (4,086,772)	\$ 2,641,229	\$ 9,750,885
1120 Investments - Current	120,181,049	67,207,834	85,722,374
1220 Property Taxes - Delinquent	5,684,228	2,395,587	-
1230 Allowance for Uncollectible Taxes	(426,317)	(179,669)	-
1240 Due from Other Governments	4,422,238	-	-
1250 Accrued Interest	-	-	35,808
1260 Due from Other Funds	2,109,163	-	1,827
1290 Other Receivables	127,285	-	-
1410 Prepayments	1,289,856	-	-
1000 Total Assets	<u>\$ 129,300,730</u>	<u>\$ 72,064,981</u>	<u>\$ 95,510,894</u>
LIABILITIES			
2110 Accounts Payable	\$ 3,323,810	\$ -	\$ 11,651,457
2150 Payroll Deductions and Withholdings Payable	3,917	-	-
2160 Accrued Wages Payable	24,156,446	-	-
2170 Due to Other Funds	322,405	-	-
2180 Due to Other Governments	13,657,378	-	-
2200 Accrued Expenditures	-	-	-
2300 Unearned Revenue	-	49,839	-
2000 Total Liabilities	<u>41,463,956</u>	<u>49,839</u>	<u>11,651,457</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable Revenue - Property Taxes	4,013,222	1,643,213	-
2600 Total Deferred Inflows of Resources	<u>4,013,222</u>	<u>1,643,213</u>	<u>-</u>
FUND BALANCES			
Nonspendable Fund Balance:			
3430 Prepaid Items	1,289,856	-	-
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	83,859,437
3480 Retirement of Long-Term Debt	-	70,371,929	-
Committed Fund Balance:			
3545 Other Committed Fund Balance	-	-	-
3600 Unassigned Fund Balance	82,533,696	-	-
3000 Total Fund Balances	<u>83,823,552</u>	<u>70,371,929</u>	<u>83,859,437</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 129,300,730</u>	<u>\$ 72,064,981</u>	<u>\$ 95,510,894</u>

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

Other Funds	Total Governmental Funds
\$ 5,431,068	\$ 13,736,410
172,208	273,283,465
-	8,079,815
-	(605,986)
1,311,158	5,733,396
-	35,808
320,578	2,431,568
50,096	177,381
7,800	1,297,656
<u>\$ 7,292,908</u>	<u>\$ 304,169,513</u>
\$ 378,964	\$ 15,354,231
-	3,917
356,192	24,512,638
2,109,163	2,431,568
(31)	13,657,347
16,821	16,821
229,010	278,849
<u>3,090,119</u>	<u>56,255,371</u>
-	5,656,435
-	5,656,435
-	1,289,856
1,048,622	1,048,622
-	83,859,437
-	70,371,929
3,154,167	3,154,167
-	82,533,696
<u>4,202,789</u>	<u>242,257,707</u>
<u>\$ 7,292,908</u>	<u>\$ 304,169,513</u>

NORTHWEST INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2021

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$	242,257,707
1 Assets and liabilities of the internal service funds are not included in the fund financial statements.		1,562,194
2 Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the fund financial statements.		1,278,636,714
3 Accumulated depreciation is not reported in the fund financial statements.		(247,250,144)
4 Bonds payable are not reported in the fund financial statements.		(1,040,921,739)
5 Bond premiums are not recognized in the fund financial statements.		(145,639,327)
6 Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.		(16,181,079)
7 Property tax revenue reported as unavailable revenue in the fund financial statements was recognized as revenue in the government-wide financial statements.		5,656,435
8 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68 in the amount of \$67,387,254, a Deferred Resource Inflow related to TRS in the amount of \$14,159,563, and a Deferred Resource Outflow related to TRS in the amount of \$28,445,977. This amounted to a decrease in Net Position in the amount of \$53,100,840.		(53,100,840)
9 Included in the items related to debt is the recognition of the District's proportionate share of the net Other Post-Employment Benefit (OPEB) required by GASB 75 in the amount of \$60,953,073, a Deferred Resource Inflow related to TRS OPEB in the amount of \$46,109,898, and a Deferred Resource Outflow related to TRS OPEB in the amount of \$18,911,234. This amounted to a net decrease in Net Position in the amount of \$88,151,737.		(88,151,737)
10 Deferred charge on bond refundings is not recognized in the fund financial statements.		59,914,745
11 Accreted interest on capital appreciation bonds has not been recorded in the fund financial statements.		(1,060,277)
12 Accrued vacation benefits have not been recorded in the fund financial statements.		(1,257,777)
19 Net Position of Governmental Activities	\$	(5,535,125)

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

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NORTHWEST INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 206,599,944	\$ 92,967,681	\$ 142,604
5800 State Program Revenues	35,436,900	649,190	-
5900 Federal Program Revenues	4,404,570	-	-
5020 Total Revenues	<u>246,441,414</u>	<u>93,616,871</u>	<u>142,604</u>
EXPENDITURES:			
Current:			
0011 Instruction	140,460,150	-	761,933
0012 Instructional Resources and Media Services	2,814,155	-	4,276
0013 Curriculum and Instructional Staff Development	5,864,622	-	-
0021 Instructional Leadership	2,596,790	-	-
0023 School Leadership	14,692,688	-	-
0031 Guidance, Counseling, and Evaluation Services	7,737,203	-	-
0032 Social Work Services	348,531	-	-
0033 Health Services	2,397,442	-	28,637
0034 Student (Pupil) Transportation	10,435,173	-	389,136
0035 Food Services	-	-	-
0036 Extracurricular Activities	7,525,667	-	-
0041 General Administration	7,794,416	-	-
0051 Facilities Maintenance and Operations	23,204,075	-	-
0052 Security and Monitoring Services	1,939,497	-	5,198
0053 Data Processing Services	5,233,906	-	-
0061 Community Services	113,275	-	-
Debt Service:			
0071 Principal on Long-Term Debt	-	28,118,002	-
0072 Interest on Long-Term Debt	-	56,233,686	-
0073 Bond Issuance Cost and Fees	-	64,041	-
Capital Outlay:			
0081 Facilities Acquisition and Construction	231,715	-	92,041,846
Intergovernmental:			
0091 Contracted Instructional Services Between Schools	14,340,703	-	-
0093 Payments to Fiscal Agent/Member Districts of SSA	83,800	-	-
0095 Payments to Juvenile Justice Alternative Ed. Prg.	4,386	-	-
0097 Payments to Tax Increment Fund	1,776,627	-	-
0099 Other Intergovernmental Charges	1,741,022	-	-
6030 Total Expenditures	<u>251,335,843</u>	<u>84,415,729</u>	<u>93,231,026</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,894,429)</u>	<u>9,201,142</u>	<u>(93,088,422)</u>
OTHER FINANCING SOURCES (USES):			
7912 Sale of Real and Personal Property	523	-	-
7915 Transfers In	-	-	-
8911 Transfers Out (Use)	(1,345,252)	-	-
7080 Total Other Financing Sources (Uses)	<u>(1,344,729)</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balances	(6,239,158)	9,201,142	(93,088,422)
0100 Fund Balance - July 1 (Beginning)	<u>90,062,710</u>	<u>61,170,787</u>	<u>176,947,859</u>
3000 Fund Balance - June 30 (Ending)	<u>\$ 83,823,552</u>	<u>\$ 70,371,929</u>	<u>\$ 83,859,437</u>

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

	Other Funds	Total Governmental Funds
\$	8,574,847	\$ 308,285,076
	2,821,730	38,907,820
	10,486,297	14,890,867
	21,882,874	362,083,763
	4,427,690	145,649,773
	11,382	2,829,813
	279,815	6,144,437
	-	2,596,790
	3,194	14,695,882
	2,535,393	10,272,596
	96,389	444,920
	49,295	2,475,374
	-	10,824,309
	8,521,261	8,521,261
	2,408,049	9,933,716
	284,385	8,078,801
	-	23,204,075
	147,121	2,091,816
	-	5,233,906
	138,856	252,131
	-	28,118,002
	-	56,233,686
	-	64,041
	2,753,100	95,026,661
	-	14,340,703
	-	83,800
	-	4,386
	-	1,776,627
	-	1,741,022
	21,655,930	450,638,528
	226,944	(88,554,765)
	-	523
	19,021	19,021
	-	(1,345,252)
	19,021	(1,325,708)
	245,965	(89,880,473)
	3,956,824	332,138,180
\$	4,202,789	\$ 242,257,707

NORTHWEST INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$	(89,880,473)
Current year capital asset additions are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The net effect of reclassifying the current year capital asset additions is to increase net position.		79,720,739
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position in the government-wide financial statements.		(27,252,351)
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.		(3,170,906)
Revenues from property taxes are deferred in the fund financial statements until they are considered available to finance current expenditures, but such revenues are recognized when assessed, net of an allowance for uncollectable amounts, in the government-wide financial statements.		434,161
Current year amortization of the premium on bonds payable is not recorded in the fund financial statements, but is shown as a reduction in long-term debt in the government-wide financial statements.		10,090,823
Current year interest accretion on capital appreciation bonds is not recognized in the fund financial statements, but is shown as an increase in long-term debt in the government-wide financial statements.		16,048,205
The net income (loss) of internal service funds is not included in the fund financial statements but is reported with governmental activities in the government-wide financial statements.		96,965
Current year principal payments on bonds payable are expenditures in the fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements.		28,118,002
Current year net increases in accrued vacation benefit obligations are shown as expenditures in the fund financial statements but are shown as reductions in long-term debt in the government-wide financial statements.		(178,004)
The implementation of GASB 68 required that certain expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of 8/31/2020 caused the ending net position to increase in the amount of \$4,433,482. Contributions made before the measurement date but during the 2021 FY were also de-expended and recorded as a reduction in the net pension liability for the District. This caused a decrease in the net position in the amount of \$825,157. These contributions were replaced with the District's pension expense for the year of \$10,998,941, which caused a decrease in net position. The impact of all of these is to decrease net position by \$5,740,302.		(5,740,302)

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

NORTHWEST INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT C-4

The implementation of GASB 75 required that certain expenditures be de-expended and recorded as deferred resource outflows. TRS OPEB contributions during the current fiscal year caused the ending net position to increase in the amount of \$1,218,559. These contributions were replaced with the District's OPEB expense for the year, which was \$616,163 and caused a decrease in net position. The impact of both of these is to increase net position by \$602,396.	602,396
Current year amortization of deferred charge on bond refunding is not recorded in the fund financial statements, but is shown as a reduction of the deferred loss in the government-wide financial statements.	(3,946,258)
Change in Net Position of Governmental Activities	<u>\$ 4,942,997</u>

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

NORTHWEST INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Governmental Activities -
	Total Internal Service Funds
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 3,692,421
Other Receivables	91
Total Assets	<u>3,692,512</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	14,182
Accrued Wages Payable	2,697
Accrued Expenses	2,113,439
Total Liabilities	<u>2,130,318</u>
NET POSITION	
Unrestricted Net Position	<u>1,562,194</u>
Total Net Position	<u>\$ 1,562,194</u>

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

NORTHWEST INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activities -
	Total Internal Service Funds
<hr/>	
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 18,315,931
Total Operating Revenues	18,315,931
OPERATING EXPENSES:	
Payroll Costs	32,051
Professional and Contracted Services	1,115,448
Supplies and Materials	107,216
Other Operating Costs	18,290,482
Total Operating Expenses	19,545,197
Income Before Transfers	(1,229,266)
Transfer In	2,028,335
Transfers Out	(702,104)
Change in Net Position	96,965
Total Net Position - July 1 (Beginning)	1,465,229
 Total Net Position - June 30 (Ending)	 \$ 1,562,194

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

NORTHWEST INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT D-3

	Governmental Activities -
	Total Internal Service Funds
<hr/>	
<u>Cash Flows from Operating Activities:</u>	
Cash Received from User Charges	\$ 18,502,122
Cash Payments to Employees for Services	(50,560)
Cash Payments for Insurance Claims	(18,585,903)
Cash Payments for Suppliers	(2,963)
Cash Payments for Other Operating Expenses	(1,232,956)
Net Cash Used for Operating Activities	(1,370,260)
<u>Cash Flows from Non-Capital Financing Activities:</u>	
Transfer In	2,028,335
Operating Transfer Out	(702,104)
Net Cash Provided by Non-Capital Financing Activities	1,326,231
Net Decrease in Cash and Cash Equivalents	(44,029)
Cash and Cash Equivalents at Beginning of Year	3,736,450
Cash and Cash Equivalents at End of Year	\$ 3,692,421
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u>Used for Operating Activities:</u>	
Operating Income (Loss):	\$ (1,229,266)
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Receivables	186,191
Increase (decrease) in Accounts Payable	8,256
Increase (decrease) in Accrued Wages Payable	(18,509)
Increase (decrease) in Accrued Expenses	(316,932)
Net Cash Used for Operating Activities	\$ (1,370,260)

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

NORTHWEST INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CUSTODIAL NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021

	Total Custodial Funds
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 189,755
Total Assets	<u>189,755</u>
NET POSITION	
Unrestricted Net Position	<u>189,755</u>
Total Net Position	<u><u>\$ 189,755</u></u>

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

NORTHWEST INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN CUSTODIAL FUND NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Total Custodial Funds
ADDITIONS:	
Received from Student Groups	\$ 120,344
Total Additions	<u>120,344</u>
DEDUCTIONS:	
Student Groups	171,035
Total Deductions	<u>171,035</u>
Change in Fiduciary Net Position	(50,691)
Total Net Position - July 1 (Beginning)	<u>240,446</u>
Total Net Position - June 30 (Ending)	<u><u>\$ 189,755</u></u>

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

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Northwest Independent School District (District) is a public educational agency operating under the applicable laws and regulations of the State of Texas. The District prepares its basic financial statements in conformity with Generally Accepted Accounting Principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in *Statement of Auditing Standards No. 69* of the American Institute of Certified Public Accountants. Additionally, the District complies with the requirements of the appropriate version of the Texas Education Agency (TEA) *Financial Accountability System Resource Guide* (FASRG) and the requirements of contracts and grants of agencies from which it receives funds.

In 2002, the District implemented GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* (GASB Statement No. 34), GASB Statement No. 37, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments: Omnibus* which provides additional guidance for the implementation of GASB Statement No. 34, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures* which changes note disclosure requirements for governmental entities.

GASB Statement No. 34 established a new financial reporting model for state and local governments that included the addition of management's discussion and analysis, government-wide financial statements, required supplementary information and the elimination of the effects of internal service activities and the use of account groups to the already required fund financial statements and notes. The GASB determined that fund accounting has and will continue to be essential in helping governments to achieve *fiscal accountability* and should, therefore, be retained. The GASB also determined that government-wide financial statements are needed to allow users of financial reports to assess a government's *operational accountability*. The new GASB model integrates fund-based financial reporting and government-wide financial reporting as complementary components of a single comprehensive financial reporting model.

The more significant accounting policies of the District are described below.

A. REPORTING ENTITY

The Board of Trustees, a seven member group, has fiscal accountability over all activities related to public elementary and secondary education within the jurisdiction of the District. The board of trustees are elected by the public. The trustees as a body corporate have the exclusive power and duty to govern and oversee the management of the public schools of the district. All powers and duties not specifically delegated by statute to the Texas Education Agency (Agency) or to the State Board of Education are reserved for the trustees, and the Agency may not substitute its judgment for the lawful exercise of those powers and duties by the trustees. The District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards.

The District's basis financial statements include the accounts of all District operations. The criteria for including organizations as component units within the District's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District

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Based on the aforementioned criteria, Northwest Independent School District has no component units.

B. BASIS OF PRESENTATION

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements, except that interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements:

The District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The District has presented the following major governmental funds:

1. **General Fund** - This fund is established to account for resources financing the fundamental operations of the District, in partnership with the community, in enabling and motivating students to reach their full potential. All revenues and expenditures not required to be accounted for in other funds are included here. This is a budgeted fund and any fund balances are considered resources available for current operations. Fund balances may be appropriated by the Board of Trustees to implement its responsibilities.
2. **Debt Service Fund** - This fund is established to account for payment of principal and interest on long-term general obligation debt and other long-term debts for which a tax has been dedicated. This is a budgeted fund. Any unused sinking fund balances are transferred to the General Fund after all of the related debt obligations have been met.
3. **Capital Projects Fund** - This fund is established to account for proceeds, from the sale of bonds and other resources to be used for Board authorized acquisition, construction, or renovation, as well as, furnishings and equipping of major capital facilities. Upon completion of a project, any unused bond proceeds are transferred to the Debt Service Fund and are used to retire related bond principal.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
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Additionally, the District reports the following fund types:

1. **Special Revenue Funds** - These funds are established to account for federally financed or expenditures legally restricted for specified purposes. In many special revenue funds, any unused balances are returned to the grantor at the close of specified project periods. For funds in this fund type, project accounting is employed to maintain integrity for the various sources of funds.
2. **Internal Service Funds** - The District utilizes Internal Service Funds to account for revenues and expenses related to services provided to parties inside the District on a cost reimbursement basis. These funds facilitate distribution of support costs to the users of support services. The District has internal service funds for its student devices, marketing & advertising activities and various self-insurance plans.
3. **Custodial Funds** - These funds are used to account for activities of student groups and other organizational activities requiring clearing accounts, and are accounted for on the accrual basis of accounting. Financial resources for the Custodial funds are recorded as assets and liabilities; therefore, these funds do not include revenues and expenditures and have no fund equity. If any unused resources are declared surplus by the student groups, they are transferred to the General Fund with a recommendation to the Board for an appropriate utilization through a budgeted program.

The internal service funds are proprietary fund types. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time the liability is incurred. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

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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.

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.

The revenue susceptible to accrual are property taxes, charges for services, interest income and intergovernmental revenues. All other Governmental Fund Type revenues are recognized when received.

Revenues from state and federal grants are recognized as earned when the related program expenditures are incurred. Funds received but unearned are reflected as unearned revenues, and funds expended but not yet received are shown as receivables.

Revenue from investments, including governmental external investment pool, is based upon fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Most investments are reported at amortized cost when the investments have remaining maturities of one year or less at time of purchase. External investment pools are permitted to report short-term debt investments at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer, or other factors. For that purpose, a pool's short-term investments are those with remaining maturities of up to ninety days.

In accordance with the FAR, the District has adopted and installed an accounting system which exceeds the minimum requirements prescribed by the State Board of Education and approved by the State Auditor. Specifically, the District's accounting system uses codes and the code structure presented in the Accounting Code Section of the FAR.

D. BUDGETS

Legal requirements for school district budgets are formulated by the state, TEA, and the local district. The Board adopts an "appropriated budget" on a basis consistent with GAAP for the general fund, debt service fund and child nutrition program (which is included in special revenue funds). At a minimum, the District is required to present the original and the final amended budgets for revenues and expenditures compared to actual revenues and expenditures for these three funds.

The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

- Prior to June 19th, the District prepares a budget based on the planning-programming budgeting method for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.

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- After one or more budget workshops with the Board, a meeting is called for the purpose of adopting the proposed budget. At least ten days but not more than 30 days public notice of the meeting is required.
- Prior to June 30th the Board of Trustees legally adopts the budget for the general fund, debt service fund and child nutrition program.
- 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. Because the District has a policy of careful budgetary control, several budgetary amendments were necessary throughout the year. Budget amendments throughout the year were not significant.
- Expenditure budgets are controlled at the expenditure functional and object level by the appropriate budget manager (principal, department director or divisional administrator).

The District employs encumbrance accounting, whereby encumbrances for goods or purchased services are documented by purchase orders and contracts. An encumbrance represents a commitment of Board appropriation related to unperformed contracts for goods and services. The issuance of a purchase order or the signing of a contract creates an encumbrance but does not represent an expenditure for the period, only a commitment to expend resources. Appropriations lapse at June 30 and encumbrances outstanding at that time are either canceled or appropriately provided for in the subsequent year's budget.

E. CASH AND CASH EQUIVALENTS

The cash and cash equivalents portion of this caption in the accompanying fund financial statements is comprised of demand accounts, imprest funds and money market savings accounts. The District maintains a demand account on an imprest basis through which most obligations are paid. Checking account balances for most government fund expenditures are pooled into one demand account.

All District's deposits are legally insured by the Federal Deposit Insurance Corporation and additionally protected by appropriate pledges of securities issued by the State of Texas, other Texas municipalities or the Federal government. Income from investments reported in one fund is not assigned directly to another fund.

F. PREPAID ITEMS

Prepaid balances are for payments made by the District in the current year to provide services occurring in the subsequent fiscal year, and prepaid items are shown as nonspendable fund balance to signify that they are not available for other subsequent expenditures. Prepaid balances are reported using the consumption method, in which the prepaid item is recorded as an asset when paid and is charged to expenditure or expense each fiscal year in an amount equal to the related benefits received that year.

G. INVENTORIES

The consumption method is used to account for inventories of food products, school supplies and athletic equipment. Under this method, these items are carried in an inventory account of the respective fund at cost, using the first-in, first-out method of accounting and are subsequently charged to expenditures when consumed. In the General Fund, reported inventories are offset by a fund balance reserve indicating that they are unavailable as current expendable financial resources.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
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H. CAPITAL ASSETS

Capital assets, which includes property, plant, equipment, and infrastructure assets, are reported in the governmental activities column of the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are reported at acquisition value. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment. When assets are retired or otherwise disposed of, the related costs or other recorded amounts are removed.

Assets capitalized have an original cost of \$5,000 or more and over one-year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Land	N/A
Buildings	50 Years
Building improvements	1-20 Years
Furniture and equipment	7 Years
Computer equipment	3 Years
Vehicles	7 Years

I. COMPENSATED ABSENCES

The District requires overtime compensation to be paid or taken in the form of compensatory time off. The District generally does not allow hourly employees to carry forward unused vacation time.

Effective July 1, 2000 the District's full-time employees in positions that require twelve months of service are eligible for two weeks of vacation with pay annually. This vacation is accrued at the rate of five-sixths of a day for each month of employment, for a maximum of forty days. As of June 30, 2021 the amount accrued and vested was \$1,257,777 and is reported as a long-term debt in the accompanying financial statements. Typically, the general fund is used to liquidate the liability for compensated absences.

Beginning Balance			Ending Balance
<u>June 30, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2021</u>
<u>\$1,079,773</u>	<u>\$640,979</u>	<u>\$462,975</u>	<u>\$1,257,777</u>

The District allows employees to carry forward unused sick leave to subsequent years. As of June 30, 2021 the contingent liability to the District for sick leave carried forward totaled approximately \$19,654,636. This amount is not paid to employees upon retirement or termination, therefore the District has not recorded a liability for accumulated sick leave.

J. CASH EQUIVALENTS

For purposes of the statement of cash flows, investments are considered to be cash equivalents if they are highly liquid with original maturities of three months or less.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
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K. NET POSITION

Net position represents the difference between assets, deferred outflows, deferred inflows and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciations, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

L. LONG-TERM OBLIGATIONS

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

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

M. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows and inflows of resources are reported in the statement of financial position as described below:

A deferred outflow of resources is a consumption of a government's net assets (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The District has three items that qualify for reporting in this category:

Deferred outflows of resources for refunding - Reported in the government-wide statement of net position, the deferred charge on bond refundings results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The amount of deferred outflows reported in the governmental activities for the deferred charge on bond refundings at June 30, 2021 was \$59,914,745.

Deferred outflows of resources for pension - Reported in the government-wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results of differences between expected and actual actuarial experiences. The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The other pension related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan which is currently approximately 6.7 years.

A deferred outflow for pension expense results from payments made to the TRS pension plan by the District after the plan's measurement date. The amount of deferred outflows reported in the governmental activities for deferred pension expenses at June 30, 2021 was \$28,445,977.

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Deferred outflows of resources for OPEB- Reported in the government-wide financial statement of net position, this deferred outflow results from OPEB plan contributions made after the measurement date of the net OPEB liability and the results of differences between expected and actual investment earnings and changes in proportionate share. The deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year. The other OPEB related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with OPEB through the OPEB plan which is currently approximately 8.6 years. The amount of deferred outflows reported in the governmental activities for deferred OPEB expense at June 30, 2021 was \$18,911,234.

A deferred inflow of resources is an acquisition of a government's net assets (an increase in assets in excess of any related increase in liabilities or a decrease in liabilities in excess of any related decrease in assets) by the government that is applicable to a future reporting period. The District has three items that qualify for reporting in this category:

Deferred inflows of resources for unavailable revenues - Reported only in the governmental funds balance sheet, unavailable revenues from property taxes arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District reported property taxes that are unavailable as deferred inflows of resources in the fund financial statements. The amount of deferred inflows of resources reported in the governmental funds at June 30, 2021 was \$5,656,435.

Deferred inflows of resources for pension - Reported in the government-wide financial statement of net position, these deferred inflows result primarily from differences between projected and actual earnings on pension plan investments. These amounts will be amortized over a closed five year period. In fiscal year 2021, the District reported deferred inflows of resources for pensions in the governmental activities in the amount of \$14,159,563.

Deferred inflows of resources for OPEB - Reported in the government-wide financial statement of net position, these deferred inflows result primarily from differences between expected and actual experience and from changes in assumptions. These amounts will be amortized over the average expected remaining service life (AERSL) of all members (8.6 years for the 2020 measurement year). In fiscal year 2021, the District reported deferred inflows of resources for OPEB in the governmental activities in the amount of \$46,109,898.

N. FINANCIAL REPORTING MODEL

The District follows the financial reporting model for state and local governments that includes the addition of management's discussion and analysis, government-wide financial statements, required supplementary information and the elimination of the effects of internal service activities to the already required fund financial statements and notes.

The GASB determined that fund accounting has and will continue to be essential in helping governments to achieve *fiscal accountability* and should, therefore, be retained. The GASB also determined that government-wide financial statements are needed to allow users of financial reports to assess a government's *operational accountability*. The GASB model integrates fund-based financial reporting and government-wide financial reporting as complementary components of a single comprehensive financial reporting model.

As a result, the financial statements include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. The government-wide financial statements split the District programs between governmental and business-type activities.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
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FOR THE YEAR ENDED JUNE 30, 2021

O. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal 2021, the district purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

P. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Q. DATA CONTROL CODES

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

NOTE 2. FUND BALANCE

The District has implemented GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions” which provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent.

Fund Balance Classification: The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District has classified prepaid items as being nonspendable as these items are not expected to be converted to cash.
- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the District's bonded debt and are restricted through debt covenants. Capital projects fund resources are to be used for future construction and renovation projects and are restricted through bond orders and constitutional law.
- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District's Board of Trustees. The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This can also be done through adoption and amendment of the budget. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Board of Trustees have committed resources as of June 30, 2021 for campus activities.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
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- Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Trustees or through the Board of Trustees delegating this responsibility to other individuals in the District. Under the District's adopted policy, the Board of Trustees may assign amounts for specific purposes but it has also delegated authority to assign fund balance to the Superintendent. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The District has no assigned fund balance as of June 30, 2021.
- Unassigned: This classification includes all amounts not included in other spendable classifications, including the residual fund balance for the General Fund. A negative unassigned fund balance may be reported in other governmental funds if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

During the current fiscal period, the Board of Trustees adopted a fund balance policy that expresses an intent to maintain a level of assigned and unassigned fund balance in the general fund equal to 25 percent of the fund's operating expenditures.

The details of the fund balances are included in the Governmental Funds Balance Sheet (pages 44 and 45) and are described below:

General Fund

The General Fund has unassigned fund balance of \$82,533,696 at June 30, 2021. Deferred expenditures (prepaid items) of \$1,289,856 are considered nonspendable fund balance.

Other Major Funds

The Debt Service Fund has restricted funds of \$70,371,929 at June 30, 2021 consisting primarily of property tax collections that are restricted for debt service payments on bonded debt. The Capital Projects Fund has restricted funds of \$83,859,437 at June 30, 2021 consisting primarily of unspent bond funds.

Other Funds

The fund balance of \$3,103,300 of the Campus Activity Fund, \$8,375 in the NISD Education Foundation, and \$42,492 in Other Local Funds (all special revenue funds) are shown as committed due to Board policy committing those funds to those purposes. The fund balance of \$1,048,622 in the Child Nutrition Fund is shown as restricted for the food service program.

NOTE 3. DEPOSITS AND INVESTMENTS

The District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the District's agent bank approved pledged securities 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.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
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1. Cash Deposits:

At June 30, 2021, the carrying amount of the District's deposits checking accounts and interest-bearing savings accounts was \$17,696,429 and the bank balance was \$20,907,257. The District's deposits were under-pledged for one day during the current fiscal year but at June 30, 2021 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

2. Investments:

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) 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.

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

- a. Custodial Credit Risk – Deposits: In the case of deposits, this is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2021, the District's cash balances totaled \$20,907,257. This entire amount was either secured by pledged securities held by the District's financial institution's agent in the District's name or covered by FDIC insurance. Thus, the District's deposits are not exposed to custodial credit risk.
- b. Custodial Credit Risk - Investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The Public Funds Investment Act and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times.

At June 30, 2021, the District held a portion of its investments in the Texpool investment pool. Investments in external investment pools are considered unclassified as to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
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- c. Credit Risk - This is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligations. The District controls and monitors this risk by purchasing quality rated instruments that have been evaluated by agencies such as Standard and Poor's or Moody's Investors Service. The District's policy manages credit risk by authorizing only the safest types of investments backed by the federal or state government or their obligations and/or with ratings from nationally recognized rating firms of at least AA or its equivalent. The rating of securities by nationally recognized rating agencies is designed to give an indication of credit risk. The credit quality rating for TexPool at year-end was AAAM (Standard & Poor's).
- d. Interest Rate Risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. GASB 40 requires that interest rate risk be disclosed using one of the five approved methods. The five methods are: segmented time distribution, specific identification, weighted average maturity (WAM), duration, and simulation model. Different methods may be presented for different types of investments. The District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year from the time of purchase. The weighted average maturity for the TexPool investments is less than 60 days. The District has no formal policy related to interest rate risk.
- e. Foreign Currency Risk - This is the risk that exchange rates will adversely affect the fair value of an investment. At June 30, 2021, the District was not exposed to foreign currency risk.
- f. Concentration of Credit Risk - This is the risk of loss attributed to the magnitude of the District's investment in a single issuer (i.e., lack of diversification). Concentration risk is defined as positions of 5 percent or more in the securities of a single issuer. Investment pools are excluded from the 5 percent disclosure requirement. The investment policy of the District contains no limitations on the amount that can be invested in any one issuer.
- g. Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the fair value of its underlying investment portfolio within one half of one percent of the value of its shares.

The District's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

The District's investments at June 30, 2021, are shown below:

Name	Carrying Amount	Fair Value
TexPool investment pool	<u>\$273,283,465</u>	<u>\$273,283,465</u>
Total	<u>\$273,283,465</u>	<u>\$273,283,465</u>

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Fair Value Measurements

The District categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District's assessment of the significance of particular inputs to these fair value measurements requires judgement and considers factors specific to each asset or liability.

The District's investment in the TexPool Investment Pool (a statewide 2a7-like external investment pool) is not required to be measured at fair value but is measured at amortized cost.

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, was as follows:

	Balance July 1	Additions/ Completions	Retirement/ Adjustments	Balance June 30
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 57,927,622	\$ 3,859,636	\$ -	\$ 61,787,258
Construction in Progress	217,132,080	72,713,646	(72,410,699)	217,435,027
Total capital assets, not being depreciated	<u>275,059,702</u>	<u>76,573,282</u>	<u>(72,410,699)</u>	<u>279,222,285</u>
Capital assets, being depreciated:				
Buildings and Improvements	882,068,997	74,320,737	-	956,389,734
Furniture and Equipment	18,223,709	393,989	-	18,617,698
Vehicles	23,563,567	843,430	-	24,406,997
Total capital assets, being depreciated	<u>923,856,273</u>	<u>75,558,156</u>	<u>-</u>	<u>999,414,429</u>
Less accumulated depreciation for:				
Buildings and Improvements	(202,192,103)	(24,074,043)	-	(226,266,146)
Furniture and Equipment	(12,350,343)	(1,104,168)	-	(13,454,511)
Vehicles	(5,455,347)	(2,074,140)	-	(7,529,487)
Total accumulated depreciation	<u>(219,997,793)</u>	<u>(27,252,351)</u>	<u>-</u>	<u>(247,250,144)</u>
Total capital assets being depreciated, net	<u>703,858,480</u>	<u>48,305,805</u>	<u>-</u>	<u>752,164,285</u>
Governmental activities capital assets, net	<u>\$ 978,918,182</u>	<u>\$ 124,879,087</u>	<u>\$ (72,410,699)</u>	<u>\$ 1,031,386,570</u>

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Construction in progress includes the following construction contracts in progress as of June 30, 2021:

<u>Project</u>	<u>Estimated Cost to Complete</u>	<u>Expended to Date</u>	<u>Balance to Complete</u>
Elementary School Construction	\$ 26,377,000	\$ 24,390,904	\$ 1,986,096
Elementary School Construction	27,329,000	27,269,404	59,596
Elementary School Renovations	5,582,000	183,583	5,398,417
High School Renovations	12,961,978	11,697,551	1,264,427
Middle School Renovations	37,057,441	31,381,735	5,675,706
Network Operations Center	<u>5,775,000</u>	<u>5,666,033</u>	<u>108,967</u>
Total	<u>\$115,082,419</u>	<u>\$100,589,210</u>	<u>\$14,493,209</u>

Depreciation expense was charged as direct expense to programs of the District as follows:

Governmental activities:	
Instruction	\$19,352,783
Instructional Resources & Media Services	323,775
Curriculum & Instructional Staff Development	731,158
Instructional Leadership	340,111
School Leadership	2,040,338
Guidance, Counseling & Evaluation Services	1,374,886
Health Services	333,564
Cocurricular/Extracurricular Activities	636,431
General Administration	935,579
Plant Maintenance and Operations	619,110
Data Processing Services	481,738
Security & Monitoring	59,487
Community Services	<u>23,391</u>
Total depreciation expense-Governmental activities	<u>\$27,252,351</u>

Land and construction in progress are not depreciated.

NOTE 5. LONG-TERM DEBT

Long-term debt includes seventeen series of general obligation bonds, accreted interest on capital appreciation bonds, premiums on issuance of debt, compensated absences, interest rate swap agreements, and special termination benefits. All long-term debt represents transactions in the District's governmental activities. No long-term debt exists in the District's business-type activities.

The District has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas (SID), which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the District.

**NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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The following is a summary of the changes in the District's Long-term Debt for the year ended June 30, 2021:

<u>Description</u>	Interest Rate Payable	Amount Original Issue	Amounts Outstanding 7/1/2020	Additions	Refunded/ Retired	Amounts Outstanding 6/30/2021	Due Within One Year
Bonded Indebtness:							
2008 Bldg/Ref CAB	2.43-4.89%	209,661	\$ 24,781	\$ -	\$ 8,042	\$ 16,739	\$ 6,147
2012 Bldg/Refunding	3.00-5.00%	91,585,000	7,265,000	-	3,280,000	3,985,000	3,985,000
2013A Refunding	3.00-5.00%	44,180,000	8,960,000	-	-	8,960,000	2,905,000
2014 Building	2.00-5.00%	66,300,000	6,705,000	-	310,000	6,395,000	370,000
2015 Refunding	2.00-5.00%	83,565,000	25,075,000	-	-	25,075,000	2,810,000
2015 Building	1.00-5.00%	67,435,000	59,935,000	-	500,000	59,435,000	500,000
2015A Refunding	5.00%	118,740,000	66,845,000	-	-	66,845,000	9,450,000
2015B Refunding	1.50-5.00%	82,115,000	56,540,000	-	7,120,000	49,420,000	7,635,000
2016 Refunding	1.00-5.00%	49,510,000	42,110,000	-	475,000	41,635,000	485,000
2016A Refunding	2.00-5.00%	64,870,000	63,030,000	-	495,000	62,535,000	515,000
2017 Building	2.25-5.00%	90,520,000	76,570,000	-	1,725,000	74,845,000	1,725,000
2017 Refunding	2.00-5.00%	29,825,000	29,480,000	-	180,000	29,300,000	180,000
2018 Building	3.00-5.00%	94,890,000	88,975,000	-	1,205,000	87,770,000	1,465,000
2019 Building	3.00-5.00%	92,450,000	84,110,000	-	1,330,000	82,780,000	1,500,000
2019 Refunding	2.42-5.00%	96,759,995	95,440,000	-	1,790,000	93,650,000	-
2020 Bldg/Refunding	4.00-5.00%	181,545,000	181,545,000	-	5,550,000	175,995,000	2,110,000
2020A Refunding	1.84-5.00%	172,280,000	172,280,000	-	-	172,280,000	-
2020A Refunding CAB	.588-.688%	4,149,960	4,149,960	-	4,149,960	-	-
Total Bonded Indebtness			<u>1,069,039,741</u>	<u>-</u>	<u>28,118,002</u>	<u>1,040,921,739</u>	<u>35,641,147</u>
Accreted Interest	4.10-5.20%		17,108,482	56,213	16,104,418	1,060,277	293,853
Premiums on Bond Issuance			155,730,150	-	10,090,823	145,639,327	10,090,823
Accrued Vacation Benefits			1,079,773	640,979	462,975	1,257,777	450,000
Total Other Obligations			<u>173,918,405</u>	<u>697,192</u>	<u>26,658,216</u>	<u>147,957,381</u>	<u>10,834,676</u>
Total Obligations of District			<u>\$ 1,242,958,146</u>	<u>\$ 697,192</u>	<u>\$ 54,776,218</u>	<u>\$ 1,188,879,120</u>	<u>\$ 46,475,823</u>

The District issues general obligation bonds for the governmental activities to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. Current principal and interest requirements are payable solely from future revenues of the Debt Service Fund which consists principally of property taxes collected by the District and interest earnings. Certain outstanding bonds may be redeemed at their par value prior to their normal maturity dates in accordance with the terms of the related bond indentures. The District has never defaulted on any principal or interest payment. Governmental funds typically have been used in prior years to liquidate the liability for accrued vacation benefits.

There are a number of limitations and restrictions contained in the various general obligation bonds indentures. The District is in compliance with all significant limitations and restrictions at June 30, 2021.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current limitation for the District is \$2,219,702,836, which is significantly in excess of the District's outstanding general obligation debt.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2021

NOTE 6. DEBT SERVICE REQUIREMENTS - BONDS

Debt service requirements to maturity are as follows:

Year Ended <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2022	\$ 35,641,147	\$ 43,443,400	\$ 79,084,547
2023	33,564,546	41,783,188	75,347,734
2024	36,778,477	40,194,757	76,973,234
2025	40,007,569	38,451,815	78,459,384
2026	41,145,000	36,185,034	77,330,034
2027-2031	230,460,000	148,199,436	378,659,436
2032-2036	208,200,000	104,849,140	313,049,140
2037-2041	213,670,000	69,812,744	283,482,744
2042-2045	<u>201,455,000</u>	<u>20,877,051</u>	<u>222,332,051</u>
Total	<u>\$1,040,921,739</u>	<u>\$543,796,565</u>	<u>\$1,584,718,304</u>

NOTE 7. DEFEASED BONDS OUTSTANDING

In prior years, the District defeased certain obligation bonds in a similar manner by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities are not included in the District's financial statements. On June 30, 2021 \$434,750,000 of bonds considered defeased are still outstanding.

NOTE 8. PROPERTY TAXES

The Texas Legislature in 1979 adopted a comprehensive Property Tax Code which established an appraisal district and an appraisal review board in each county in the State of Texas. Denton Central Appraisal District (DCAD) is responsible for the appraisal of property for all taxing units in Denton County, including the District. Under the terms of a contract for appraisal services, the District paid \$1,741,022 in fiscal year 2021 for appraising property.

The District levies its taxes on October 1 on the assessed (appraised) 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. The appraisal and recording of all property within the District is the responsibility of the Denton Central Appraisal District (DCAD), an independent government unit with a board of directors appointed by the taxing jurisdictions within the county and funded from assessments against those taxing jurisdictions. DCAD is required by law to assess property at 100% of its appraised value. Real property must be reappraised at least every two years. Under certain circumstances taxpayers and taxing units, including the District, may challenge orders of the DCAD Review Board through various appeals and, if necessary, legal action. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. The assessed value of the property tax roll upon which the levy for the 2020-21 fiscal year was based was \$22,197,028,362. Taxes are delinquent if not paid by June 30. Delinquent taxes are subject to both penalty and interest charges plus 15 % delinquent collection fees for attorney costs.

The tax rates assessed for the year ended June 30, 2021, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$0.9163 and \$0.42 per \$100 valuation, respectively, for a total of \$1.3363 per \$ 100 valuation.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
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Current tax collections for the year ended June 30, 2021 were 98.55% of the year-end adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based on historical experience in collecting taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. As of June 30, 2021, property taxes receivable, net of estimated uncollectible taxes, totaled \$4,013,222 and \$1,643,213 for the General and Debt Service Funds, respectively. The uncollectible allowance has been estimated at 7.5% of outstanding property taxes at June 30, 2021.

Property taxes are recorded as receivables and as unavailable revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes become available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay current liabilities. Taxes not expected to be collected within sixty days of the fiscal year ending are recorded as unavailable revenues and are recognized when they become available. Taxes collected prior to the levy date to which they apply are recorded as unavailable revenues and recognized as revenue of the period to which they apply.

NOTE 9. DEFINED BENEFIT PENSION PLAN

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

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

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

Benefits Provided. TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 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 above.

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

NORTHWEST INDEPENDENT SCHOOL DISTRICT
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In May, 2019, the 86th Texas Legislature approved the TRS Pension Reform Bill (Senate Bill 12) that provides for gradual contribution increases from the state, participating employers and active employees to make the pension fund actuarially sound. This action causing the pension fund to be actuarially sound, allowed the legislature to approve funding for a 13th check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in either the matching amount of their monthly annuity or \$2,000, whichever was less.

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

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

	<u>Contribution Rates</u>	<u>2020</u>	<u>2021</u>
Member		7.7%	7.7%
Non-Employer Contributing Entity (State)		7.5%	7.5%
Employers		7.5%	7.5%
Northwest ISD FY2021 Employer Contributions			\$ 5,142,060
Northwest ISD FY2021 Member Contributions			\$ 12,428,297
Northwest ISD FY2021 NECE On-Behalf Contributions			\$ 8,328,719

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 the 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, 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 including public schools are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding source or a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public school, the employer shall contribute 1.5% of covered payroll to the pension fund beginning in fiscal year 2020. The contribution rate called the Public Education Employer Contribution replaced the Non (OASDI) surcharge that was in effect in fiscal year 2019.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
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In addition to the employer contributions listed above, there is an 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.

Actuarial Assumptions. The total pension liability in the August 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term expected Investment Rate of Return	7.25%
Municipal Bond Rate as of August 2020	2.33%
Inflation	2.30%
Salary Increases Including Inflation	3.05% to 9.05%
Benefit Changes During the Year	None
Ad hoc Post Employment Benefit Changes	None

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2019. For a full description of these assumptions please see the actuarial valuation report dated November 14, 2019.

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

Based on 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 7.25%.

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, 2020 are summarized below:

NORTHWEST INDEPENDENT SCHOOL DISTRICT
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Asset Class	Target Allocation ¹	Long-Term Expected Arithmetic Real Rate of Return ²	Expected Contribution To Long-Term Portfolio Returns
Global Equity			
U.S.	18%	3.9%	0.99%
Non-U.S. Developed	13%	5.1%	0.92%
Emerging Markets	9%	5.6%	0.83%
Private Equity	14%	6.7%	1.41%
Stable Value			
Government Bonds	16%	-.7%	-0.05%
Stable Value Hedge Funds	5%	1.9%	0.11%
Real Return			
Real Estate	15%	4.6%	1.01%
Energy, Natural Resources	6%	6%	0.42%
Risk Parity			
Risk Parity	8%	3%	0.30%
Leverage			
Cash	2%	-1.5%	-0.03%
Asset Allocation Leverage	-6%	-1.3%	0.08%
Inflation Expectation	-		2.00%
Volatility Drag ³	-		-0.67%
Total	<u>100%</u>		<u>7.33%</u>

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

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Northwest ISD's proportionate share of the net pension liability:	\$103,913,541	\$67,387,254	\$37,714,672

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2021, Northwest Independent School District reported a liability of \$67,387,254 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to Northwest Independent School District. The amount recognized by Northwest Independent School District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with Northwest Independent School District were as follows:

District's Proportionate share of the collective net pension liability	\$ 67,387,254
State's proportionate share that is associated with the District	<u>108,111,233</u>
Total	<u>\$175,498,487</u>

The net pension liability was measured as of August 31, 2019 and rolled forward to August 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2019 thru August 31, 2020.

¹ Target allocations are based on the FY20 policy model.

² Capital Market Assumptions come from Aon Hewitt (as of 08/31/2020).

³ The volatility drag results from the conversion between arithmetic and geometric mean returns.

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At August 31, 2020 the employer's proportion of the collective net pension liability was 0.1258211738%, a decrease of 7.97% from its proportionate share of 0.1367159779% at August 31, 2019.

Changes Since the Prior Actuarial Valuation – There were no changes in assumptions since the measurement period.

For the year ended June 30, 2021, Northwest Independent School District recognized pension expense of \$13,003,381 and revenue of \$13,003,381 for support provided by the State.

At June 30, 2021, Northwest Independent School District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (The amounts shown below will be the cumulative layers from the current and prior years combined.):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 123,044	\$ 1,880,599
Changes in actuarial assumptions	15,636,240	6,648,420
Difference between projected and actual investment earnings	3,001,930	1,637,733
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	5,251,281	3,992,811
Contributions paid to TRS subsequent to the measurement date	4,433,482	-
Total	\$28,445,977	\$14,159,563

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

Year ended June 30:	Pension Expense Amount
2022	\$ 3,090,144
2023	3,868,685
2024	3,509,382
2025	891,151
2026	(1,266,795)
Thereafter	(239,635)

NOTE 10. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

Plan Description. The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS- Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan with a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575. The TRS-Care program was established in 1986 by the Texas Legislature.

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

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

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

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

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

TRS-Care Monthly for Retirees		
	<u>Medicare</u>	<u>Non-Medicare</u>
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.

Texas Insurance Code, section 1575.202 establishes the state’s contribution rate which is 1.25% of the employee’s salary. Section 1575.203 establishes the active employee’s rate which is .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent 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>2020</u>	<u>2021</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%
Northwest ISD FY21 Employer Contributions		\$1,209,494
Northwest ISD FY21 Member Contributions		\$1,049,142
Northwest ISD FY21 NECE On-behalf Contributions		\$1,637,269

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$230.8 million in fiscal year 2020 to maintain premiums and benefit levels in the 2020-2021 biennium.

Actuarial Assumptions. The actuarial valuation was performed as of August 31, 2019. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2020.

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. All the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation and salary increases, used in the OPEB valuation were identical to those used in the respective TRS pension valuation. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2019 TRS pension actuarial valuation that was rolled forward to August 31, 2020:

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

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

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	2.33%
Aging Factors	Based on specific plan experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claim costs
Projected Salary Increases	3.05% to 9.05%, including inflation
Election Rates	Normal Retirement: 65% participation prior to age 65 and 40% participation after age 65
Ad hoc post-employment benefit changes	None

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Discount Rate. A single discount rate of 2.33% was used to measure the total OPEB liability. There was a decrease of 0.30 percent 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 used for the long-term rate of return and was applied to all periods of projected benefit payments to determine the total OPEB liability.

The source of the municipal bond rate is the Fidelity “20-year Municipal GO AA Index” as of August 31, 2020 using the fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

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 (2.33%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (1.33%)	Current Single Discount Rate (2.33%)	1% Increase in Discount Rate (3.33%)
District’s proportionate share of the Net OPEB Liability:	\$75,119,613	\$60,953,073	\$51,324,343

Healthcare Cost Trend Rates Sensitivity Analysis - The following shows the impact of the net OPEB liability if a healthcare trend rate that is one-percentage less than or one-percentage point greater than the health trend rates is assumed.

	1% Decrease in Healthcare Trend Rate	Current Single Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
District’s proportionate share of the Net OPEB Liability:	\$49,790,841	\$60,953,073	\$75,819,577

OPEB Liabilities, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At June 30, 2021, the District reported a liability of \$60,953,073 for its proportionate share of the TRS’s Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District.

The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District’s Proportionate share of the collective Net OPEB Liability	\$ 60,953,073
State’s proportionate share that is associated with the District	<u>81,906,320</u>
Total	<u>\$142,859,393</u>

The Net OPEB Liability was measured as of August 31, 2019 and rolled forward to August 31, 2020 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, 2019 thru August 31, 2020.

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At August 31, 2020 the employer's proportion of the collective Net OPEB Liability was 0.1603415749%, a decrease of 1.62% compared to the August 31, 2019 proportionate share of 0.1629790340%.

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 discount rate changed from 2.63 percent as of August 31, 2019 to 2.33 percent as of August 31, 2020. This change increased the Total OPEB Liability.
- The participation rate for post-65 retirees was lowered from 50 percent to 40 percent. This change lowered the Total OPEB Liability.
- The ultimate health care trend rate assumption was lowered from 4.50 percent to 4.25 percent as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change lowered the Total OPEB Liability.

Changes of Benefit Terms Since the Prior Measurement Date – There were no changes in benefit terms since the prior measurement date.

For the year ended June 30, 2021, the amount of OPEB expense recognized by the District in the reporting period was \$(568,727).

At June 30, 2021, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 3,191,479	\$27,895,243
Changes in actuarial assumptions	3,759,537	16,738,029
Difference between projected and actual investment earnings	21,051	1,244
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	10,926,675	1,475,382
Contributions paid to TRS subsequent to the measurement date	1,012,492	-
Total	\$18,911,234	\$46,109,898

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

Year ended June 30:	OPEB Expense Amount
2022	\$ (4,779,239)
2023	(4,781,887)
2024	(4,783,402)
2025	(4,782,987)
2026	(3,154,904)
Thereafter	(5,928,737)

NORTHWEST INDEPENDENT SCHOOL DISTRICT
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NOTE 11. MEDICARE PART D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. These on-behalf payments are recognized as equal revenues and expenditures/expenses by the District. For the year ended June 30, 2021, the contribution made on behalf of the District was \$788,833.

NOTE 12. INTERFUND BALANCES AND TRANSFERS

Interfund balances at June 30, 2021, were as follows:

<u>Fund</u>	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
General Fund:		
Capital Projects Fund	\$ -	\$ 1,827
Special Revenue Funds	2,109,163	320,578
Capital Projects Fund:		
General Fund	1,827	-
Special Revenue Funds:		
General Fund	<u>320,578</u>	<u>2,109,163</u>
TOTAL	<u>\$2,431,568</u>	<u>\$2,431,568</u>

Virtually all of the above interfund balances are short-term loans due to the fact that checking account balances for most governmental funds are not pooled into one account. There are no interfund balances that are not expected to be repaid within one year.

Interfunds transfers in the governmental funds for the year ended June 30, 2021 consisted of the following individual amounts:

<u>Fund</u>	<u>Transfers to Other Funds</u>	<u>Transfers from Other Funds</u>
General Fund:		
Special Revenue Fund	\$ 3,883	\$ -
Internal Service Fund	1,341,369	-
Special Revenue Fund:		
General Fund	-	3,883
Internal Service Fund	-	15,138
Internal Service Fund:		
General Fund	-	1,341,369
Special Revenue Fund	<u>15,138</u>	<u>-</u>
TOTAL	<u>\$1,360,390</u>	<u>\$1,360,390</u>

The purpose of the \$3,883 transfer was to transfer local funds from the general fund to the child nutrition fund to cover negative student account balances. The purpose of the \$1,341,369 transfer from the general fund to the health insurance internal service fund was to help cover the current year operating loss in that fund. The purpose of the \$15,138 transfer was to transfer marketing and advertising proceeds to the campus activity fund to help cover expenditures in that fund. In addition, \$686,966 was transferred from the workers compensation and unemployment internal service funds to the insurance internal service fund to help cover costs of that fund.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
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NOTE 13. SELF-INSURANCE

Health Care. The District sponsors a self-insurance plan to provide health care benefits to staff members and their dependents. Transactions related to the plan are accounted for in the Self-Insurance Fund (the “Fund”), an internal service fund of the District. The District contributed \$270,000 to establish the plan. During fiscal year 2021 the District contributed \$325 per month, per employee to the plan. The total contribution was \$6,375,225. The employees at their option, authorizes payroll withholdings to pay contributions or premiums for dependent’s health insurance. If the employee chose not to accept the health insurance, the District contributed \$50 per month, which provided an addition to the life insurance policy in the amount of \$50,000, a hospitalization indemnity plan and access for employee and family to the employee assistance plan.

All contributions are retained by the District. Health claim payments are processed by a Third Party Administrator (TPA) acting on behalf of the District.

In September 2012, the District changed TPAs from UnitedHealth Care to Allegiance Benefits Plan Management, Inc., whose latest financial statements are available for the fiscal year ended December 31, 2020 and filed with the Texas State Board of Insurance, Austin, Texas and are public record. At June 30, 2021, a \$19,175 imprest balance due to the District’s self-insurance fund is possessed by York/JI Specialties for workers comp, and a \$20,000 imprest balance is possessed by Allegiance Benefit Management Plan.

Methodology for establishment of District medical reserves. The calculation of Medical Incurred but not Reported Claims (IBNR) is an estimate based on current claims data and future trend assumptions. Reports are provided by Allegiance Benefit Plan Management, Inc., the Claims Lag Report, Claims Turnaround Reports, and the Large Claims Reports. In our analysis of the large claim report, we netted out all of the Stop Loss Reimbursements over \$225,000 received by the District before estimating the IBNR. The data is then trended appropriately and converted into an estimated number of days outstanding.

Based upon calculation, our estimation is that there are 45 days of medical incurred but not reported claims of \$1,277,786. Due to the electronic billing of prescription drugs, these claims have a much lower required reserve than medical claims. Estimation of prescription drug claims incurred but not reported is \$374,087. The result is a total reserve of \$1,651,873. These unpaid claims are to be paid within one year.

Changes in the balances of claims liabilities for the District’s medical insurance fund during the fiscal year are described below:

	Fiscal Year Ended <u>June 30, 2020</u>	Fiscal Year Ended <u>June 30, 2021</u>
Unpaid claims, beginning	\$ 1,596,220	\$ 1,721,726
Incurred claim	12,170,071	12,738,554
Claims payments	<u>(12,044,565)</u>	<u>(12,808,407)</u>
Unpaid claims, ending	<u>\$ 1,721,726</u>	<u>\$ 1,651,873</u>

Workers’ Compensation. Effective July 1, 2012 the District changed from a fully insured arrangement with Deep East Texas Insurance Company into a self-insurance plan to provide worker compensation benefits to staff.

Worker Compensation self-insured payments are currently processed by a third party administrator acting on behalf of the District. The District’s third party administrator for workers’ compensation is York/JI Companies. Changes in the balances of claims liabilities for the District’s self-insured workers compensation insurance fund during the fiscal year are as follows:

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	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2021
Unpaid claims, beginning	\$ 482,817	\$ 471,882
Incurred claims (including IBNR's)	148,712	195,169
Claims Payments	<u>(159,647)</u>	<u>(205,485)</u>
Unpaid claims, ending	<u>\$ 471,882</u>	<u>\$ 461,566</u>

Estimates of claims payable and of claims incurred, but not reported at June 30, 2021 are reflected as accounts payable and accrued expenses in the medical and workers compensation insurance fund. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. The plan is funded to discharge liabilities of the Fund as they become due.

Based on the lag claim history of each fund, the unpaid claims liabilities are shown as current liabilities in the accompanying financial statements and are expected to result in actual payments in the subsequent year.

NOTE 14. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables at June 30, 2021, were as follows:

	<u>Property Taxes</u>	<u>Other Governments</u>	<u>Due From Other Funds</u>	<u>Other</u>	<u>Total Receivables</u>
Governmental Activities:					
General Fund	\$ 5,684,228	\$ 4,422,238	\$ 1,818,617	\$ 127,285	\$ 12,052,368
Debt Service Fund	2,395,587	-	-	-	2,395,587
Capital Projects Fund	-	-	1,827	-	1,827
Special Revenue Fund	-	914,661	320,578	50,096	1,285,335
Total - Governmental Activities	<u>\$ 8,079,815</u>	<u>\$ 5,336,899</u>	<u>\$ 2,141,022</u>	<u>\$ 177,381</u>	<u>\$ 15,735,117</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ 605,986</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 605,986</u>

Payables at June 30, 2021, were as follows:

	<u>Accounts</u>	<u>Salaries and Benefits</u>	<u>Due to Other Funds</u>	<u>Due to Other Governments</u>	<u>Total Payables</u>
Governmental Activities:					
General Fund	\$ 3,323,810	\$ 24,160,363	\$ 428,356	\$ 13,657,378	\$ 41,569,907
Debt Service Fund	-	-	-	-	-
Capital Projects Fund	11,651,457	-	-	-	11,651,457
Special Revenue Funds	378,964	356,192	1,712,666	(31)	2,447,791
Total - Governmental Activities	<u>\$ 15,354,231</u>	<u>\$ 24,516,555</u>	<u>\$ 2,141,022</u>	<u>\$ 13,657,347</u>	<u>\$ 55,669,155</u>
Amounts not scheduled for payment during the subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NORTHWEST INDEPENDENT SCHOOL DISTRICT
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NOTE 15. DUE FROM OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of June 30, 2021, are summarized below. All federal grants shown below are passed through the TEA and are reported on the combined financial statements as Due from Other Governments.

Fund	State Grant & Entitlements	Federal Grants	Local Governments	Total
General	\$ 3,237,820	\$ -	\$ 1,184,418	\$ 4,422,238
Special Revenue	52,687	861,974	-	914,661
Total	<u>\$ 3,290,507</u>	<u>\$ 861,974</u>	<u>\$ 1,184,418</u>	<u>\$ 5,336,899</u>

NOTE 16. CONTINGENT LIABILITIES

The Tax Reform Act of 1986 imposed regulations on tax-exempt bond issues. Governmental bonds issued after August 31, 1986 are subject to the rebate provisions of the Tax Reform Act of 1986. The rebate applies to earnings from bond issue proceeds investments which exceed bond issue stated interest rates. The exact amount of liability, if any, is not known until as long as five years from the bond issuance date. At June 30, 2021, the estimated rebate liability on outstanding bond series was zero.

NOTE 17. LITIGATION AND CONTINGENCIES

The District is a party to various legal actions none of which is believed by administration to have a material effect on the financial condition of the District. Accordingly, no provision for losses has been recorded in the accompanying combined financial statements for such contingencies.

Minimum foundation funding received from the Agency is based primarily upon information concerning average daily attendance at the District's schools which is compiled by the District and supplied to the Agency. Federal funding for Food Services under child nutrition programs is based primarily upon the number and type of meals served and on user charges as reported to the USDA. Federal and state funding received related to various grant programs are based upon periodic reports detailing reimbursable expenditures made in compliance with program guidelines to the grantor agencies.

The programs are governed by various statutory rules and regulations of the grantors. Amounts received and receivable under these various funding programs are subject to periodic audit and adjustment by the funding agencies. To the extent, if any, that the District has not complied with all the rules and regulations with respect to performance, financial or otherwise, adjustment to or return of funding monies may be required. In the opinion of the District's administration, there are no significant contingent liabilities relating to matters of compliance and, accordingly, no provision has been made in the accompanying financial statements for such contingencies.

The Denton Central Appraisal District is a defendant in various lawsuits involving the property values assigned to property located within the District's boundaries on which the District assesses property taxes. The District could be required to refund property taxes paid on values which were greater than the ultimate final assessed valuation assigned by the court. Such lawsuits could continue several years into the future.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
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NOTE 18. REVENUES FROM LOCAL AND INTERMEDIATE SOURCES

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

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Property taxes	\$202,659,237	\$ -	\$ 92,864,508	\$ -	\$ 295,523,745
Food sales	-	3,134,016	-	-	3,134,016
Investment income	-	-	-	142,604	142,604
Penalties, interest and other tax related income	1,793,537	-	103,173	-	1,896,710
Co-curricular student activities	384,928	2,326,334	-	-	2,711,262
TIF funds	1,184,418	-	-	-	1,184,418
Tuition and fees	184,112	-	-	-	184,112
Gifts and bequests	-	3,114,497	-	-	3,114,497
Facilities rentals	166,689	-	-	-	166,689
Other	227,023	-	-	-	227,023
Total	<u>\$206,599,944</u>	<u>\$ 8,574,847</u>	<u>\$ 92,967,681</u>	<u>\$ 142,604</u>	<u>\$ 308,285,076</u>

NOTE 19. UNEARNED REVENUE

Unearned revenue at year-end consisted of the following:

	General Fund	Special Revenue Fund	Debt Service Fund	Total
State Instructional Materials	\$ -	\$ 81,437	\$ -	\$ 81,437
Medicaid Admin Claim	-	33,167	-	33,167
Summer School LEP	-	8,014	-	8,014
Advanced Placement Incentives	-	69,317	-	69,317
Other Special Revenue Funds	-	37,075	-	37,075
EDA/AHASE Funds	-	-	49,839	49,839
Total	<u>\$ -</u>	<u>\$ 229,010</u>	<u>\$ 49,839</u>	<u>\$ 278,849</u>

NOTE 20. GENERAL FUND FEDERAL SOURCE REVENUES

<u>Program or Source</u>	<u>Total Grant or Entitlement</u>
General Fund:	
Medicaid Reimbursement (SHARS)	\$3,059,587
Impact Aid	533,404
Indirect Costs	622,510
CRF Funds for FY20 Expenditures	189,069
Total for General Fund	<u>\$4,404,570</u>

NORTHWEST INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2021

NOTE 21. EXCESS OF EXPENDITURES OVER APPROPRIATIONS BY FUNCTION

The Texas Education Agency requires the budgets for the Governmental fund types to be filed with the Texas Education Agency. The budget should not be exceeded in any functional category under TEA requirements. Expenditures exceeded appropriations in one functional category in the General Fund for the year ended June 30, 2021.

NOTE 22. SHARED SERVICE ARRANGEMENTS

The District participates in shared service arrangements for the Title I, Part C Migrant program. The District does not account for revenues or expenditures in these programs and does not disclose them in these financial statements. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, Region XI ESC, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to Northwest Independent School District. The fiscal agent manager is responsible for all financial activities of the shared services arrangements.

Northwest ISD is a SSA member of the Fort Worth Independent School District's Regional Day School Program for the Deaf as well as, the Denton Regional Day School Program for the Deaf. The District does not account for revenues or expenditures in these programs and does not disclose them in these financial statements. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agents, Fort Worth ISD and Denton ISD, nor does the District have a net equity interest in the fiscal agents. The fiscal agents are neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to Northwest Independent School District. The fiscal agent managers' are responsible for all financial activities of the shared services arrangements.

NOTE 23. EXPENDITURES BY CHARACTER

Section 21.256, Texas Education Code, requires an annual audit and authorizes the State Board of Education, with the approval of the State Auditor, to prescribe minimum regulations and report forms for the annual audit. The Financial Accounting System Resource Guide of the Texas Education Agency prescribes the forms and formats to be filed with the Texas Education Agency. The prescribed format of the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds, requires expenditures to be classified by function, meaning capital outlay directly associated with a particular function is charged to that function.

Expenditures by fund and character are as follows:

	Governmental Fund Types				Total (Memorandum Only)
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	
Current	\$247,939,654	\$21,276,419	\$ -	\$17,285,987	\$286,502,060
Capital Outlay	3,775,700	-	-	75,945,039	79,720,739
Debt Service:					
Principal	-	-	28,118,002	-	28,118,002
Interest and Fiscal Charges	-	-	<u>56,297,727</u>	-	<u>56,297,727</u>
Total Expenditures	<u>\$251,715,354</u>	<u>\$21,276,419</u>	<u>\$84,415,729</u>	<u>\$93,231,026</u>	<u>\$450,638,528</u>

NOTE 24. SUBSEQUENT EVENT

In July, 2021 the District sold \$183,060,000 unlimited tax school building bonds to provide funds for ongoing and future construction needs.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 25. RISKS AND UNCERTAINTIES

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of Texas. On January 31, 2021, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

On March 13, 2020, the Governor of Texas (the “Governor”) declared a state of disaster for all counties in the State in response to the Pandemic, which disaster declaration he has subsequently extended. Pursuant to Chapter 418 of the Texas Government Code, the Governor has broad authority to respond to disasters, including suspending any regulatory statute prescribing the procedures for conducting State business or any order or rule of a State agency that would in any way prevent, hinder, or delay necessary action in coping with the disaster, and issuing executive orders that have the force and effect of law. The Governor has issued a series of executive orders relating to COVID-19 preparedness and mitigation.

On June 3, 2021, TEA issued updated public planning health guidance in accordance with Executive Order GA-36 (which became effective June 5, 2021), to address on-campus instruction, administrative activities by teachers, staff or students that occur on school campuses, non-UIL extracurricular sports and activities, and any other activities that teachers, staff, or students must complete. Within the guidance, TEA instructs schools that, per Executive Order GA-36, school systems cannot require students or staff to wear a mask; however, school systems must allow individuals to wear a mask if they choose to do so.

Within the guidance, TEA instructs schools to notify their local health department, in accordance with applicable federal, state, and local laws and regulations, including any applicable confidentiality requirements, of individuals who have been in a school and test-confirmed to have COVID-19. Additionally, upon receipt of information that any teacher, staff member, student, or visitor at a school is test-confirmed to have COVID-19, the school must submit a report to the Texas Department of Health Services via its online portal.

The TEA advised districts that for the 2020-2021 school year district funding would return to being based on “Average Daily Attendance” (being generally calculated as the sum of student attendance for each State-mandated day of instruction divided by the number of State-mandated days of instruction, defined herein as “ADA”) calculations requiring attendance to be taken. However, the TEA has crafted an approach for determining ADA during the pandemic that provides districts with several options for determining daily attendance. These include remote synchronous instruction, remote asynchronous instruction, on-campus instruction and the Texas Virtual Schools Network. To stabilize funding expectations, districts were initially provided an ADA grace period for the first two six weeks of the 2020-2021 school year. If a district’s first two six-week average ADA is less than the ADA hold harmless projections (described below), the first two six-week attendance reporting periods for 2020-2021 were excluded from the calculation of annual ADA and student full-time equivalents (“FTE”) for Foundation School Program (“FSP”) funding purposes and replaced with the ADA and FTE hold harmless projections that were derived using a three-year average trend of final numbers from the 2017-2018 through 2019-2020 school years, unless the projection is both (i) 15% higher and (ii) 100 ADA higher than the 2020-2021 legislative planning estimate (“LPE”) projections provided by the TEA to the State legislature pursuant to Section 48.269 of the Texas Education Code, in which case the 2020-2021 LPE ADA and FTE were used as the hold harmless projections.

The ADA hold harmless projection was also available for the third six-week attendance reporting period, but only for those districts that allowed on-campus instruction throughout the entire third six-week period, as further described below. The ADA hold harmless methodology was identical to the methodology used for the first two six-week attendance reporting periods, except that the third six-week period was examined independent of the first two six-week attendance reporting periods.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

The ADA hold harmless projection was extended for the remainder of the 2020-2021 school year (the fourth, fifth, and sixth six-week attendance reporting periods). In order to qualify, a district must meet certain criteria established by the TEA related to on-campus.

The full extent of the ongoing impact of COVID-19 on the District's longer-term operational and financial performance will depend on future developments, many of which are outside of its control, including the effectiveness of the mitigation strategies discussed above, the duration and spread of COVID-19, and future governmental actions, all of which are highly uncertain and cannot be predicted. The District continues to monitor the spread of COVID-19 and is working with local, State and national agencies to address the potential impact of the Pandemic upon the District. While the potential impact of the Pandemic on the District cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the District's operations and financial condition.

The Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. These negative impacts may reduce or negatively affect property values within the District. The District's bonded debt is secured by an unlimited ad valorem tax, and a reduction in property values may require an increase in the ad valorem tax rate required to pay the bonds as well as the District's share of operations and maintenance expenses payable from ad valorem taxes.

Additionally, State funding of District operations and maintenance in future fiscal years could be adversely impacted by the negative effects on economic growth and financial markets resulting from the Pandemic as well as ongoing disruptions in the global oil markets.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 202,239,926	\$ 202,261,932	\$ 206,599,944	\$ 4,338,012
5800 State Program Revenues	25,582,599	29,297,918	35,436,900	6,138,982
5900 Federal Program Revenues	3,038,992	3,083,419	4,404,570	1,321,151
5020 Total Revenues	230,861,517	234,643,269	246,441,414	11,798,145
EXPENDITURES:				
Current:				
0011 Instruction	145,698,259	147,505,038	140,460,150	7,044,888
0012 Instructional Resources and Media Services	2,764,315	3,157,353	2,814,155	343,198
0013 Curriculum and Instructional Staff Development	7,017,297	6,796,495	5,864,622	931,873
0021 Instructional Leadership	2,302,956	2,624,637	2,596,790	27,847
0023 School Leadership	14,355,885	16,269,683	14,692,688	1,576,995
0031 Guidance, Counseling, and Evaluation Services	8,991,224	9,483,431	7,737,203	1,746,228
0032 Social Work Services	334,311	395,863	348,531	47,332
0033 Health Services	2,563,643	2,681,891	2,397,442	284,449
0034 Student (Pupil) Transportation	12,436,054	12,408,291	10,435,173	1,973,118
0036 Extracurricular Activities	8,029,169	8,309,041	7,525,667	783,374
0041 General Administration	7,068,800	8,179,926	7,794,416	385,510
0051 Facilities Maintenance and Operations	24,428,970	24,477,435	23,204,075	1,273,360
0052 Security and Monitoring Services	2,133,548	2,268,115	1,939,497	328,618
0053 Data Processing Services	6,316,668	5,792,107	5,233,906	558,201
0061 Community Services	142,125	195,245	113,275	81,970
Capital Outlay:				
0081 Facilities Acquisition and Construction	413,100	491,100	231,715	259,385
Intergovernmental:				
0091 Contracted Instructional Services Between Schools	5,780,895	10,280,895	14,340,703	(4,059,808)
0093 Payments to Fiscal Agent/Member Districts of SSA	80,000	83,800	83,800	-
0095 Payments to Juvenile Justice Alternative Ed. Prg.	10,000	30,000	4,386	25,614
0097 Payments to Tax Increment Fund	1,711,144	1,861,144	1,776,627	84,517
0099 Other Intergovernmental Charges	1,450,000	1,950,000	1,741,022	208,978
6030 Total Expenditures	254,028,363	265,241,490	251,335,843	13,905,647
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,166,846)	(30,598,221)	(4,894,429)	25,703,792
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	523	523
8911 Transfers Out (Use)	(2,000,000)	(2,000,000)	(1,345,252)	654,748
7080 Total Other Financing Sources (Uses)	(2,000,000)	(2,000,000)	(1,344,729)	655,271
1200 Net Change in Fund Balances	(25,166,846)	(32,598,221)	(6,239,158)	26,359,063
0100 Fund Balance - July 1 (Beginning)	90,062,710	90,062,710	90,062,710	-
3000 Fund Balance - June 30 (Ending)	\$ 64,895,864	\$ 57,464,489	\$ 83,823,552	\$ 26,359,063

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NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2021

	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018
District's Proportion of the Net Pension Liability (Asset)	0.125821173%	0.136715977%	0.130173473%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 67,387,254	\$ 71,069,239	\$ 71,650,639
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	108,111,233	97,809,096	99,195,944
Total	<u>\$ 175,498,487</u>	<u>\$ 168,878,335</u>	<u>\$ 170,846,583</u>
District's Covered Payroll	\$ 157,134,281	\$ 146,925,846	\$ 134,532,007
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	42.89%	48.37%	53.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.54%	75.24%	73.74%

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

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

<u>FY 2018</u> <u>Plan Year 2017</u>	<u>FY 2017</u> <u>Plan Year 2016</u>	<u>FY 2016</u> <u>Plan Year 2015</u>	<u>FY 2015</u> <u>Plan Year 2014</u>
0.125247008%	0.11808398%	0.1196401%	0.0821466%
\$ 40,047,246	\$ 44,622,180	\$ 42,291,183	\$ 21,942,493
57,248,134	66,264,758	62,165,127	26,943,583
<u>\$ 97,295,380</u>	<u>\$ 110,886,938</u>	<u>\$ 104,456,310</u>	<u>\$ 48,886,076</u>
\$ 126,800,958	\$ 117,539,637	\$ 109,517,942	\$ 103,155,465
31.58%	37.96%	38.62%	21.27%
82.17%	78.00%	78.43%	83.25%

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2021

	2021	2020	2019
Contractually Required Contribution	\$ 5,142,060	\$ 5,114,363	\$ 4,804,304
Contribution in Relation to the Contractually Required Contribution	(5,142,060)	(5,114,363)	(4,804,304)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 161,406,461	\$ 156,279,846	\$ 144,894,154
Contributions as a Percentage of Covered Payroll	3.19%	3.27%	3.32%

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

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

	2018	2017	2016	2015
\$	4,317,863	\$ 4,048,709	\$ 3,703,805	\$ 3,291,771
	(4,317,863)	(4,048,709)	(3,703,805)	(3,291,771)
\$	-	\$ -	\$ -	\$ -
\$	133,094,908	\$ 125,214,930	\$ 116,272,847	\$ 109,517,942
	3.24%	3.23%	3.19%	3.01%

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2021

	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.160341574%	0.162979034%	0.151517618%	\$ 0.138470178%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 60,953,073	\$ 77,074,785	\$ 75,654,134	\$ 60,215,486
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	81,906,320	102,415,145	119,591,064	\$ 103,611,938
Total	<u>\$ 142,859,393</u>	<u>\$ 179,489,930</u>	<u>\$ 195,245,198</u>	<u>\$ 163,827,424</u>
District's Covered Payroll	\$ 157,134,281	\$ 146,925,846	\$ 134,532,007	\$ 126,800,958
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	38.79%	52.46%	56.24%	\$ 47.49%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	4.99%	2.66%	1.57%	\$ 0.91%

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

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

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2021

	2021	2020	2019	2018
Contractually Required Contribution	\$ 1,209,494	\$ 1,176,920	\$ 1,086,632	\$ 954,768
Contribution in Relation to the Contractually Required Contribution	(1,209,494)	(1,176,920)	(1,086,632)	(954,768)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 161,406,461	\$ 156,279,846	\$ 144,894,154	\$ 133,094,908
Contributions as a Percentage of Covered Payroll	0.75%	0.75%	0.75%	0.72%

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

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

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

PENSION LIABILITY:

Changes of benefit terms:

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

Changes of assumptions:

There were no changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

OPEB LIABILITY:

Changes of benefit terms:

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

Changes of assumptions:

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

- The discount rate changed from 2.63 percent as of August 31, 2019 to 2.33 percent as of August 31, 2020. This change increased the Total OPEB Liability.
- The participation rate for post-65 retirees was lowered from 50 percent to 40 percent. This change lowered the Total OPEB Liability.
- The ultimate health care trend rate assumption was lowered from 4.50 percent to 4.25 percent as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change lowered the Total OPEB Liability.

NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for particular purposes. Most, but not all, of these funds must be applied for through the Standard Application System (SAS).

211 ESEA, Title I, Part A Improving Basic Programs - Provide opportunities for children served to acquire knowledge and skills to meet the challenging state performance standards developed for all children.

224 IDEA – Part B, Formula - Operate educational programs for children with disabilities.

225 IDEA – Part B, Preschool - Support programs for preschool children with disabilities.

240 National School Breakfast and Lunch Program - Support programs using federal reimbursement revenues from the United States Department of Agriculture (USDA).

244 Career and Technical – Basic Grant - Provide career and technical education to develop new and/or improved marketable skills for paid and unpaid employment.

255 ESEA, Title II, Part A Teacher and Principal Training and Recruiting - Provide financial assistance to increase student academic achievement through improving teacher and principal quality and increasing the number of highly qualified teachers in classrooms and highly qualified principals and assistant principals.

263 Title III, Part A - English Language Acquisition and Language Enhancement - Funds granted to improve the education of limited English proficient children by assisting the children to learn English and meet challenging State academic content and student academic achievement standards.

266 ESSER – School Emergency Relief - Funds granted through the Federal CARES Act to provide for emergency relief related to the COVID-19 pandemic.

272 Medicaid Administrative Claiming Program - MAC - Funds allocated to local education agencies for reimbursement of eligible costs for activities attributed to the implementation of the Medicaid state plan.

288 Summer School LEP – Funds granted for summer education of limited English proficient students.

289 ESEA, Title IV, Part A - Funds granted for student support and academic enrichment.

385 Visually Impaired - Funds granted for visually impaired students.

397 Advanced Placement Incentives - Support professional development of teachers teaching advanced classes.

410 State Instructional Materials - To purchase instructional materials, technological equipment and technology-related services that contributes to student learning or training for educational personnel involved in the use of such materials.

**NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS**

428 School Safety & Security Grant - Funds granted for additional safety and security equipment.

429 Other State Special Revenue Fund – State funded special revenue funds not listed above are to be accounted for in this fund.

461 Campus Activity – To account for transactions related to a campus activity fund.

481 Education Foundation – Funds granted through the Northwest Education Foundation.

499 Other Local Special Revenue Funds – These fund classifications are used, at the option of the school district to classify locally funded special revenue funds such as grants by corporations to specific campuses not defined elsewhere.

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NORTHWEST INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

Data Control Codes	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program
ASSETS				
1110 Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 2,046,398
1120 Investments - Current	-	-	-	-
1240 Due from Other Governments	237,303	864,705	6,645	34,123
1260 Due from Other Funds	-	306,776	13,602	-
1290 Other Receivables	-	277	-	4,361
1410 Prepayments	-	-	-	-
1000 Total Assets	<u>\$ 237,303</u>	<u>\$ 1,171,758</u>	<u>\$ 20,247</u>	<u>\$ 2,084,882</u>
LIABILITIES				
2110 Accounts Payable	\$ 520	\$ 18,227	\$ -	\$ 173,595
2160 Accrued Wages Payable	110,249	214,152	4,231	-
2170 Due to Other Funds	109,594	939,379	16,016	862,696
2180 Due to Other Governments	-	-	-	(31)
2200 Accrued Expenditures	16,940	-	-	-
2300 Unearned Revenue	-	-	-	-
2000 Total Liabilities	<u>237,303</u>	<u>1,171,758</u>	<u>20,247</u>	<u>1,036,260</u>
FUND BALANCES				
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	-	1,048,622
Committed Fund Balance:				
3545 Other Committed Fund Balance	-	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,048,622</u>
4000 Total Liabilities and Fund Balances	<u>\$ 237,303</u>	<u>\$ 1,171,758</u>	<u>\$ 20,247</u>	<u>\$ 2,084,882</u>

244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	266 ESSER -School Emergency Relief	272 Medicaid Admin. Claim MAC	288 Summer School LEP	289 ESEA Title IV Part A	385 Visually Impaired SSVI
\$ -	\$ -	\$ -	\$ -	\$ 33,167	\$ 8,014	\$ -	\$ -
-	-	-	-	-	-	-	-
19,839	52,847	25,261	-	-	-	17,748	-
-	-	-	-	-	-	-	-
-	-	-	4,767	-	-	-	10,910
-	-	-	-	-	-	-	-
<u>\$ 19,839</u>	<u>\$ 52,847</u>	<u>\$ 25,261</u>	<u>\$ 4,767</u>	<u>\$ 33,167</u>	<u>\$ 8,014</u>	<u>\$ 17,748</u>	<u>\$ 10,910</u>
\$ -	\$ 86	\$ -	\$ 4,767	\$ -	\$ -	\$ 1,350	\$ -
-	-	16,632	-	-	-	-	-
19,839	52,880	8,629	-	-	-	16,398	10,910
-	-	-	-	-	-	-	-
-	(119)	-	-	-	-	-	-
-	-	-	-	33,167	8,014	-	-
<u>19,839</u>	<u>52,847</u>	<u>25,261</u>	<u>4,767</u>	<u>33,167</u>	<u>8,014</u>	<u>17,748</u>	<u>10,910</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 19,839</u>	<u>\$ 52,847</u>	<u>\$ 25,261</u>	<u>\$ 4,767</u>	<u>\$ 33,167</u>	<u>\$ 8,014</u>	<u>\$ 17,748</u>	<u>\$ 10,910</u>

NORTHWEST INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

Data Control Codes	397 Advanced Placement Incentives	410 State Instructional Materials	428 School Safety & Security Grant	429 Other State Special Revenue Funds	
ASSETS					
1110	Cash and Cash Equivalents	\$ 61,517	\$ 256,337	\$ -	\$ 43,944
1120	Investments - Current	-	-	-	-
1240	Due from Other Governments	-	-	52,687	-
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	-	-	-
1410	Prepayments	7,800	-	-	-
1000	Total Assets	<u>\$ 69,317</u>	<u>\$ 256,337</u>	<u>\$ 52,687</u>	<u>\$ 43,944</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ 174,900	\$ -	\$ 1,830
2160	Accrued Wages Payable	-	-	-	10,928
2170	Due to Other Funds	-	-	52,687	-
2180	Due to Other Governments	-	-	-	-
2200	Accrued Expenditures	-	-	-	-
2300	Unearned Revenue	69,317	81,437	-	31,186
2000	Total Liabilities	<u>69,317</u>	<u>256,337</u>	<u>52,687</u>	<u>43,944</u>
FUND BALANCES					
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 69,317</u>	<u>\$ 256,337</u>	<u>\$ 52,687</u>	<u>\$ 43,944</u>

461 Campus Activity Funds	481 NISD Education Foundation	499 Other Local Special Revenue Funds	Total Nonmajor Governmental Funds
\$ 2,933,310	\$ -	\$ 48,381	\$ 5,431,068
172,208	-	-	172,208
-	-	-	1,311,158
200	-	-	320,578
120	29,661	-	50,096
-	-	-	7,800
<u>\$ 3,105,838</u>	<u>\$ 29,661</u>	<u>\$ 48,381</u>	<u>\$ 7,292,908</u>
\$ 2,538	\$ 1,151	\$ -	\$ 378,964
-	-	-	356,192
-	20,135	-	2,109,163
-	-	-	(31)
-	-	-	16,821
-	-	5,889	229,010
<u>2,538</u>	<u>21,286</u>	<u>5,889</u>	<u>3,090,119</u>
-	-	-	1,048,622
3,103,300	8,375	42,492	3,154,167
<u>3,103,300</u>	<u>8,375</u>	<u>42,492</u>	<u>4,202,789</u>
<u>\$ 3,105,838</u>	<u>\$ 29,661</u>	<u>\$ 48,381</u>	<u>\$ 7,292,908</u>

NORTHWEST INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

Data Control Codes	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ 3,134,405
5800 State Program Revenues	-	-	-	30,409
5900 Federal Program Revenues	999,987	3,130,683	63,563	5,688,804
5020 Total Revenues	999,987	3,130,683	63,563	8,853,618
EXPENDITURES:				
Current:				
0011 Instruction	794,385	644,019	53,984	-
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	2,460,315	9,579	-
0032 Social Work Services	96,000	-	-	-
0033 Health Services	-	-	-	-
0035 Food Services	-	-	-	8,521,261
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	26,349	-	-
0052 Security and Monitoring Services	-	-	-	-
0061 Community Services	109,602	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	999,987	3,130,683	63,563	8,521,261
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	332,357
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	3,883
1200 Net Change in Fund Balance	-	-	-	336,240
0100 Fund Balance - July 1 (Beginning)	-	-	-	712,382
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ 1,048,622

244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	266 ESSER -School Emergency Relief	272 Medicaid Admin. Claim MAC	288 Summer School LEP	289 ESEA Title IV Part A	385 Visually Impaired SSVI
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	13,412
124,664	172,420	168,770	-	53,188	-	84,218	-
124,664	172,420	168,770	-	53,188	-	84,218	13,412
124,664	-	69,456	-	-	-	54,555	13,412
-	-	-	-	-	-	-	-
-	172,420	73,060	-	-	-	13,680	-
-	-	-	-	-	-	2,985	-
-	-	-	-	3,999	-	9,998	-
-	-	-	-	-	-	-	-
-	-	-	-	49,189	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	26,254	-	-	-	3,000	-
-	-	-	-	-	-	-	-
124,664	172,420	168,770	-	53,188	-	84,218	13,412
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NORTHWEST INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

Data Control Codes	397 Advanced Placement Incentives	410 State Instructional Materials	428 School Safety & Security Grant	429 Other State Special Revenue Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	20,655	2,475,699	147,121	134,434
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	<u>20,655</u>	<u>2,475,699</u>	<u>147,121</u>	<u>134,434</u>
EXPENDITURES:				
Current:				
0011 Instruction	-	2,475,699	-	82,638
0012 Instructional Resources and Media Services	-	-	-	294
0013 Curriculum and Instructional Staff Development	20,655	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	-	-	51,502
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0052 Security and Monitoring Services	-	-	147,121	-
0061 Community Services	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	<u>20,655</u>	<u>2,475,699</u>	<u>147,121</u>	<u>134,434</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
3000 Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

461 Campus Activity Funds	481 NISD Education Foundation	499 Other Local Special Revenue Funds	Total Nonmajor Governmental Funds
\$ 2,325,945	\$ 351,921	\$ 2,762,576	\$ 8,574,847
-	-	-	2,821,730
-	-	-	10,486,297
2,325,945	351,921	2,762,576	21,882,874
-	110,861	4,017	4,427,690
-	11,088	-	11,382
-	-	-	279,815
-	209	-	3,194
-	-	-	2,535,393
-	-	389	96,389
-	106	-	49,295
-	-	-	8,521,261
2,403,417	4,632	-	2,408,049
41,386	216,650	-	284,385
-	-	-	147,121
-	-	-	138,856
-	-	2,753,100	2,753,100
2,444,803	343,546	2,757,506	21,655,930
(118,858)	8,375	5,070	226,944
15,138	-	-	19,021
(103,720)	8,375	5,070	245,965
3,207,020	-	37,422	3,956,824
\$ 3,103,300	\$ 8,375	\$ 42,492	\$ 4,202,789

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INTERNAL SERVICE FUNDS

711 Student Devices - account for funds related to the issuance and maintenance of netbooks to District students.

712 Marketing & Advertising - account for funds related to marketing activities of the District.

753 Insurance - account for the District's self-insurance activities concerning health insurance coverage for District employees.

771 Workers Compensation - account for the District's self-insurance activities concerning workers compensation insurance coverage provided to District employees.

772 Unemployment - account for the District's self-insurance activities concerning unemployment insurance coverage provided to District employees.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 JUNE 30, 2021

	711 Student Devices	712 Marketing & Advertising
<hr/>		
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 1,038,360	\$ 266,583
Other Receivables	-	-
Total Assets	<u>1,038,360</u>	<u>266,583</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	(141)	-
Accrued Wages Payable	2,697	-
Accrued Expenses	-	-
Total Liabilities	<u>2,556</u>	<u>-</u>
NET POSITION		
Unrestricted Net Position	<u>1,035,804</u>	<u>266,583</u>
Total Net Position	<u>\$ 1,035,804</u>	<u>\$ 266,583</u>

753	771	772	Total
Insurance	Workers Compensation	Unemployment	Internal Service Funds
\$ 1,664,534	\$ 649,346	\$ 73,598	\$ 3,692,421
91	-	-	91
<u>1,664,625</u>	<u>649,346</u>	<u>73,598</u>	<u>3,692,512</u>
12,752	1,571	-	14,182
-	-	-	2,697
<u>1,651,873</u>	<u>461,566</u>	<u>-</u>	<u>2,113,439</u>
<u>1,664,625</u>	<u>463,137</u>	<u>-</u>	<u>2,130,318</u>
-	186,209	73,598	1,562,194
<u>\$ -</u>	<u>\$ 186,209</u>	<u>\$ 73,598</u>	<u>\$ 1,562,194</u>

NORTHWEST INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	711 Student Devices	712 Marketing & Advertising
OPERATING REVENUES:		
Local and Intermediate Sources	\$ 67,483	\$ 69,205
Total Operating Revenues	<u>67,483</u>	<u>69,205</u>
OPERATING EXPENSES:		
Payroll Costs	32,051	-
Professional and Contracted Services	2,211	-
Supplies and Materials	104,253	2,963
Other Operating Costs	<u>-</u>	<u>2,667</u>
Total Operating Expenses	<u>138,515</u>	<u>5,630</u>
Income (Loss) Before Transfers	(71,032)	63,575
Transfer In	-	-
Transfers Out	<u>-</u>	<u>(15,138)</u>
Change in Net Position	(71,032)	48,437
Total Net Position - July 1 (Beginning)	<u>1,106,836</u>	<u>218,146</u>
Total Net Position - June 30 (Ending)	<u>\$ 1,035,804</u>	<u>\$ 266,583</u>

753	771	772	Total
Insurance	Workers Compensation	Unemployment	Internal Service Funds
\$ 16,944,940	\$ 847,037	\$ 387,266	\$ 18,315,931
16,944,940	847,037	387,266	18,315,931
-	-	-	32,051
1,112,972	265	-	1,115,448
-	-	-	107,216
17,860,303	280,316	147,196	18,290,482
18,973,275	280,581	147,196	19,545,197
(2,028,335)	566,456	240,070	(1,229,266)
2,028,335	-	-	2,028,335
-	(500,918)	(186,048)	(702,104)
-	65,538	54,022	96,965
-	120,671	19,576	1,465,229
\$ -	\$ 186,209	\$ 73,598	\$ 1,562,194

NORTHWEST INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	711 Student Devices	712 Marketing & Advertising
<u>Cash Flows from Operating Activities:</u>		
Cash Received from User Charges	\$ 67,483	\$ 69,205
Cash Payments to Employees for Services	(50,560)	-
Cash Payments for Insurance Claims	-	-
Cash Payments for Suppliers	-	(2,963)
Cash Payments for Other Operating Expenses	(106,605)	(2,667)
Net Cash Provided by (Used for) Operating Activities	<u>(89,682)</u>	<u>63,575</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>		
Transfer In	-	-
Operating Transfer Out	-	(15,138)
Net Cash Provided by (Used for) Non-Capital	<u>-</u>	<u>(15,138)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(89,682)	48,437
Cash and Cash Equivalents at Beginning of Year	1,128,042	218,146
Cash and Cash Equivalents at End of Year	<u>\$ 1,038,360</u>	<u>\$ 266,583</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>		
<u>Provided By (Used For) Operating Activities:</u>		
Operating Income (Loss):	\$ (71,032)	\$ 63,575
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Receivables	-	-
Increase (decrease) in Accounts Payable	(141)	-
Increase (decrease) in Accrued Wages Payable	(18,509)	-
Increase (decrease) in Accrued Expenses	-	-
Net Cash Provided by (Used for) Operating Activities	<u>\$ (89,682)</u>	<u>\$ 63,575</u>

753	771	772	Total
Insurance	Workers Compensation	Unemployment	Internal Service Funds
\$ 17,131,131	\$ 847,037	\$ 387,266	\$ 18,502,122
-	-	-	(50,560)
(18,166,919)	(271,788)	(147,196)	(18,585,903)
-	-	-	(2,963)
(1,106,146)	(17,538)	-	(1,232,956)
<u>(2,141,934)</u>	<u>557,711</u>	<u>240,070</u>	<u>(1,370,260)</u>
2,028,335	-	-	2,028,335
-	(500,918)	(186,048)	(702,104)
<u>2,028,335</u>	<u>(500,918)</u>	<u>(186,048)</u>	<u>1,326,231</u>
(113,599)	56,793	54,022	(44,029)
1,778,133	592,553	19,576	3,736,450
<u>\$ 1,664,534</u>	<u>\$ 649,346</u>	<u>\$ 73,598</u>	<u>\$ 3,692,421</u>
\$ (2,028,335)	\$ 566,456	\$ 240,070	\$ (1,229,266)
186,191	-	-	186,191
6,826	1,571	-	8,256
-	-	-	(18,509)
(306,616)	(10,316)	-	(316,932)
<u>\$ (2,141,934)</u>	<u>\$ 557,711</u>	<u>\$ 240,070</u>	<u>\$ (1,370,260)</u>

NORTHWEST INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
 FOR THE YEAR ENDED JUNE 30, 2021

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 7,263,901	\$ 7,263,901	\$ 3,134,405	\$ (4,129,496)
5800 State Program Revenues	31,356	31,356	30,409	(947)
5900 Federal Program Revenues	2,893,044	2,893,044	5,688,804	2,795,760
5020 Total Revenues	10,188,301	10,188,301	8,853,618	(1,334,683)
EXPENDITURES:				
Current:				
0035 Food Services	10,097,785	10,219,105	8,521,261	1,697,844
6030 Total Expenditures	10,097,785	10,219,105	8,521,261	1,697,844
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	90,516	(30,804)	332,357	363,161
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	3,883	3,883
1200 Net Change in Fund Balances	90,516	(30,804)	336,240	367,044
0100 Fund Balance - July 1 (Beginning)	712,382	712,382	712,382	-
3000 Fund Balance - June 30 (Ending)	\$ 802,898	\$ 681,578	\$ 1,048,622	\$ 367,044

NORTHWEST INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - DEBT SERVICE FUND
 FOR THE YEAR ENDED JUNE 30, 2021

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 86,900,000	\$ 87,157,907	\$ 92,967,681	\$ 5,809,774
5800 State Program Revenues	-	642,093	649,190	7,097
5020 Total Revenues	86,900,000	87,800,000	93,616,871	5,816,871
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Debt	37,648,042	37,648,042	28,118,002	9,530,040
0072 Interest on Long-Term Debt	45,751,952	46,551,952	56,233,686	(9,681,734)
0073 Bond Issuance Cost and Fees	85,000	285,000	64,041	220,959
6030 Total Expenditures	83,484,994	84,484,994	84,415,729	69,265
1200 Net Change in Fund Balances	3,415,006	3,315,006	9,201,142	5,886,136
0100 Fund Balance - July 1 (Beginning)	61,170,787	61,170,787	61,170,787	-
3000 Fund Balance - June 30 (Ending)	\$ 64,585,793	\$ 64,485,793	\$ 70,371,929	\$ 5,886,136

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OTHER COMPLIANCE SCHEDULES

Other Compliance Schedules includes various schedules required by the Texas Education Agency that are not required disclosures in the Annual Comprehensive Financial Report.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED JUNE 30, 2021

Last 10 Years	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2012 and prior years	Various	Various	\$ Various
2013	1.040000	0.335000	10,610,204,200
2014	1.040000	0.412500	10,548,852,117
2015	1.040000	0.412500	11,616,927,849
2016	1.040000	0.412500	11,705,540,348
2017	1.040000	0.412500	12,420,509,000
2018	1.040000	0.450000	14,924,184,765
2019	1.040000	0.450000	17,503,055,570
2020	0.970000	0.450000	19,861,198,380
2021 (School year under audit)	0.916300	0.420000	22,197,028,362
1000 TOTALS			
9000 Portion of Row 1000 for Taxes Paid into Tax Increment Zone (See Footnote)			\$ -

(10) Beginning Balance 7/1/2020	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2021
\$ 1,203,791	\$ -	\$ 11,184	\$ 3,577	\$ (131,643)	\$ 1,057,387
120,424	-	5,024	1,618	-	113,782
71,483	-	4,555	1,806	-	65,122
227,535	-	69,628	27,618	-	130,289
402,622	-	71,866	28,505	(4,872)	297,379
365,007	-	128,993	51,163	27,982	212,833
379,356	-	226,270	97,905	167,214	222,395
1,139,263	-	379,400	164,163	282,569	878,269
3,030,664	-	1,321,231	612,942	(296,725)	799,766
-	296,618,890	200,441,086	91,875,211	-	4,302,593
<u>\$ 6,940,145</u>	<u>\$ 296,618,890</u>	<u>\$ 202,659,237</u>	<u>\$ 92,864,508</u>	<u>\$ 44,525</u>	<u>\$ 8,079,815</u>
\$ -	\$ -	\$ 1,184,418	\$ -	\$ -	\$ -

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STATISTICAL SECTION

This part of the Northwest Independent School District's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information. The statistical section includes nineteen schedules. These schedules fall within the following categories:

Financial Trend Data

These schedules contain trend information on how the District's financial performance and well-being have changed over time.

Revenue Capacity Data

These schedules contain information on the District's most significant local revenue source, the property tax.

Debt Capacity Data

These schedules present information to help assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help understand the environment within the District's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

SCHEDULE 1

Fiscal Year:	2021	2020	2019	2018
Governmental activities				
Net investment in capital assets	\$ (11,400,314)	\$ (5,042,817)	\$ (29,199,186)	\$ (33,890,083)
Restricted	70,371,929	61,170,787	55,537,296	44,712,830
Unrestricted	(64,506,740)	(66,606,092)	(31,435,163)	(30,711,856)
Total primary government net position (deficit)	<u>\$ (5,535,125)</u>	<u>\$ (10,478,122)</u>	<u>\$ (5,097,053)</u>	<u>\$ (19,889,109)</u>

Note: FYE 2018 ending net position includes a prior period adjustment due to the implementation of GASB #75 in the amount of (\$105,707,476).

Note: FYE 2015 ending net position includes a prior period adjustment due to the implementation of GASB #68 in the amount of (\$26,943,583).

Source: District's financial records.

2017	2016	2015	2014	2013	2012
\$ (71,696,653)	\$ (23,184,957)	\$ 27,255,585	\$ 32,114,051	\$ 71,686,971	\$ 51,865,489
42,627,513	41,478,223	31,406,785	27,791,565	23,917,265	26,262,955
69,131,471	35,105,595	3,321,608	50,163,131	9,363,707	9,312,999
\$ 40,062,331	\$ 53,398,861	\$ 61,983,978	\$ 110,068,747	\$ 104,967,943	\$ 87,441,443

NORTHWEST INDEPENDENT SCHOOL DISTRICT
EXPENSES, PROGRAM REVENUES AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(accrual basis of accounting)

SCHEDULE 2

Fiscal Year:	2021	2020	2019	2018
Expenses				
Governmental activities:				
Instruction	\$ 173,346,518	\$ 171,897,747	\$ 156,297,811	\$ 97,411,111
Instruction Resources & Media Services	3,261,056	3,412,594	3,322,911	2,061,453
Curriculum and Staff Development	7,134,217	11,164,411	10,566,697	4,875,078
Instructional Leadership	3,049,467	3,101,335	2,408,137	1,213,788
School Leadership	17,346,003	12,981,905	12,337,732	8,444,933
Guidance, Counseling & Evaluation Services	12,277,043	11,614,848	10,656,773	5,697,928
Social Work Services	457,647	374,397	265,795	221,461
Health Services	2,920,291	2,867,564	2,707,826	1,539,175
Student (Pupil) Transportation	10,824,309	10,040,889	10,748,392	9,950,650
Food Services	8,521,261	8,346,944	9,288,034	8,091,202
Cocurricular/Extracurricular Activities	10,784,586	10,689,926	9,892,666	8,323,837
General Administration	9,189,948	9,795,822	8,609,714	5,332,880
Plant Maintenance and Operations	39,295,140	29,169,662	25,372,009	16,496,477
Security and Monitoring Services	2,584,271	2,077,149	2,544,313	1,692,346
Data Processing Services	5,395,861	6,911,184	6,380,344	4,188,626
Community Services	285,390	238,664	247,446	109,181
Debt Service - Interest on Long-Term Debt	37,211,852	38,369,564	35,757,709	29,514,645
Debt Service - Bond Issuance Cost & Fees	64,041	3,682,397	878,907	1,214,331
Contracted Instructional Services	14,340,703	4,859,626	4,456,091	-
Payments to Fiscal Agent/Member Districts of SSA	83,800	91,700	179,000	12,000
Payments to Juvenile Justice Alternative Education Program	4,386	11,646	5,518	6,764
Payments to Tax Increment Fund	1,776,627	1,741,202	1,742,623	975,287
Other Intergovernmental Charges	1,741,022	1,655,016	1,471,898	1,279,807
Total primary government expenses	<u>361,895,439</u>	<u>345,096,192</u>	<u>316,138,346</u>	<u>208,652,960</u>
Program Revenues				
Governmental activities:				
Charges for services				
Instruction	184,112	233,062	631,946	261,089
Health services	3,059,857	3,274,531	4,588,898	1,236,937
Student transportation	-	-	-	-
Food services	3,134,405	5,448,424	6,537,656	5,906,944
Extracurricular activities	384,928	434,758	522,319	530,952
General administration	622,510	1,166,707	-	-
Facilities maintenance	166,689	696,913	775,747	503,742
Community services	-	-	-	-
Operating grants and contributions	37,744,995	31,158,936	32,662,214	(7,739,306)
Total primary government program revenues	<u>45,297,496</u>	<u>42,413,331</u>	<u>45,718,780</u>	<u>700,358</u>
Net (Expense)Revenue				
Total primary government net expense	<u>\$ (316,597,943)</u>	<u>\$ (302,682,861)</u>	<u>\$ (270,419,566)</u>	<u>\$ (207,952,602)</u>

Source: District's financial records.

	2017	2016	2015	2014	2013	2012
\$	145,855,827	\$ 122,168,515	\$ 103,989,026	\$ 96,263,169	\$ 88,337,904	\$ 80,922,877
	3,061,696	2,681,310	2,394,024	2,427,968	2,430,659	2,325,843
	6,957,502	5,885,439	5,018,657	4,661,666	4,981,051	4,123,336
	1,384,516	1,081,077	946,675	813,526	772,331	715,094
	12,420,128	10,145,301	8,492,012	7,623,396	7,083,647	6,455,946
	9,622,661	7,941,408	6,354,112	6,274,031	5,331,059	4,879,777
	255,926	904,931	6,124,147	5,632,064	4,275,156	3,696,246
	2,346,245	2,009,949	1,860,771	1,837,993	1,744,190	1,573,018
	8,720,929	7,252,742	6,195,171	5,982,137	5,725,520	5,695,937
	8,051,120	9,175,595	7,400,908	7,519,565	6,072,684	6,431,326
	10,042,711	7,718,196	7,591,117	6,933,964	7,403,320	6,190,684
	5,901,273	4,458,804	17,019,764	14,769,632	14,427,412	13,165,216
	18,152,263	17,255,030	17,227,868	15,991,385	14,685,098	24,072,929
	1,611,157	1,248,060	892,184	655,209	725,247	551,453
	6,179,105	4,752,113	3,877,489	3,354,317	2,962,845	2,752,765
	206,999	154,935	199,757	159,556	152,640	139,215
	25,024,932	23,170,568	37,578,564	37,115,936	34,900,424	32,088,442
	1,481,200	3,072,446	410,960	123,047	2,568,119	326,950
	-	-	-	84,867	10,981,987	21,665,083
	106,000	20,000	65,200	73,400	85,250	48,000
	6,319	-	4,628	-	-	-
	917,928	839,876	888,460	904,351	884,261	893,326
	1,186,516	848,664	1,093,516	1,074,773	1,191,691	1,220,953
	<u>269,492,953</u>	<u>232,784,959</u>	<u>235,625,010</u>	<u>220,275,953</u>	<u>217,722,495</u>	<u>219,934,416</u>
	168,908	90,828	134,603	107,923	111,895	91,712
	893,439	921,133	1,545,525	1,367,146	1,338,109	1,025,092
	-	-	270	-	-	-
	5,822,270	5,469,920	5,157,545	5,065,661	4,618,097	4,488,326
	572,504	476,021	3,077,228	2,807,383	2,831,437	2,596,139
	-	-	220,789	-	71,366	105,138
	495,257	514,659	553,506	613,751	540,097	469,421
	-	-	7,455	8,132	9,073	6,153
	23,962,854	24,157,031	17,152,632	20,615,411	17,516,788	20,021,223
	<u>31,915,232</u>	<u>31,629,592</u>	<u>27,849,553</u>	<u>30,585,407</u>	<u>27,036,862</u>	<u>28,803,204</u>
	<u>\$ (237,577,721)</u>	<u>\$ (201,155,367)</u>	<u>\$ (207,775,457)</u>	<u>\$ (189,690,546)</u>	<u>\$ (190,685,633)</u>	<u>\$ (191,131,212)</u>

NORTHWEST INDEPENDENT SCHOOL DISTRICT
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

SCHEDULE 3

Fiscal Year:	2021	2020	2019	2018
Net (Expense)/Revenue				
Total primary government net expense	\$ (316,597,943)	\$ (302,682,861)	\$ (270,419,566)	\$ (207,952,602)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes levied for general purposes	204,728,927	194,521,793	182,823,647	156,878,029
Property taxes levied for capital projects	93,125,689	90,028,391	79,019,328	67,699,018
Unrestricted grants and contributions	-	-	-	-
State aid - formula grants	23,316,174	8,666,078	17,197,629	25,361,540
Miscellaneous	227,546	502,107	391,804	681,617
Investment earnings	142,604	3,583,423	5,779,214	3,088,434
Transfers in (out)	-	-	-	-
Total primary government	<u>321,540,940</u>	<u>297,301,792</u>	<u>285,211,622</u>	<u>253,708,638</u>
Change in Net Position				
Total primary government	<u>\$ 4,942,997</u>	<u>\$ (5,381,069)</u>	<u>\$ 14,792,056</u>	<u>\$ 45,756,036</u>

Source: District's financial records.

2017	2016	2015	2014	2013	2012
\$ (237,577,721)	\$ (201,155,367)	\$ (207,775,457)	\$ (189,690,546)	\$ (190,685,633)	\$ (191,131,212)
138,928,782	131,549,000	120,895,271	110,045,806	110,555,045	112,034,483
55,070,829	51,759,384	47,952,873	43,649,455	34,912,120	35,379,311
-	-	-	6,896,560	-	-
28,336,530	27,014,580	17,140,982	29,415,905	31,601,844	33,156,117
583,167	556,092	-	4,269,919	30,333,823	15,036,005
1,321,883	1,100,734	645,145	513,705	809,301	821,497
-	(1,210,442)	-	-	-	-
224,241,191	210,769,348	186,634,271	194,791,350	208,212,133	196,427,413
\$ (13,336,530)	\$ 9,613,981	\$ (21,141,186)	\$ 5,100,804	\$ 17,526,500	\$ 5,296,201

NORTHWEST INDEPENDENT SCHOOL DISTRICT
 FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)

SCHEDULE 4

Fiscal Year:	2021	2020	2019	2018
General Fund				
Nonspendable	\$ 1,289,856	\$ 1,155,057	\$ 1,297,327	\$ 1,180,541
Assigned	-	25,166,846	-	-
Unassigned	82,533,696	63,740,807	97,837,399	94,960,888
Total general fund	<u>\$ 83,823,552</u>	<u>\$ 90,062,710</u>	<u>\$ 99,134,726</u>	<u>\$ 96,141,429</u>
All Other Governmental Funds				
Restricted				
Federal or State Funds Grant Restriction	\$ 1,048,622	\$ 712,382	\$ 940,789	\$ 1,066,210
Capital Acquisition and Contractual Obligation	83,859,437	176,947,859	116,709,700	120,226,251
Retirement of Long-Term Debt	70,371,929	61,170,787	55,537,296	42,093,843
Other Restricted	-	-	-	-
Committed				
Other Committed	3,154,167	3,244,442	2,742,981	2,618,987
Assigned				
Construction	-	-	-	-
Total all other governmental funds	<u>\$ 158,434,155</u>	<u>\$ 242,075,470</u>	<u>\$ 175,930,766</u>	<u>\$ 166,005,291</u>

Source: District's financial records.

2017	2016	2015	2014	2013	2012
\$ 300,110	\$ 293,148	\$ -	\$ -	\$ -	\$ -
61,990,965	39,424,756	29,424,756	29,424,756	29,424,756	25,922,849
50,251,198	37,050,333	43,951,132	42,173,641	31,093,987	30,150,497
<u>\$ 112,542,273</u>	<u>\$ 76,768,237</u>	<u>\$ 73,375,888</u>	<u>\$ 71,598,397</u>	<u>\$ 60,518,743</u>	<u>\$ 56,073,346</u>
\$ 1,039,729	\$ 1,063,965	\$ 2,456,540	\$ 2,456,540	\$ 2,231,779	\$ 1,205,944
107,729,973	76,269,887	43,323,635	44,009,918	56,984,655	106,289,480
39,182,199	39,323,668	25,723,034	22,526,879	19,173,538	22,882,344
-	-	1,376,264	1,110,408	894,488	718,799
2,294,939	2,154,555	1,948,744	1,697,738	1,617,460	1,455,868
-	38,095,832	39,648,697	36,700,973	36,010,011	35,819,479
<u>\$ 150,246,840</u>	<u>\$ 156,907,907</u>	<u>\$ 114,476,914</u>	<u>\$ 108,502,456</u>	<u>\$ 116,911,931</u>	<u>\$ 168,371,914</u>

NORTHWEST INDEPENDENT SCHOOL DISTRICT
 GOVERNMENTAL FUNDS REVENUES
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)

SCHEDULE 5

Fiscal Year:	2021	2020	2019	2018
Local and Intermediate Sources				
Local maintenance and debt service tax	\$ 297,420,455	\$ 284,327,474	\$ 261,222,889	\$ 224,673,410
Food service sales	3,134,016	5,448,424	6,537,656	5,905,520
Other local revenue	7,730,605	10,770,578	10,183,817	9,300,393
Total Local and Intermediate Sources	308,285,076	300,546,476	277,944,362	239,879,323
State Programs Revenues	38,907,820	23,249,785	32,900,331	39,825,326
Federal Sources				
Federal Program Revenues	9,202,063	9,314,806	11,570,709	6,140,018
Food services	5,688,804	2,617,112	2,531,622	2,202,242
Total Federal Sources	14,890,867	11,931,918	14,102,331	8,342,260
Total Revenues	\$ 362,083,763	\$ 335,728,179	\$ 324,947,024	\$ 288,046,909

Note: This table includes all governmental fund types of the Northwest Independent School District.
 Expenditure classifications are in accordance with those prescribed by the Texas Education Agency.

Source: District's financial records.

2017	2016	2015	2014	2013	2012
\$ 194,478,502	\$ 184,486,074	\$ 168,848,144	\$ 156,652,150	\$ 148,220,114	\$ 150,436,519
5,822,270	5,469,920	5,168,771	3,077,273	4,625,703	8,174,543
7,063,662	6,396,427	9,122,029	6,488,164	4,731,123	522,822
207,364,434	196,352,421	183,138,944	166,217,587	157,576,940	159,133,884
41,130,734	40,473,309	35,409,112	41,248,007	36,004,504	37,382,303
4,804,615	5,577,704	9,430,583	8,983,639	6,548,919	6,416,491
2,217,746	2,156,429	2,064,862	2,449,650	2,264,884	2,126,303
7,022,361	7,734,133	11,495,445	11,433,289	8,813,803	8,542,794
\$ 255,517,529	\$ 244,559,863	\$ 230,043,501	\$ 218,898,883	\$ 202,395,247	\$ 205,058,981

NORTHWEST INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

SCHEDULE 6

Fiscal Year:	2021	2020	2019	2018
Expenditures by Function				
Instruction	\$ 145,649,773	\$ 141,124,853	\$ 132,460,146	\$ 122,597,571
Instruction Resources & Media Services	2,829,813	2,894,093	2,919,470	2,465,800
Curriculum and Staff Development	6,144,437	9,217,397	9,101,312	6,038,773
Instructional Leadership	2,596,790	2,538,532	2,068,363	1,445,781
School Leadership	14,695,882	10,596,040	10,565,026	10,224,943
Guidance, Counseling & Evaluation Services	10,272,596	9,270,767	8,898,315	8,216,292
Social Work Services	444,920	358,677	259,530	250,753
Health Services	2,475,374	2,343,383	2,298,873	1,897,804
Student (Pupil) Transportation	10,824,309	10,040,889	16,914,310	24,692,313
Food Services	8,521,261	8,364,251	9,288,034	8,091,202
Cocurricular/Extracurricular Activities	9,933,716	9,768,289	9,067,129	9,287,239
General Administration	8,078,801	6,491,469	6,678,662	5,999,413
Plant Maintenance and Operations	23,204,075	21,129,350	20,140,987	17,987,879
Security and Monitoring Services	2,091,816	1,997,450	2,045,595	1,633,493
Data Processing Services	5,233,906	5,976,033	6,094,699	5,248,109
Community Services	252,131	191,917	212,573	140,939
Debt Service - Principal on Long-Term Debt	28,118,002	36,930,688	24,874,905	27,626,649
Debt Service - Interest on Long-Term Debt	56,233,686	41,709,877	42,306,868	38,389,599
Debt Service - Bond Issuance Cost & Fees	64,041	3,682,397	878,907	1,214,331
Facilities Acquisition and Construction	95,026,661	139,493,256	97,873,485	94,053,651
Contracted Instructional Services	14,340,703	4,859,626	4,456,091	-
Payments to Fiscal Agent/Member Districts of SSA	83,800	91,700	179,000	12,000
Payments to Juvenile Justice Alternative Education Program	4,386	11,646	5,518	6,764
Payments to Tax Increment Fund	1,776,627	1,741,202	1,742,623	975,287
Other Governmental Charges	1,741,022	1,655,016	1,471,898	1,279,807
Total Expenditures	\$ 450,638,528	\$ 472,478,798	\$ 412,802,319	\$ 389,776,392
Debt service as a percentage of noncapital expenditures	22.76%	24.72%	21.44%	23.63%

Note: This table includes all governmental fund types of the Northwest Independent School District.
Expenditure classifications are in accordance with those prescribed by the Texas Education Agency.

Source: District's financial records.

	2017	2016	2015	2014	2013	2012
\$	115,295,893	\$ 110,969,993	\$ 99,340,245	\$ 88,845,925	\$ 81,913,913	\$ 75,675,709
	2,499,301	3,145,350	2,280,870	2,299,588	2,316,797	2,217,098
	5,724,325	5,397,640	5,078,147	4,659,861	4,981,051	4,123,336
	1,111,723	980,556	959,164	813,526	772,331	715,094
	9,858,220	9,118,778	8,293,810	7,311,633	6,811,870	6,210,188
	7,570,097	7,072,496	6,447,695	6,261,874	5,321,287	4,869,877
	253,047	904,931	6,151,355	5,632,064	4,275,156	3,696,246
	1,848,694	1,804,524	1,654,747	1,602,472	1,539,804	1,392,399
	8,720,929	7,335,213	6,189,360	5,976,326	5,719,709	5,690,126
	8,060,370	9,175,595	7,182,534	7,336,590	5,899,623	6,263,709
	9,351,768	9,764,314	7,016,227	6,334,044	6,861,271	5,562,646
	5,643,100	4,689,496	4,815,439	4,491,760	4,006,196	3,674,787
	17,753,235	17,280,200	16,568,143	15,361,345	14,127,127	12,644,068
	1,745,219	1,276,852	889,197	650,935	720,355	546,770
	5,166,996	4,448,888	3,876,089	3,328,248	2,945,960	2,709,039
	168,780	143,353	203,849	159,556	152,640	139,215
	20,587,528	16,862,238	7,494,393	3,234,679	4,391,876	6,398,021
	35,764,763	38,855,162	37,578,564	37,115,936	34,900,424	32,088,442
	1,481,200	1,261,367	410,960	123,047	2,568,119	326,953
	66,924,947	41,101,137	72,772,494	62,759,061	48,515,352	42,909,725
	-	-	-	84,867	10,981,987	21,665,083
	106,000	20,000	65,200	73,400	85,250	48,000
	6,319	-	4,628	-	-	-
	917,928	839,876	888,460	904,351	884,261	893,326
	1,186,516	848,664	1,093,516	1,074,774	1,191,691	1,220,953
\$	327,746,898	\$ 293,296,623	\$ 297,255,086	\$ 266,435,862	\$ 251,884,050	\$ 241,680,810
	22.26%	19.41%	18.43%	19.27%	21.29%	18.35%

NORTHWEST INDEPENDENT SCHOOL DISTRICT
OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES,
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

SCHEDULE 7

Fiscal Year:	2021	2020	2019	2018
Other Financing Sources (Uses)				
General long-term debt issued	-	454,734,955	92,450,000	125,180,000
Sale of capital assets	523	43	290	99
Transfers in	19,021	14,009,988	2,935,176	20,355,199
Premium or Discount on Issuance of Bonds	-	71,304,230	8,308,085	10,236,901
Other Resources	-	-	-	-
Transfers out	(1,345,252)	(15,750,370)	(2,919,484)	(20,355,199)
Other (Uses)	-	(330,475,539)	-	(34,329,910)
Total other financing sources (uses)	(1,325,708)	193,823,307	100,774,067	101,087,090
Net change in fund balances	\$ 89,880,473	\$ 57,072,688	\$ 12,918,772	\$ (642,393)

Source: District's financial records.

2017	2016	2015	2014	2013	2012
155,390,000	320,883,475	149,863,125	47,625,000	44,180,000	139,000,000
976	207,455	1,810,385	17,158	18,784	21,451
39,098,875	578,569	607,649	605,607	592,997	12,493
21,407,287	56,707,584	27,025,012	2,565,000	6,037,411	18,980,151
-	20,790	-	-	(2)	1,993,276
(39,098,875)	(1,789,011)	(2,966,717)	(605,607)	(592,995)	(1,755,855)
(75,455,925)	(301,443,783)	(101,375,915)	-	(47,761,979)	(62,464,077)
101,342,338	75,165,079	74,963,539	50,207,158	2,474,216	95,787,439
\$ 29,112,969	\$ 26,428,319	\$ 7,751,954	\$ 2,670,179	\$ (47,014,587)	\$ 59,165,610

NORTHWEST INDEPENDENT SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

SCHEDULE 8

Fiscal Year	Real Property Assessed Value	Personal Property Assessed Value	Minerals Assessed Value
2021	\$20,058,653,032	\$8,313,515,744	\$374,008,410
2020	\$18,085,746,244	\$6,516,250,944	\$617,067,673
2019	\$15,135,720,233	\$5,369,071,382	\$790,399,303
2018	\$13,312,469,751	\$5,037,881,478	\$659,928,810
2017	\$10,942,403,000	\$3,071,844,000	\$709,709,000
2016	\$9,644,355,000	\$3,118,392,000	\$1,296,365,000
2015	\$8,634,101,000	\$2,576,109,000	\$1,538,136,000
2014	\$7,866,040,000	\$2,688,113,117	\$1,380,696,000
2013	\$7,984,354,200	\$2,487,855,000	\$2,035,974,000
2012	\$7,624,521,600	\$2,299,100,000	\$2,562,364,000

Source: Official Statement June 24, 2021 page 44

<u>Less: Exemptions</u>	<u>Total Taxable Value</u>	<u>Total Direct Rate</u>
\$6,454,667,805	\$22,291,509,381	1.3363
\$5,293,201,727	\$19,925,863,134	1.4200
\$4,189,948,502	\$17,105,242,416	1.4900
\$4,252,190,592	\$14,758,089,447	1.4900
\$2,303,447,000	\$12,420,509,000	1.4525
\$2,353,571,652	\$11,705,540,348	1.4525
\$1,131,418,151	\$11,616,927,849	1.4525
\$1,385,997,000	\$10,548,852,117	1.4525
\$1,897,979,000	\$10,610,204,200	1.3750
\$1,773,368,000	\$10,712,617,600	1.3750

NORTHWEST INDEPENDENT SCHOOL DISTRICT
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN FISCAL YEARS
 (UNAUDITED)

SCHEDULE 9

Fiscal Year	District Direct Rates		
	General Purposes	Capital Purposes	Total
2021	0.91630	0.42000	1.33630
2020	0.97000	0.45000	1.42000
2019	1.04000	0.45000	1.49000
2018	1.04000	0.45000	1.49000
2017	1.04000	0.41250	1.45250
2016	1.04000	0.41250	1.45250
2015	1.04000	0.41250	1.45250
2014	1.04000	0.33500	1.37500
2013	1.04000	0.33500	1.37500
2012	1.04000	0.33500	1.37500

Note: Per \$100 of assessed valuation

Source: Official Statement June 24, 2021 page 46

Overlapping Rates

Denton County	City of Fort Worth	Tarrant County	Town of Trophy Club	Trophy Club MUD 1 & 2	Wise County	City of Roanoke	City of Haslet
0.22500	0.74800	0.23400	0.44600	0.10800	0.30800	0.37500	0.62500
0.22498	0.74750	0.23400	0.44644	0.10774	0.30750	0.37510	0.24997
0.22528	0.78500	0.23400	0.44644	0.11273	0.32250	0.37510	0.29758
0.22560	0.78500	0.23400	0.44640	0.11620	0.34640	0.37510	0.30596
0.23781	0.80500	0.24400	0.45144	0.12021	0.34640	0.37512	0.33304
0.24841	0.83500	0.25400	0.47300	0.13114	0.34640	0.37512	0.29025
0.26200	0.85500	0.26400	0.48400	0.13110	0.31390	0.37510	0.28570
0.27220	0.85500	0.26400	0.49000	0.13339	0.29890	0.37512	0.29279
0.28491	0.85500	0.26400	0.49930	0.13339	0.28890	0.37512	0.32087
0.28287	0.85500	0.26400	0.51854	0.13339	0.28890	0.37512	0.32087

NORTHWEST INDEPENDENT SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAX PAYERS
 CURRENT YEAR AND NINE YEARS AGO

SCHEDULE 10

2021				
Name of Taxpayer	Nature of Property	Total Market Assessed Valuation	Total Taxable Assessed Valuation	Percent of Total Taxable Assessed Valuation
Winner LLC	Telecommunications	\$ 1,938,352,072	\$ 1,938,352,072	8.70%
Amazon.com Services LLC	Retail	309,248,758	309,248,758	1.39%
AT Industrial Owner LP	Commerical Development	274,543,546	274,543,546	1.23%
Amerisource Bergen Drug Corp	Pharmaceutical Industry	24,148,320	24,148,320	0.11%
CS Kinross Lake Parkway LLC	Real Estate Development	204,752,358	204,752,358	0.92%
Citicorp Technology Inc	Technology	197,865,932	197,865,932	0.89%
AT&T Mobility LLC	Telecommunications	184,113,057	184,113,057	0.83%
Devon Energy Prod CO (Chief)	Oil and Gas	164,997,631	164,997,631	0.74%
DCLI LLC	Communications	140,296,383	140,296,383	0.63%
United Parcel Services Inv.	Distribution	100,892,372	100,892,372	0.45%
		<u>\$ 3,539,210,429</u>	<u>\$ 3,539,210,429</u>	<u>15.9%</u>
	Total		<u>\$ 22,291,509,381</u>	<u>100.00%</u>
	Total Assessed Taxable Valuation			

Note: County reduced reporting to top ten in year 2016
 Source: Official Statement June 24, 2021...page 45

2012

Name of Taxpayer	Nature of Property	Total Market Assessed Valuation	Total Taxable Assessed Valuation	Percent of Total Taxable Assessed Valuation
Devon Energy Production Co LP	Oil & Gas	\$ 437,458,102	\$ 437,458,102	4.08%
Barnett Shale Operating LLC	Oil & Gas	146,437,771	146,437,771	1.37%
Citicorp Technology Inc. - 2695	Information Technology	130,000,000	130,000,000	1.21%
Amerisource Bergen Drug Corp	Healthcare	128,919,026	92,816,903	0.87%
Bell Helicopter Textron	Helicopter Manufacturer	144,542,600	92,765,987	0.87%
Cardinal Health 411 Inc.	Healthcare	88,657,440	81,263,541	0.76%
Alliance Compression Facility	Oil & Gas	70,202,520	70,202,520	0.66%
AT Industrial Owner 7 LLC & AIL Investment	Commercial & Industrial	44,987,281	44,987,281	0.42%
AT Industrial Owner 4 LLC	Commercial & Industrial	44,827,927	44,827,927	0.42%
W W Grainger Inc.	Commercial & Industrial	61,336,775	44,436,929	0.41%
AT Industrial Owner 2 LLC	Commercial & Industrial	42,587,312	42,587,312	0.40%
Oncor Electric Delivery Co.	Utility	37,309,050	37,309,050	0.35%
IBM Credit LLC	Commercial & Industrial	30,747,352	30,747,352	0.29%
JC Penney Co Inc.	Commercial & Industrial	30,176,385	30,176,385	0.28%
Fed Express Corp Prop Tax	Commercial & Industrial	29,739,927	29,739,927	0.28%
Enervest Operating LLC	Oil & Gas	29,149,648	29,149,648	0.27%
BNSF Railway Company	Transportation	27,901,530	27,901,530	0.26%
Southwestern Gas Pipeline Co.	Oil & Gas	27,051,101	27,051,101	0.25%
General Mills Operations LLC	Commercial & Industrial	34,731,431	25,057,370	0.23%
Mid-America Apartments, LP	Commercial & Industrial	24,002,749	24,002,749	0.22%
	Total	\$ 1,610,765,927	\$ 1,488,919,385	13.90%
	Total Assessed Taxable Valuation		\$ 10,712,617,600	100.00%

NORTHWEST INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

SCHEDULE 11

Fiscal Year	Tax Levy	Current Tax Collections	Percent of Levy Collected	Collections In Subsequent Years and Cumulative Adjustments	Total Collections To Date	
					Amount	Percentage of Levy
2021	\$ 296,618,890	\$ 292,316,297	98.55%	\$ -	\$ 292,316,297	98.55%
2020	281,732,292	258,015,957	98.93%	1,934,173	280,932,526	99.72%
2019	261,078,097	258,015,957	98.83%	2,183,871	260,199,828	99.66%
2018	222,537,567	220,578,985	99.12%	1,736,187	222,315,172	99.90%
2017	191,989,232	190,344,367	99.14%	1,432,032	181,776,399	99.89%
2016	181,573,474	179,826,814	99.03%	1,449,281	181,276,095	99.84%
2015	168,735,877	167,292,821	99.14%	1,312,767	168,605,588	99.92%
2014	153,222,077	152,202,959	99.33%	953,996	153,156,955	99.96%
2013	145,890,308	145,167,154	99.50%	609,372	145,776,526	99.92%
2012	147,298,492	146,628,209	99.54%	537,933	147,166,142	99.91%

Source: Denton Central Appraisal District and Denton County Tax Assessor-Collector.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

SCHEDULE 12

Governmental Activities						
Fiscal Year	Bonds Payable	General Obligation Net Bonded Debt Outstanding	Total Debt Percentage of Personal Income	Estimated Population	Total Debt Per Capita	Bonded Debt to Value of Taxable Property
2020	1,040,550,586	1,065,295,272	13.000%	143,662	\$ 7,243	5.22
2019	997,110,422	997,110,422	13.171%	139,450	\$ 7,150	5.83
2018	987,570,669	910,898,577	13.979%	133,007	\$ 7,425 #	5.77
2017	923,349,633	884,167,434	13.915%	127,776	\$ 7,226 #	6.26
2016	848,148,290	779,376,583	13.615%	121,355	\$ 6,989 #	7.25
2015	760,236,831	734,513,797	12.987%	114,869	\$ 6,618 #	6.54
2014	685,086,490	671,947,713	13.729%	110,001	\$ 6,228 #	6.49
2013	637,633,346	627,557,392	13.621%	100,992	\$ 6,314 #	6.01
2012	641,949,477	641,949,477	13.987%	99,146	\$ 6,475 #	5.99
2011	566,316,046	556,532,288	12.956%	98,508	\$ 5,749 #	5.36

Note: Bonded Debt to Value of Taxable Property is D16 (Bonds Payable)/Schedule 8 Total Value * 100

Note: Total Debt Percentage of Personal Income is D16 (Bonds Payable)/Schedule 15

Note: Net bonded debt consists of general obligation bonds, accreted interest, and premiums on bond issuance, less the deferred loss on bond refunding and the debt service fund balance (not adjustments).

NORTHWEST INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF June 22, 2021

SCHEDULE 13

Taxing Jurisdiction	Taxable Assessed Value	Total Tax Supported Debt	Estimated % Applicable	District's Overlapping Tax Supported Debt
Belmont FWSD #1	\$ 574,198,037	\$ 74,135,000	30.52%	\$ 22,626,002
Canyon Falls WC&ID #2	262,356,260	24,990,000	79.54%	19,877,046
Denton County	115,693,123,870	607,670,000	9.43%	57,303,281
Flower Mound, Town of	12,720,533,692	149,285,000	0.82%	1,224,137
Fort Worth, City of	82,465,516,515	763,335,000	12.88%	98,317,548
Grapevine, City of	10,407,938,272	138,030,000	0.21%	289,863
Haslet, City of	1,020,929,333	7,705,000	100.00%	7,705,000
Justin, City of	480,109,890	14,995,000	100.00%	14,995,000
Keller, City of	6,167,978,364	53,090,000	0.38%	201,742
New Fairview, City of	156,573,319	2,930,000	58.71%	1,720,203
Newark, City of	69,735,695	597,000	100.00%	597,000
Northlake Municipal Mgmt Dist	103,500,427	15,570,000	100.00%	15,570,000
Northlake Town of	1,243,426,711	27,425,000	90.83%	24,910,128
Rhome, City of	168,284,991	3,927,000	100.00%	3,927,000
Roanoke, City of	2,561,770,193	42,595,000	100.00%	42,595,000
Southlake, City of	7,615,973,615	61,632,000	3.33%	2,052,346
Tarrant County	219,908,316,431	240,445,000	4.49%	10,795,981
Tarrant County College District	221,750,828,044	264,175,000	4.49%	11,861,458
Tarrant County Hospital District	220,311,777,399	14,495,000	4.49%	650,826
Trophy Club MUD #1	1,914,799,192	7,205,000	78.40%	5,648,720
Trophy Club, Town of	2,284,439,786	19,219,000	98.26%	18,884,589
Westlake, Town of	1,427,149,406	31,684,000	16.38%	5,189,839
Wise County	8,769,803,397	7,355,000	13.48%	991,454
Total Overlapping Debt				<u>\$ 367,934,161</u>
Northwest ISD	\$ 22,291,509,381	\$ 1,223,981,739	100.00%	1,223,981,739
Total Direct Debt				<u>\$ 1,223,981,739</u>
Total Direct and Overlapping Tax Supported Debt				<u>\$ 1,591,915,900</u>
Total Direct and Overlapping Tax Supported Debt to Taxable Assessed Valuation				<u>7.14%</u>
Per Capita Direct and Overlapping Tax Supported Debt				<u>\$ 10,919</u>

Note: The percentage of overlapping debt applicable is estimated using taxable property values.

Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable value.

Source: Northwest Independent School District OFFICIAL STATEMENT dated June 24, 2021 page 46

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NORTHWEST INDEPENDENT SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

SCHEDULE 14

Fiscal Year:	2021	2020	2019	2018
Debt Limit	\$ 2,219,702,836	\$ 1,986,119,838	\$ 1,750,305,557	\$ 1,492,418,476
Total net debt applicable to limit	<u>970,549,810</u>	<u>1,007,868,954</u>	<u>882,708,178</u>	<u>828,576,536</u>
Legal debt margin	<u>\$ 1,249,153,026</u>	<u>\$ 978,250,884</u>	<u>\$ 867,597,379</u>	<u>\$ 663,841,940</u>
Total net debt applicable to the limit as a percentage of debt limit	43.72%	50.75%	50.43%	55.52%

Current Fiscal Year: Legal debt margin calculation

Taxable Assessed Value - October 2020 (100% of Actual)	\$ 22,197,028,362
Debt limit (10% of assessed value)	2,219,702,836
Total bonded debt	\$ 1,040,921,739
Less restricted for retirement of bonded debt	<u>70,371,929</u>
Total amount of debt applicable to debt limit	<u>970,549,810</u>
Legal debt margin	<u>\$ 1,249,153,026</u>

Note: Under state finance law, Northwest Independent School District's outstanding general obligation debt should not exceed 10 percent of the total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Note: Debt limit percentage is in accordance with the Texas Education Code, Bulletin 721, Section 20.04.

Source: Denton Central Appraisal District, Northwest Independent School District.

	2017	2016	2015	2014	2013	2012
\$	1,242,050,900	\$ 1,170,554,035	\$ 1,161,692,785	\$ 1,054,885,212	\$ 1,061,020,420	\$ 1,071,261,760
	764,224,829	697,495,888	695,285,286	649,420,834	608,383,854	609,156,923
\$	477,826,071	\$ 473,058,147	\$ 466,407,499	\$ 405,464,378	\$ 452,636,566	\$ 462,104,837
	61.53%	59.59%	59.85%	61.56%	57.34%	56.86%

NORTHWEST INDEPENDENT SCHOOL DISTRICT
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

SCHEDULE 15

Fiscal Year	Population ⁽¹⁾	Personal Income	Per Capita Personal Income ⁽²⁾	Unemployment Rate ⁽³⁾
2021	145,794	8,336,874,392	\$ 57,183 *	5.2%
2020	143,662	8,004,415,654	\$ 55,717 *	9.1%
2019	139,450	7,570,601,050	\$ 54,289	3.0%
2018	133,007	7,064,799,812	\$ 53,116	3.5%
2017	127,776	6,635,407,680	\$ 51,930	3.6%
2016	121,355	6,229,394,860	51,332	3.7%
2015	114,869	5,853,839,109	50,961	3.8%
2014	110,001	4,989,975,363	45,363	4.7%
2013	100,992	4,681,181,184	46,352	5.9%
2012	99,146	4,589,666,632	46,292	6.2%

* Estimate...data not available yet from Denton County 2020 or 2021 CAFR

(1) Source: Northwest Independent School District OFFICIAL STATEMENT dated June 24, 2021...page 5

(2) Source: Denton County CAFR...

(3) Source: <https://fred.stlouisfed.org/series/TXDENT2URN> as of June 2021 (Denton County)

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NORTHWEST INDEPENDENT SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO

SCHEDULE 16

<u>Employer</u>	<u>2021</u>	
	<u>Employees</u>	<u>Percentage of Average Total Employment</u>
Charles Schwab	2,500 - 4,999	19.81%
Fidelity Investments	5,000 - 7,499	19.48%
Burlington Santa Fe	2,500 - 4,999	16.18%
Amazon	2,500 - 4,999	9.91%
GENCO ATC Logistics & Electronics	2,500 - 4,999	9.91%
Northwest ISD	2,500 - 4,999	9.91%
TD Ameritrade, Inc	2,500 - 4,999	5.94%
Mercedes-Benz Financial Services, LLC	1,000 - 2,499	3.30%
DynCorp International - GSDS	500 - 999	2.97%
Federal Express Corp - So Regional	500 - 999	2.60%
	<hr/>	<hr/>
		100.00%

Source: North Central Texas Council of Governments (map)
<https://data-nctcoggis.opendata.arcgis.com/datasets/employers/explore?location=32.943477%2C-97.351333%2C12.00>

<u>Employer</u>	2012	
	<u>Employees</u>	<u>Percentage of Average Total Employment</u>
Fidelity Investments	2,500 - 4,999	16.96%
Sabre Corporate Headquarters	2,500 - 4,999	16.96%
American Airlines Alliance	1,000 - 2,499	8.48%
First American Real Estate Information Services	1,000 - 2,499	8.48%
GENCO ATC Logistics & Electronics	1,000 - 2,499	8.48%
TD Ameritrade, Inc	1,000 - 2,499	8.48%
A T & T	500 - 999	3.39%
Bell Helicopter	500 - 999	3.39%
Burlington Northern & Santa Fe Railway	500 - 999	3.39%
Chrysler-Daimler Financial Servies	500 - 999	3.39%
Dyncorp International	500 - 999	3.39%
Federal Express Corp - So Regional	500 - 999	3.39%
LG Electronics Alabama, Inc	500 - 999	3.39%
Mercedes-Benz Financial Services LLC	500 - 999	3.39%
J.C. Penney Retail Distribution Center	250 - 499	1.68%
Galderma Laboratories, LP	250 - 499	1.68%
Walmart Supercenter	250 - 499	1.68%
		100.00%

Source: NCTCOG.org Demographic Data for Tarrant, Denton and Wise Counties, November 2012.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
 FULL-TIME-EQUIVALENT DISTRICT EMPLOYEES BY TYPE
 LAST TEN FISCAL YEARS

SCHEDULE 17

	Full-Time-Equivalent Employees as of October 1									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Supervisory										
Instructional administrators	10	11	9	18	18	18	17	20	22	19
Noninstructional administrators	32	37	33	68	67	64	63	56	53	49
Consultants/supervisors of instruction	-	-	-	-	-	-	-	-	-	-
Principals	30	31	28	32	32	32	27	26	25	25
Assistant principals	54	50	52	47	47	39	36	27	26	24
Total Supervisory	126	129	122	165	164	153	143	129	126	117
Instruction										
Elementary teachers	754	784	752	784	753	715	683	634	608	564
Secondary teachers	873	875	846	794	763	713	646	604	592	544
Other teachers (adult)	62	18	7	-	-	-	-	-	-	-
Other professionals (instructional)	-	-	-	-	-	-	-	-	-	-
Aides	214	236	219	228	224	218	196	172	160	142.5
Total Instruction	1,903	1,913	1,824	1,806	1,740	1,646	1,524	1,410	1,360	1,251
Student Services										
Guidance counselors	58	55	57	53	52	49	46	45	39	38
Visiting teachers/social workers	-	-	-	-	-	-	-	-	-	-
Psychologists	6	5	10	19	19	16	18	17	16	16
Librarians	28	28	27	25	25	25	24	24	23	22
Other professionals (noninstructional)	208	199	186	83	77	72	67	61	58	53
Technicians	49	48	41	27	27	22	20	13	13	11
Total Student Services	349	335	321	207	200	184	175	160	149	140
Support and Administration										
Clerical/secretarial	163	185	193	177	168	157	149	137	135	129
Service workers	10	10	11	9	9	9	8	17	18	17
Skilled crafts	31	34	29	35	31	25	22	20	20	20
Unskilled laborers	1	2	1	-	-	-	-	-	-	-
Total support and administration	205	231	234	221	208	191	179	174	173	166
Total	2,583	2,608	2,501	2,399	2,312	2,174	2,021	1,872	1,807	1,673

Source: Northwest Independent School District EEO5 report in HR as of Sept 25th Payroll Date

NORTHWEST INDEPENDENT SCHOOL DISTRICT
EXPENDITURES, ENROLLMENT AND PER PUPIL COST
LAST TEN FISCAL YEARS

SCHEDULE 18

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Expenses	Cost Per Pupil	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2021	25,383	253,259,600	9,978	450,638,528	17,754	1627	15.60	21.5%
2020	25,040	242,303,390	9,677	472,478,798	18,869	1,659	15.09	20.6%
2019	24,141	\$ 239,013,024	9,901	412,802,319	17,100	1,598	15.11	20.8%
2018	23,163	226,218,304	9,766	389,776,392	16,828	1,578	14.68	18.9%
2017	22,044	200,771,697	9,056	327,746,898	12,225	1,516	14.54	21.4%
2016	20,900	193,508,179	9,259	293,296,623	14,033	1,428	14.64	21.6%
2015	19,760	176,946,871	8,955	297,255,086	15,043	1,329	14.87	21.7%
2014	18,893	161,065,748	8,525	266,435,862	14,102	1,238	15.26	22.7%
2013	17,752	148,365,090	8,358	251,884,050	14,189	1,200	14.79	25.5%
2012	16,556	136,130,307	8,222	241,680,810	14,598	1,108	14.94	23.4%

Note: Expenditures for computing per pupil cost are a total of actual expenditures as prescribed by the Texas Education Agency's Financial Accountability System Resource Guide. These include the General and Special Revenue Funds excluding objects of Debt Service, Capital Outlay and Intergovernmental charges. Enrollment and Percentage of Free and Reduced comes from PEIMS Snapshot
Teacher Staff comes from Schedule 17

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

SCHEDULE 19

Schools	Original Construction	2021	2020	2019	2018	2017	2016	2015	2014	Fiscal Year Ended	
										2013	2012
Elementary Schools											
Beck	1998										
Square feet		91,953	91,953	91,953	91,953	87,032	87,032	87,032	87,032	79,603	79,603
Capacity		850	850	850	850	850	850	850	850	650	650
Enrollment		756	806	841	837	845	816	744	737	701	711
Cox	2013	2,013									
Square feet		98,866	98,866	98,866	98,866	98,866	98,866	98,866	98,866	-	-
Capacity		850	850	850	850	850	850	850	850	-	-
Enrollment		768	769	707	626	551	447	351	345	-	-
Granger	2007										
Square feet		95,418	95,418	95,418	95,418	95,418	95,418	95,418	95,418	95,418	95,418
Capacity		850	850	850	850	850	850	850	850	850	850
Enrollment		766	791	787	929	937	922	908	903	869	878
*Haslet	1992, 2020										
Square feet		100,431	100,431	78,420	78,420	78,420	78,420	78,420	78,420	78,420	78,420
Capacity		850	850	650	650	650	650	650	650	650	650
Enrollment		492	492	474	704	626	445	420	404	504	498
Hatfield	1998										
Square feet		61,652	61,652	61,652	61,652	61,652	61,652	61,652	61,652	61,652	61,652
Capacity		450	450	450	450	450	450	450	450	450	450
Enrollment		432	397	393	519	481	456	410	371	452	442
Hughes	2005										
Square feet		98,028	98,028	98,028	80,124	80,124	80,124	80,124	80,124	80,124	80,124
Capacity		850	850	850	650	650	650	650	650	650	650
Enrollment		619	685	701	659	623	585	570	541	571	574
Justin	1992										
Square feet		81,760	81,760	81,760	81,760	81,760	81,760	81,760	81,760	81,760	81,760
Capacity		650	650	650	650	650	650	650	650	650	650
Enrollment		613	595	659	593	574	540	522	507	516	514
Lakeview	1983										
Square feet		85,671	85,671	85,671	85,671	85,671	85,671	85,671	85,671	85,671	56,312
Capacity		650	650	650	650	650	650	650	650	650	500
Enrollment		548	610	593	630	586	569	568	566	520	489
Love	2009										
Square feet		97,924	97,924	97,924	97,924	97,924	97,924	97,924	97,924	97,924	81,203
Capacity		850	850	850	850	850	850	850	850	850	650
Enrollment		655	712	744	617	662	717	715	680	576	571
Nance	2005										
Square feet		80,124	80,124	80,124	80,124	80,124	80,124	80,124	80,124	80,124	80,124
Capacity		650	650	650	650	650	650	650	650	650	650
Enrollment		612	598	631	603	552	499	481	452	461	459

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

SCHEDULE 19 (Continued)

Schools	Original Construction	2021	2020	2019	2018	2017	2016	2015	2014	Fiscal Year Ended	
										2013	2012
Elementary Schools Continued											
Peterson	2008										
Square feet		98,142	98,142	98,142	98,142	98,142	98,142	98,142	98,142	81,000	81,000
Capacity		850	850	850	850	850	850	850	850	650	650
Enrollment		740	802	746	781	747	866	807	761	628	623
Prairie View	1998										
Square feet		78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000
Capacity		650	650	650	650	650	650	650	650	650	650
Enrollment		516	482	452	442	443	423	437	450	451	443
*Roanoke	2010										
Square feet		97,411	97,411	97,411	97,411	97,411	97,411	97,411	97,411	97,411	97,411
Capacity		850	850	850	850	850	850	850	850	850	850
Enrollment		615	651	769	755	758	709	752	725	805	804
Seven Hills	1998										
Square feet		75,968	75,968	75,968	75,968	75,968	75,968	75,968	75,968	75,968	75,968
Capacity		650	650	650	650	650	650	650	650	650	650
Enrollment		558	532	562	562	599	534	568	553	527	522
Sendera Ranch	2008										
Square feet		100,447	100,447	81,000	81,000	81,000	81,000	81,000	81,000	81,000	81,000
Capacity		850	850	650	650	650	650	650	650	650	650
Enrollment		607	644	657	568	587	590	603	596	560	557
Schluter	2011										
Square feet		101,834	101,834	101,834	101,834	101,834	83,099	83,099	83,099	83,099	83,099
Capacity		850	850	850	850	850	650	650	650	650	650
Enrollment		943	921	824	747	658	635	543	526	425	413
JC Thompson	2011										
Square feet		104,676	104,676	83,099	83,099	83,099	83,099	83,099	83,099	83,099	83,099
Capacity		850	850	650	650	650	650	650	650	650	650
Enrollment		725	734	620	703	622	566	543	532	479	435
Lizzie Curtis	2018										
Square feet		107,026	107,026	107,026	-	-	-	-	-	-	-
Capacity		850	850	850	-	-	-	-	-	-	-
Enrollment		707	641	566	-	-	-	-	-	-	-
Lance Thompson	2019										
Square feet		100,431	100,431	100,431	-	-	-	-	-	-	-
Capacity		850	850	850	-	-	-	-	-	-	-
Enrollment		501	380	566	-	-	-	-	-	-	-

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

SCHEDULE 19 (Continued)

Schools	Original Construction	2021	2020	2019	2018	2017	2016	2015	2014	Fiscal Year Ended	
										2013	2012
Middle Schools											
Chisholm	1998										
Square feet		176,057	176,057	171,361	171,361	171,361	171,361	171,361	171,361	171,361	171,361
Capacity		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment		531	485	474	1,060	1,022	977	896	902	866	860
Medlin	1998										
Square feet		183,786	183,786	170,889	170,889	170,889	170,889	170,889	170,889	170,889	170,889
Capacity		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment		1,036	1,102	1,117	1,105	1,143	1,121	1,071	1,081	903	891
Pike	1993										
Square feet		210,883	210,883	192,414	192,414	192,414	192,414	192,414	192,414	192,414	192,414
Capacity		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment		1,062	1,017	1,000	1,060	850	770	759	746	755	762
Tidwell	2010										
Square feet		181,000	181,000	181,000	181,000	181,000	181,000	181,000	181,000	181,000	181,000
Capacity		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment		1,051	1,033	946	1,215	1,161	1,124	1,048	1,046	921	913
Wilson	2012										
Square feet		199,500	199,500	199,500	199,500	199,500	199,500	199,500	199,500	199,500	-
Capacity		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	-
Enrollment		953	958	924	1,034	991	838	855	852	682	-
Adams	2018										
Square feet		198,818	198,818	198,818	-	-	-	-	-	-	-
Capacity		1,200	1,200	1,200	-	-	-	-	-	-	-
Enrollment		1,488	1,372	1,196	-	-	-	-	-	-	-
High Schools											
Byron Nelson	2009										
Square feet		646,201	623,732	502,234	502,234	502,234	502,234	502,234	502,234	502,234	502,234
Capacity		2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Enrollment		2,582	2,456	2,463	2,449	2,512	2,524	2,515	2,563	2,077	2,127
Northwest	1984										
Square feet		600,697	600,697	542,427	542,427	542,427	542,427	542,427	542,427	542,427	542,427
Capacity		3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Enrollment		1,942	1,896	1,756	1,709	1,972	2,194	2,753	2,821	2,422	2,511
*Steele	1992										
Square feet		55,567	55,567	55,567	55,567	55,567	55,567	55,567	55,567	55,567	55,567
Capacity		450	450	450	450	450	450	450	450	450	450
Enrollment		225	193	181	133	128	130	109	119	74	92
VR Eaton	2016										
Square feet		622,018	590,157	525,602	525,602	525,602	525,602	-	-	-	-
Capacity		2,500	2,500	2,500	2,500	2,500	2,500	-	-	-	-
Enrollment		2,672	2,476	2,367	2,181	1,567	982	-	-	-	-

Note: *Roanoke Elementary School was relocated to a new facility 2010-2011 with Steele Accelerated High School occupying the old Roanoke Elementary School campus. Note: *Haslet Elementary School was relocated to a new facility 2020-2021

Source: Northwest Independent School District, Facilities, Planning & Construction.



SINGLE AUDIT SECTION

Members:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC
ACCOUNTANTS
TEXAS SOCIETY OF CERTIFIED
PUBLIC ACCOUNTANTS

**HANKINS, EASTUP, DEATON,
TONN & SEAY**
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

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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*

To the Board of Trustees
Northwest Independent School District
Fort Worth, Texas 76177

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 Northwest Independent School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Northwest Independent School District's basic financial statements, and have issued our report dated November 9, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies 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, other material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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



Hankins, Eastup, Deaton, Tonn & Seay, PC
Denton, Texas

November 9, 2021

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

To the Board of Trustees
Northwest Independent School District
Fort Worth, Texas 76177

Report on Compliance for Each Major Federal Program

We have audited Northwest Independent School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Northwest Independent School District's major federal programs for the year ended June 30, 2021. Northwest Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of finding 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 Northwest 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 audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the 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 about Northwest 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 Northwest Independent School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Northwest 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 June 30, 2021.

Report on Internal Control Over Compliance

Management of Northwest 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 Northwest 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 the 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 Northwest 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Hankins, Eastup, Deaton, Tonn & Seay, PC
Denton, Texas

November 9, 2021

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

I. Summary of Auditor's Results

1. Type of auditor's report issued on the financial statements: Unmodified.
2. Internal control over financial reporting:
Material weakness(es) identified: No
Significant deficiency(ies) identified that are not considered to be material weaknesses: None reported
3. Noncompliance which is material to the financial statements: None
4. Internal controls over major federal programs:
Material weakness(es) identified: None
Significant deficiency(ies) identified that are not considered to be material weaknesses: None reported
5. Type of auditor's report on compliance for major federal programs: Unmodified.
6. Did the audit disclose findings which are required to be reported in accordance with 2 CFR 200.516(a)?: No
7. Major programs include:

84.041	Impact Aid
84.010A	ESEA, Title I
IDEA-B Cluster:	
84.027	IDEA-B, Formula
84.173	IDEA-B, Preschool
8. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.
9. Low risk auditee: Yes

II. Findings Related to the Financial Statements

None

III. Other Findings

None

NORTHWEST INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2021

None

NORTHWEST INDEPENDENT SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

None

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
<u>Direct Programs</u>			
Impact Aid - P.L. 81.874 (Note A)	84.041	01-061911	\$ 533,404
Total Direct Programs			533,404
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	20610101061911	98,140
ESEA, Title I, Part A - Improving Basic Programs	84.010A	21610101061911	931,764
ESEA, Title I, Part D	84.010A	20610103061911	9,439
Total Assistance Listing Number 84.010A			1,039,343
*IDEA - Part B, Formula	84.027	206600010619116600	401,090
*IDEA - Part B, Formula	84.027	216600010619116600	2,862,914
Total Assistance Listing Number 84.027			3,264,004
*IDEA - Part B, Preschool	84.173	206610010619116610	40,517
*IDEA - Part B, Preschool	84.173	216610010619116610	25,800
Total Assistance Listing Number 84.173			66,317
Total Special Education Cluster (IDEA)			3,330,321
Career and Technical - Basic Grant	84.048	20420006061911	78,316
Career and Technical - Basic Grant	84.048	21420006061911	51,761
Total Assistance Listing Number 84.048			130,077
Title III, Part A - English Language Acquisition	84.365A	20671001061911	35,641
Title III, Part A - English Language Acquisition	84.365A	21671001061911	140,312
Total Assistance Listing Number 84.365A			175,953
ESEA, Title II, Part A, Teacher Principal Training	84.367A	20694501061911	7,985
ESEA, Title II, Part A, Teacher Principal Training	84.367A	21694501061911	172,152
Total Assistance Listing Number 84.367A			180,137
ESEA, Title IV, Part A	84.424A	20680101061911	37,577
ESEA, Title IV, Part A	84.424A	21680101061911	50,410
Total Assistance Listing Number 84.424A			87,987
ESSER Relief I	84.425D	20521001061911	22,996
Total Passed Through State Department of Education			4,966,814
TOTAL U.S. DEPARTMENT OF EDUCATION			5,500,218
 U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through State Department of Education</u>			
Medicaid Administrative Claiming Program - MAC	93.778	01-061911	53,188
Total Passed Through State Department of Education			53,188
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			53,188

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the State Department of Agriculture</u>			
*School Breakfast Program	10.553	71402001	1,035,620
*National School Lunch Program - Cash Assistance	10.555	71302001	4,592,676
*National School Lunch Prog. - Non-Cash Assistance	10.555	71302001	460,509
Total Assistance Listing Number 10.555			5,053,185
Total Child Nutrition Cluster			6,088,805
Total Passed Through the State Department of Agriculture			6,088,805
TOTAL U.S. DEPARTMENT OF AGRICULTURE			6,088,805
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 11,642,211

*Clustered Programs

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

NORTHWEST INDEPENDENT SCHOOL DISTRICT
 NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2021

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

With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used in the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned.

- The period of performance for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 90 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Performance of Federal Funds, 3 CFR Section 200.343 (b).
- Assistance listing numbers for commodity assistance are the Assistance listing numbers of the programs under which USDA donated the commodities.
- Indirect cost reimbursement for federal programs for this fiscal year was received in the amount of \$622,510.
- Reconciliation Information:

Amount reported on the Schedule of Expenditures of Federal awards	\$11,642,211
SHARS Revenue reported in the General Fund	3,059,587
Tax Credit Revenue reported in the Debt Service Fund	-
Plus Revenue Received for Coronavirus Relief Fund for FY20 Expenditures	<u>189,069</u>
 Total Federal Program Revenue	 <u>\$14,890,867</u>