

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

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.

Additionally, the District reports the following fund type:

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.

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.

2021 - 2022 Adopted Budget

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 differs from the General Fund's budgetary fund balance of \$57,464,489 reported in the budgetary comparison schedule. 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

On 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

2021 - 2022 Adopted Budget

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.

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 deficit budget for 2021-2022 for the general fund. Budgeted revenues for the general fund are \$5,366,397 lower than actual 2020-2021 revenues due to expected reduction in money received from the State. Budgeted expenditures are \$8,245,422 lower than actual 2020-2021 expenditures after a 10% reduction in general supplies across all functions.

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.

Major Revenue Sources

Local Real and Personal Property Taxes is the District's main source of revenue at 89% of total revenue for 2021-2022. The District's Maintenance & Operations (M&O) tax rate for 2021-2022 is \$0.8720. The Interest & Sinking (I&S) tax rate is \$0.42 to meet voter approved debt requirements. The total tax rate is \$1.2900.

Other Local Sources

Revenue from other local sources include but are not limited to:

- Interest earnings
- Facility rental
- Donations
- Athletic gate receipts
- Concessions
- Student fees
- Advertising
- Lunch sales
- Northwest Education Foundation

Revenue from lunch sales is recorded into the Food Service fund and activity fund resources are generated from co-curricular activities that solely benefit students.

The Northwest ISD Education Foundation is a 501(c)(3) non-profit, tax-exempt organization composed of community leaders and businesses, working together to enhance the quality of education in the Northwest Independent School District. Private donations to the foundation benefit students and teachers by supporting activities not funded by tax dollars. The foundation's teaching grants allow teachers to take a more creative approach to education and dream bigger. Student scholarships are awarded annually to help ensure that Northwest ISD graduates continue their paths to success, even after they leave the district. Grant and scholarship recipients are chosen carefully by our voluntary board of directors and community partners on an anonymous basis to ensure every student, teacher or staff member is judged on merit.

General Fund

The general fund is a governmental fund with budgetary control which is used to show transactions resulting from operations of on-going organizations and activities from a variety of revenue sources for which fund balance is controlled by and retained for the use of the local education agency. The general fund utilizes the modified accrual basis of accounting. To maintain separate revenue and expenditure accounts to assure the integrity of specific revenue purposes when required by law or rule, the general fund is to employ the classification defined below by the Texas Education Agency.

Fund 199 – General Fund

This classification must be used to account for funds in which the local governing board designates. The local governing board has wide discretion in their use as provided by law. This fund usually includes transactions as a result of revenues from local maintenance taxes, payments in lieu of taxes, foundation entitlements, State and County available and other Foundation School Program sources which are not identified on warrants for foundation entitlements. Any locally defined codes that are used at the local option are to be converted to Fund 199 for PEIMS reporting

Fund 184 – Cocurricular/Extracurricular Activities

This locally defined fund code is used to account for expenditures/expenses for school-sponsored activities during or after the school day that are not essential to the delivery of services for Function 11 - Instructional, the Function code 20 series – Instructional and School Leadership or other Function code 30 series – Support Services Student (Pupil). These activities are generally designed to provide students with experiences such as motivation and the enjoyment and improvement of skills in either a competitive or noncompetitive setting. These activities include student groups such as Future Farmers of America (FFA), National Honor Society, etc. Cocurricular activities are those activities that are not essential to instruction but enhance the curriculum and include University Interscholastic League competition such as one-act plays, speech, debate, band, etc.

Extracurricular activities are those activities that do not enhance the instructional program including athletics that normally involve competition between schools (and frequently involve offsetting gate receipts or fees such as football, baseball, volleyball, track, and tennis). Also included are related activities (such as drill team, pep squad and cheer leading) that exist because of athletics.

Fund 185 – Cocurricular/ Aquatic Center

This locally defined fund code is used to account for expenditures/expense that pertain to the operation of the Aquatic Center.

These funds are converted to Fund 199 for PEIMS reporting.

2021 - 2022 Adopted Budget

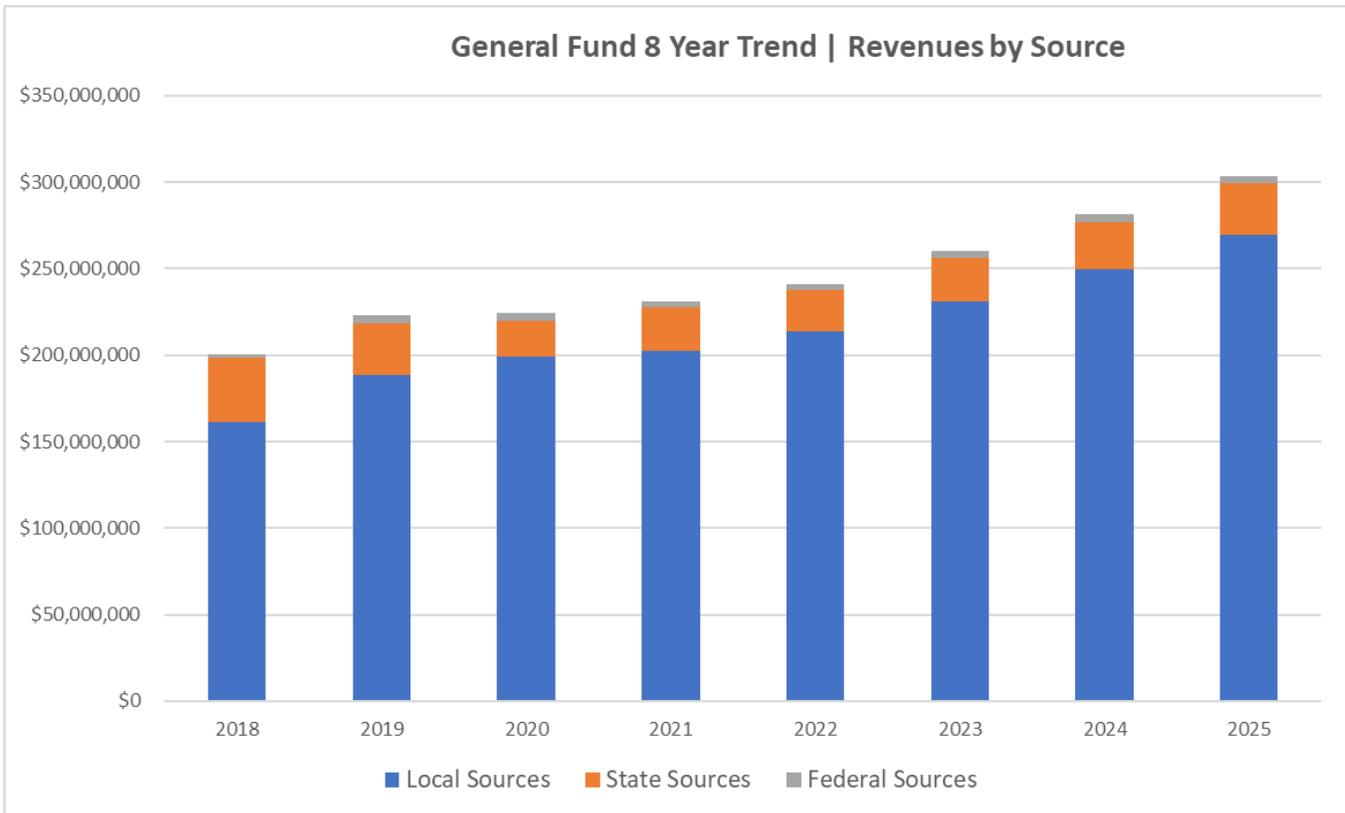
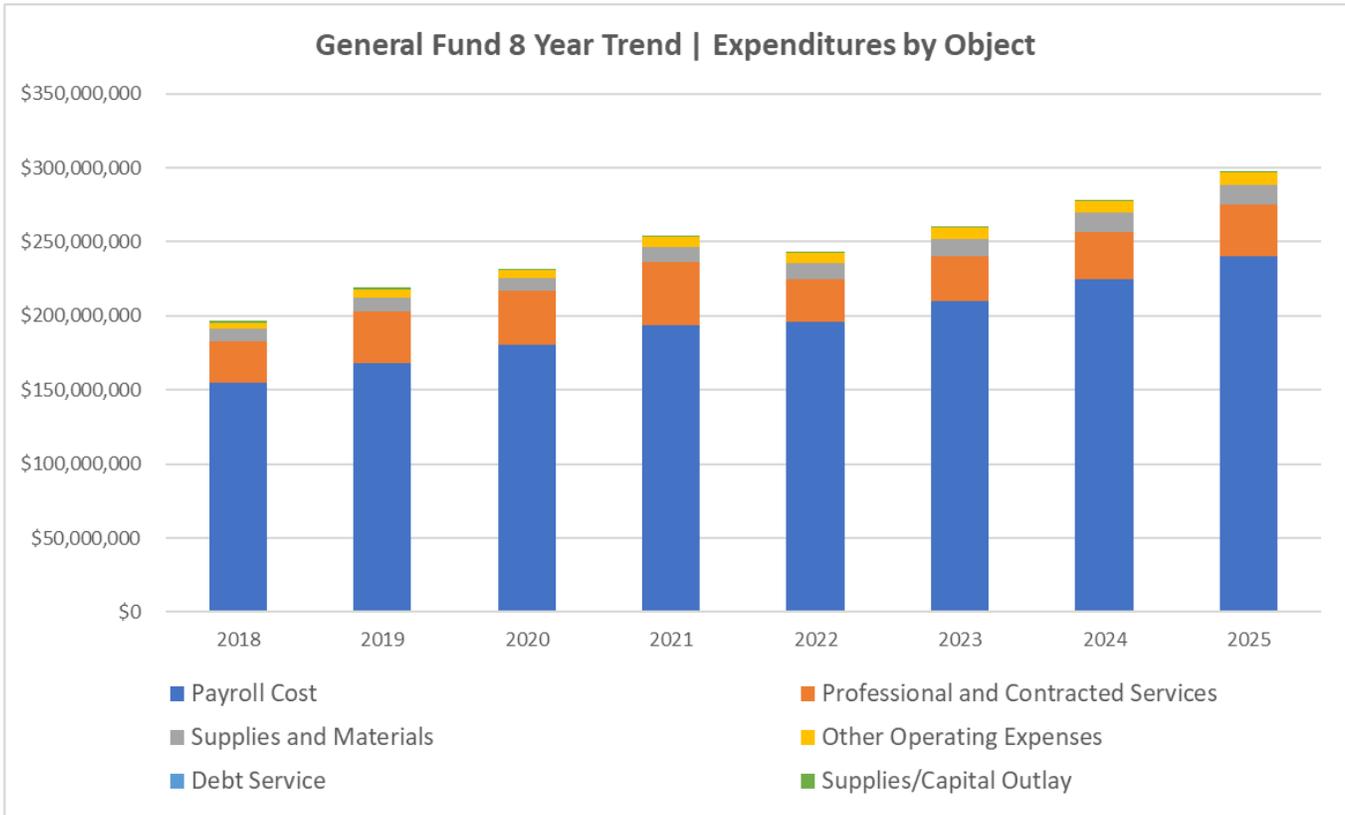
**NORTHWEST INDEPENDENT SCHOOL DISTRICT
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE
GENERAL FUND
BUDGET FOR THE YEAR ENDING JUNE 30, 2022**

Description	Audited Financial Reports			Adopted Budget		Financial Forecast		
	17 - 18	18 - 19	19-20	20 - 21	21-22	22-23	23-24	24-25
REVENUES:								
Local and Intermediate Sources	161,291,823	188,639,493	199,346,105	202,239,926	213,991,004	231,110,284	249,599,107	269,567,036
State Program Revenues	37,024,657	29,889,734	20,589,868	25,582,599	23,495,021	25,374,623	27,404,592	29,596,960
Federal Program Revenues	2,143,513	4,682,220	4,366,494	3,038,992	3,588,992	3,876,111	4,186,200	4,521,096
Total Revenues	200,459,993	223,211,447	224,302,467	230,861,517	241,075,017	260,361,018	281,189,899	303,685,092
EXPENDITURES:								
Payroll Costs	155,144,203	167,871,777	180,516,794	193,996,228	196,280,927	210,020,592	224,722,033	240,452,575
Contracted Service	27,815,027	35,418,700	36,214,792	42,355,820	28,162,576	30,133,957	32,243,334	34,500,367
Supplies and Materials	8,336,883	9,374,411	8,936,710	9,885,820	10,893,153	11,655,674	12,471,571	13,344,581
Miscellaneous	4,092,561	5,263,240	4,918,076	6,914,112	7,144,673	7,644,800	8,179,936	8,752,531
Debt Service	-	-	-	-	-	-	-	-
Capital Outlay	1,117,063	1,127,950	1,008,868	876,383	609,091	651,727	697,348	746,163
Total Expenditures	196,505,736	219,056,078	231,595,241	254,028,363	243,090,420	260,106,750	278,314,223	297,796,217
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,954,257	4,155,369	(7,292,774)	(23,166,846)	(2,015,404)	254,268	2,875,676	5,888,875
Other Resources	99	291	43	-	-	-	-	-
Other (Uses)	20,355,199	1,162,363	1,779,286	2,000,000	-	-	-	-
Excess (Deficiency) of Revenues and Other Resources								
Over Expenditures and Other Uses	(16,400,843)	2,993,298	(9,072,017)	(25,166,846)	(2,015,404)	254,268	2,875,675	5,888,875
Fund Balance - September 1, (Beginning)	112,542,272	96,141,429	99,134,726	90,062,710	64,895,864	62,880,461	63,134,729	66,010,404
Increase (Decrease) in Fund Balance	(16,400,843)	2,993,298	(9,072,017)	(25,166,846)	(2,015,404)	254,268	2,875,675	5,888,875
Fund Balance - June 30 (Ending)	96,141,429	99,134,726	90,062,710	64,895,864	62,880,461	63,134,729	66,010,404	71,899,279

Assumptions:

- (1) Revenue was projected at a conservative 8% per year increase for anticipated growth.
- (2) Our District is considered "fast growth" and therefore, expect an increase in all expenses by 7% in accommodate the growth.

2021 - 2022 Adopted Budget



Source: Forecast 5

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.

281 ESSER II – The Elementary and Secondary School Emergency Relief Fund. Funds are granted under the Coronavirus Response and Relief supplemental Appropriations.

282 ESSER III – The Elementary and Secondary School Emergency Relief Fund. Funds are granted under the American Rescue Plan Act of 2021.

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.

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

2021 - 2022 Adopted Budget

The Elementary and Secondary School Emergency Relief Fund. Funds are granted under the Coronavirus Response and Relief supplemental Appropriations

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.

2021 - 2022 Adopted Budget

**NORTHWEST INDEPENDENT SCHOOL DISTRICT
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE
FOOD SERVICE
BUDGET FOR THE YEAR ENDING JUNE 30, 2022**

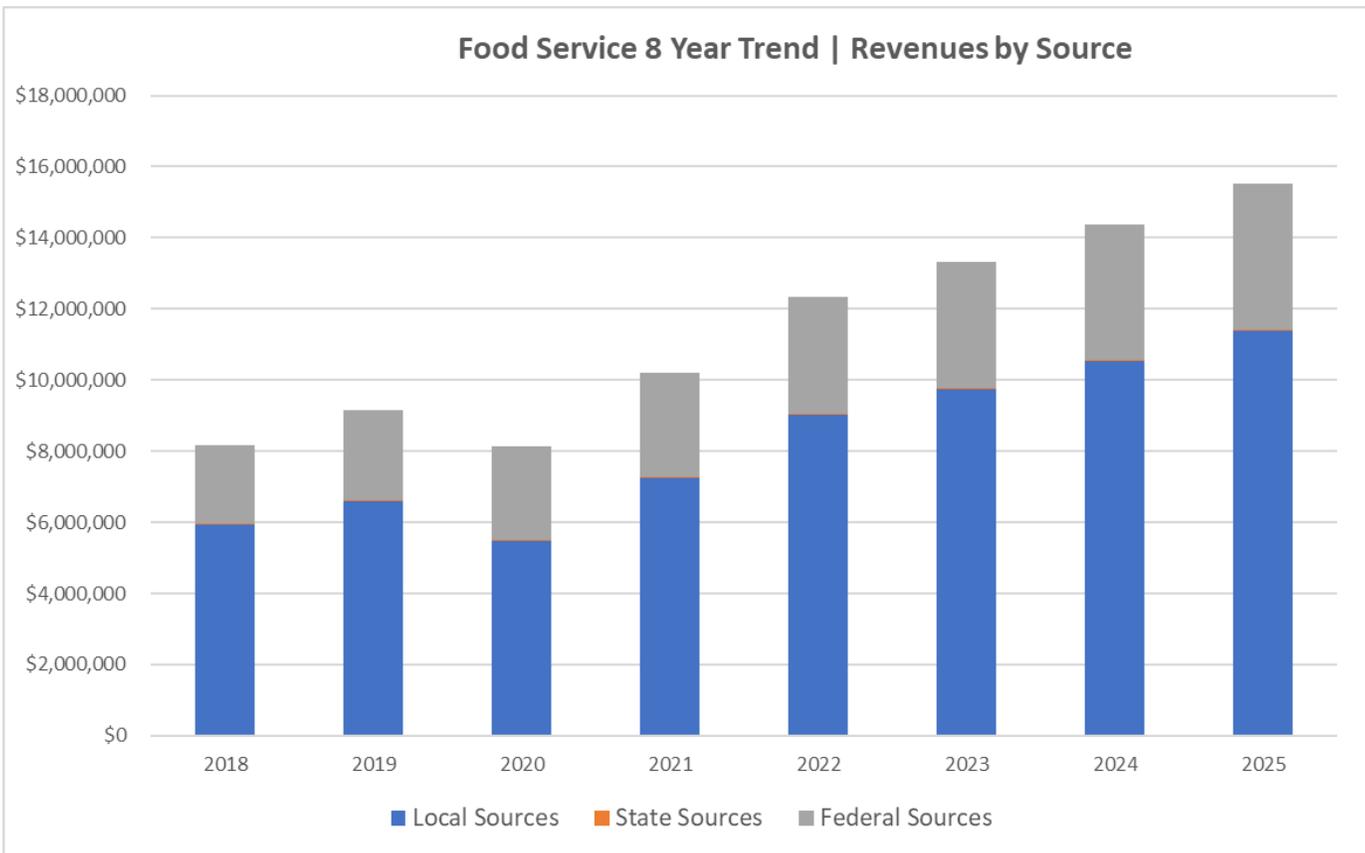
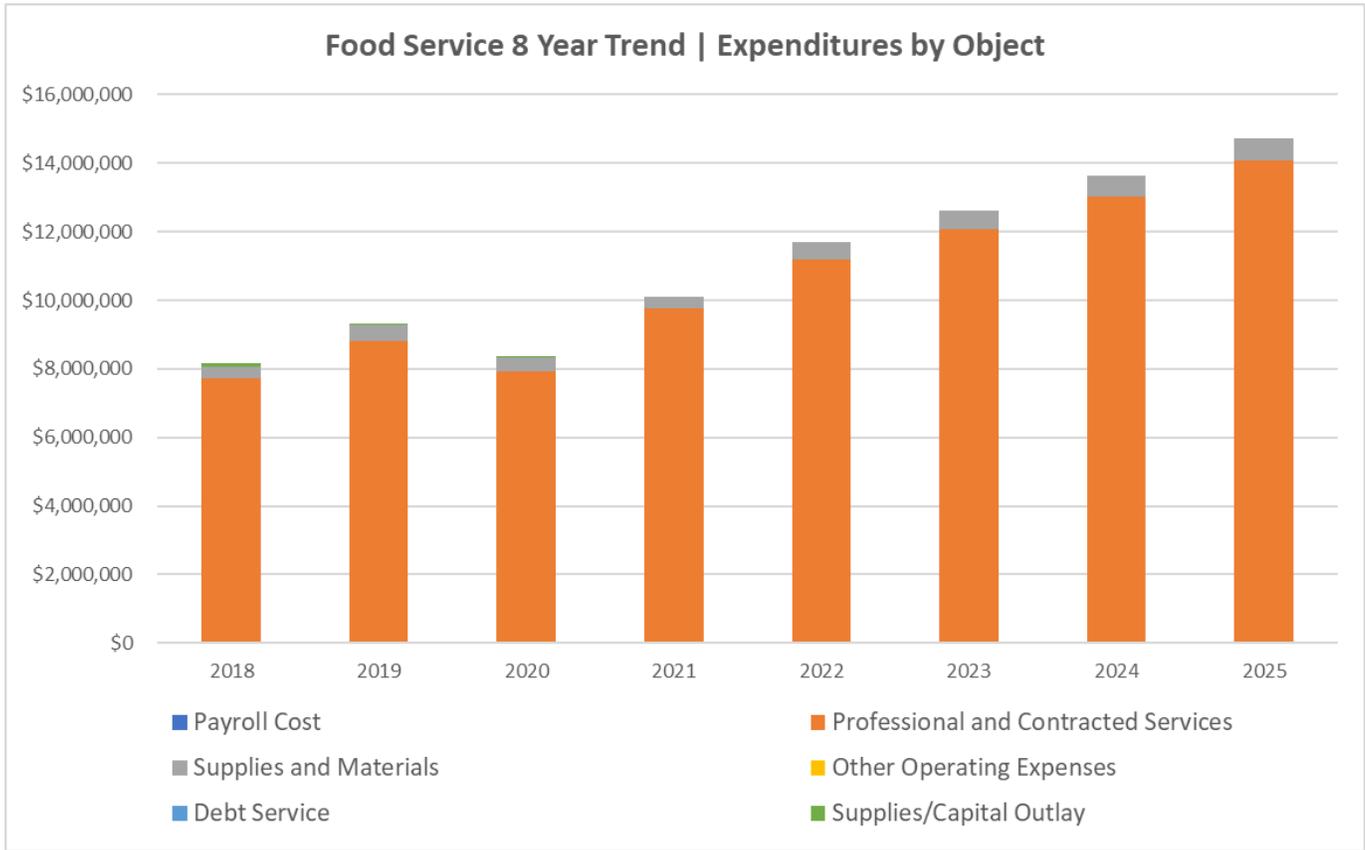
Description	Audited Financial Reports			Adopted Budget		Financial Forecast		
	17 - 18	18 - 19	19-20	20 - 21	21-22	22-23	23-24	24-25
REVENUES:								
Local and Intermediate Sources	5,934,235	6,589,346	5,474,484	7,263,901	9,037,422	9,760,416	10,541,249	11,384,549
State Program Revenues	27,585	28,301	28,417	31,356	30,408	32,841	35,468	38,305
Federal Program Revenues	<u>2,202,242</u>	<u>2,531,622</u>	<u>2,617,112</u>	<u>2,893,044</u>	<u>3,264,582</u>	<u>3,525,749</u>	<u>3,807,808</u>	<u>4,112,433</u>
Total Revenues	8,164,061	9,149,269	8,120,013	10,188,301	12,332,412	13,319,005	14,384,525	15,535,287
EXPENDITURES:								
Payroll Costs	-	-	-	-	-	-	-	-
Contracted Service	7,720,333	8,804,443	7,922,533	9,744,044	11,172,956	12,066,792	13,032,136	14,074,707
Supplies and Materials	340,248	466,427	423,839	353,741	509,452	550,208	594,225	641,763
Miscellaneous	10,000	2,200	571	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Capital Outlay	80,345	14,964	17,307	-	-	-	-	-
Total Expenditures	8,150,925	9,288,034	8,364,251	10,097,785	11,682,408	12,617,001	13,626,361	14,716,470
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,136	(138,765)	(244,238)	90,516	650,004	702,004	758,165	818,818
Other Resources	13,344	13,344	15,831	-	-	-	-	-
Other (Uses)	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Resources Over Expenditures and Other Uses	<u>26,480</u>	<u>(125,421)</u>	<u>(228,407)</u>	<u>90,516</u>	<u>650,004</u>	<u>702,004</u>	<u>758,164</u>	<u>818,818</u>
Fund Balance - September 1, (Beginning)	1,039,729	1,066,209	940,789	712,382	802,898	1,452,902	2,154,906	2,913,070
Increase (Decrease) in Fund Balance	26,480	(125,421)	(228,407)	90,516	650,004	702,004	758,164	818,818
Fund Balance - June 30 (Ending)	1,066,209	940,789	712,382	802,898	1,452,902	2,154,906	2,913,070	3,731,888

Assumptions:

- (1) Revenue was projected at an 8% per year increase due to growth. We expect an increase meals served as COVID goes away and increase in federal funds.
- (2) Our District is considered "fast growth" and therefore, expect an increase in all expenses by 8% in accommodate the growth. We expect to increase the salaries of our workers and an increase in the cost of goods.

Financial Summary

2021 - 2022 Adopted Budget



Source: Forecast 5

2021 - 2022 Adopted Budget
NORTHWEST INDEPENDENT SCHOOL DISTRICT
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE
SPECIAL REVENUE FUNDS
BUDGET FOR THE YEAR ENDING JUNE 30, 2022

Description	Audited Financial Reports			Adopted Budget		Financial Forecast		
	17 - 18	18 - 19	19-20	20 - 21	21-22	22-23	23-24	24-25
REVENUES:								
Local and Intermediate Sources	9,489,986	7,458,984	9,057,980	7,395,039	9,081,900	9,807,840	10,592,467	11,439,865
State Program Revenues	1,969,349	2,224,276	1,948,597	31,356	271,358	293,066	316,512	341,833
Federal Program Revenues	6,198,747	9,420,112	7,565,424	8,173,159	12,946,857	13,982,606	15,101,214	16,309,311
Total Revenues	17,658,082	19,103,371	18,572,001	15,599,554	22,300,115	24,083,512	26,010,193	28,091,009
EXPENDITURES:								
Payroll Costs	3,555,288	5,467,647	4,136,906	4,076,747	8,534,478	8,705,169	8,879,270	9,056,856
Contracted Service	8,259,989	9,616,584	8,520,676	10,649,610	11,286,302	12,516,492	13,519,072	14,227,622
Supplies and Materials	4,306,638	4,203,097	2,771,232	984,284	868,559	953,332	953,332	953,332
Miscellaneous	1,096,894	(168,459)	2,821,836	3,023,418	1,854,169	1,554,169	2,304,169	3,498,849
Debt Service	-	-	-	-	-	-	-	-
Capital Outlay	102,090	14,964	87,204	109,358	54,350	54,350	54,350	54,350
Total Expenditures	17,320,899	19,133,834	18,337,851	18,843,417	22,597,858	23,783,512	25,710,193	27,791,009
Excess (Deficiency) of Revenues Over (Under) Expenditures	337,183	(30,463)	234,150	(3,243,863)	(297,743)	300,000.00	300,000	300,000
Other Resources	13,344	29,036	83,350	-	-	-	-	-
Other (Uses)	-	-	(44,446)	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Resources								
Over Expenditures and Other Uses	<u>350,527</u>	<u>(1,427)</u>	<u>273,054</u>	<u>(3,243,863)</u>	<u>(297,743)</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Fund Balance - September 1, (Beginning)	3,334,670	3,685,197	3,683,770	3,956,824	712,961	415,218	715,218	1,015,218
Increase (Decrease) in Fund Balance	350,527	(1,427)	273,054	(3,243,863)	(297,743)	300,000	300,000	300,000
Fund Balance - June 30 (Ending)	3,685,197	3,683,770	3,956,824	712,961	415,218	715,218	1,015,218	1,315,218

Assumptions:

- (1) Funds included in this group, are not guaranteed year to year. Because we are considered a fast growth District, we have estimated an 8% increase in revenue for the forecasted years.
- (2) Salary increases typically range from 1% - 3%. To be conservative a 2% increase per year was used.
- (3) If revenue received from the State does not meet forecast and salaries increase, costs associated with federal funds will be decreased to balance the federal budget. The small gain is projected from activity funds where we expect an increase in fundraising.

Debt Service Funds

Debt Service Funds

A debt service fund is a governmental fund, with budgetary control, that must be used to account for general long-term debt principal and interest for debt issues and other long-term debts for which a tax has been dedicated. A separate bank account must be kept for this fund. Principal and interest payments for operating indebtedness including warrants, notes, and short-term lease-purchase agreements, are to be made from the fund for which the debt was incurred. This fund utilizes the modified accrual basis of accounting.

Tax Supported Debt Limitation

A school district is also authorized to issue bonds and levy taxes for payment of bonds subject to voter approval of a proposition submitted to the voters under Section 45.003 (b)(1), Texas Education Code, as amended, which provides a tax unlimited as to rate or amount for the support school district bonded indebtedness.

Chapter 45 of the Texas Education Code, as amended, requires a district to demonstrate to the Texas Attorney General that it has the prospective ability to pay debt service on a proposed issue of bonds, together with debt service on other outstanding “new debt” of the district, from a tax levied at a rate of \$0.50 per \$100 of assessed valuation before bonds may be issued. In demonstrating the ability to pay debt service at a rate of \$0.50, a district may take into account State allotments to the district which effectively reduce the district’s local share of debt service. Once the prospective ability to pay such tax has been shown and the bonds are issued, a district may levy an unlimited tax to pay debt service.

Computation of Legal Debt Limit (Per \$100 of Assessed Valuation)	
Debt Limit	\$0.50000
Interest & Sinking tax rate	0.42000
Balance	\$0.08000

This governmental fund budgeted at \$79,169,547 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, and a separate bank account is maintained for this fund. In 2017, the District issued the remaining \$45,000,000 in bonds from the 2008 voted authorization and the remaining \$55,000,000 in bonds from the 2012 voted authorization. The District’s voters authorized \$399,000,000 in bonds on May 6, 2017. That authorization was issued over a three-year period: \$100,000,000 in 2018, \$100,000,000 in 2019 and \$199,000,000 in 2020. The District’s voters authorized \$737,500,000 in bonds on May 1, 2021. The District has issued \$200,000,000 from that authorization in 2021 leaving \$537,500,000 of 2021 bond authorization remaining.

Since 2016, the debt management actions of the District’s Board of Trustees, Administration and the financial team have implemented six refunding transactions totaling \$428,654,956 and prepaid \$4,100,000 of existing bonds to reduce the total interest cost on voter approved bonds for the District’s taxpayers. The combined total savings from the refunding and prepayment transactions since 2016 is \$80,228,424. This reduction in debt service payments will help the District accommodate future bond programs to support the District’s rapidly increasing enrollment.

Debt Guideline

Although the Board of Trustees do not have an adopted, formal debt policy, the conservatively projected annual growth in assessed valuation should allow the District to meet its guideline of maintaining a maximum Interest & Sinking tax rate of no more than \$0.45000 per \$100 of assessed property valuation. The 2020-21 Interest & Sinking tax rate dropped to \$0.42.

Ratings

The District's bonds are rated Aaa by Moody's Investor Services and AAA by Fitch Ratings, by virtue of the Permanent School Fund of the State of Texas. The underlying credit ratings of the district are Aa2 by Moody's Investor Services and AA by Fitch Ratings.

2021 - 2022 Adopted Budget

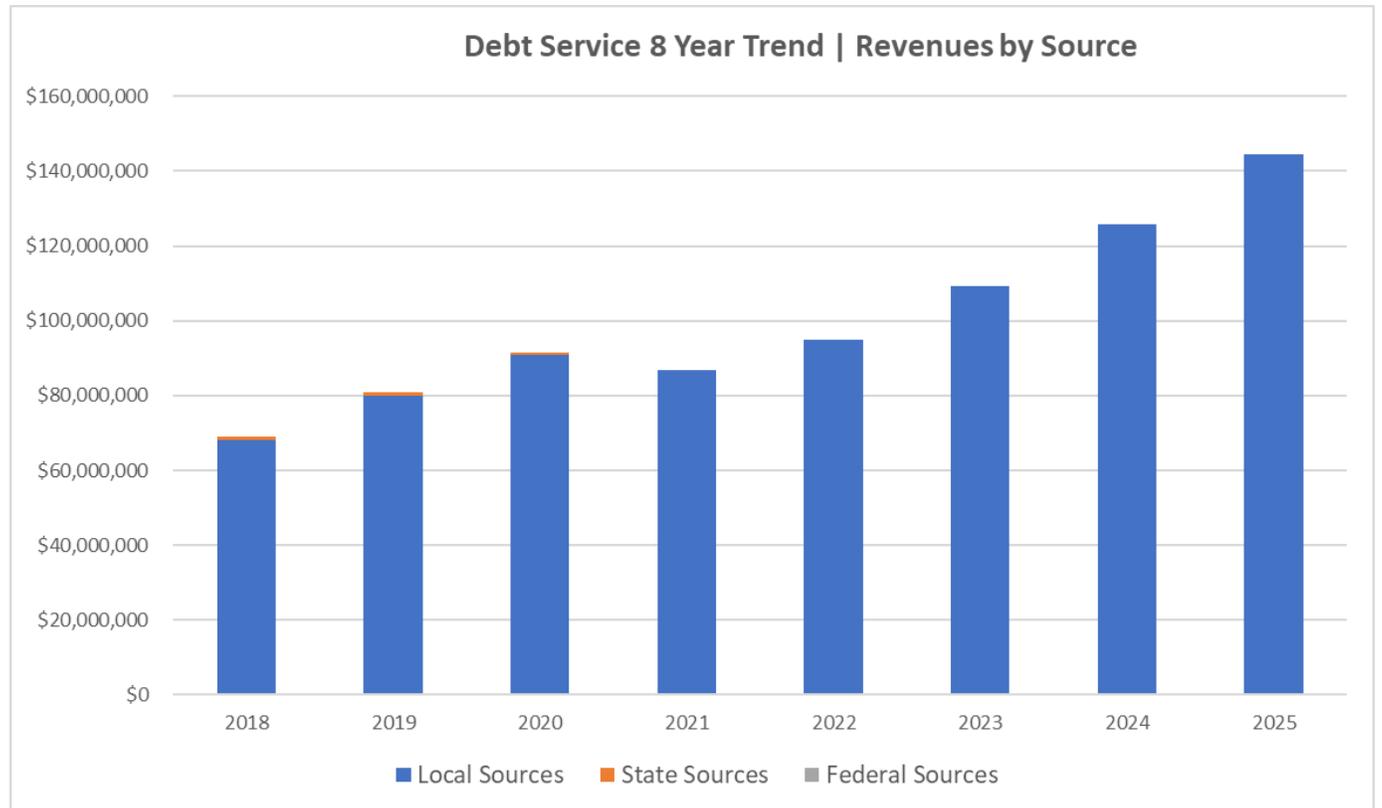
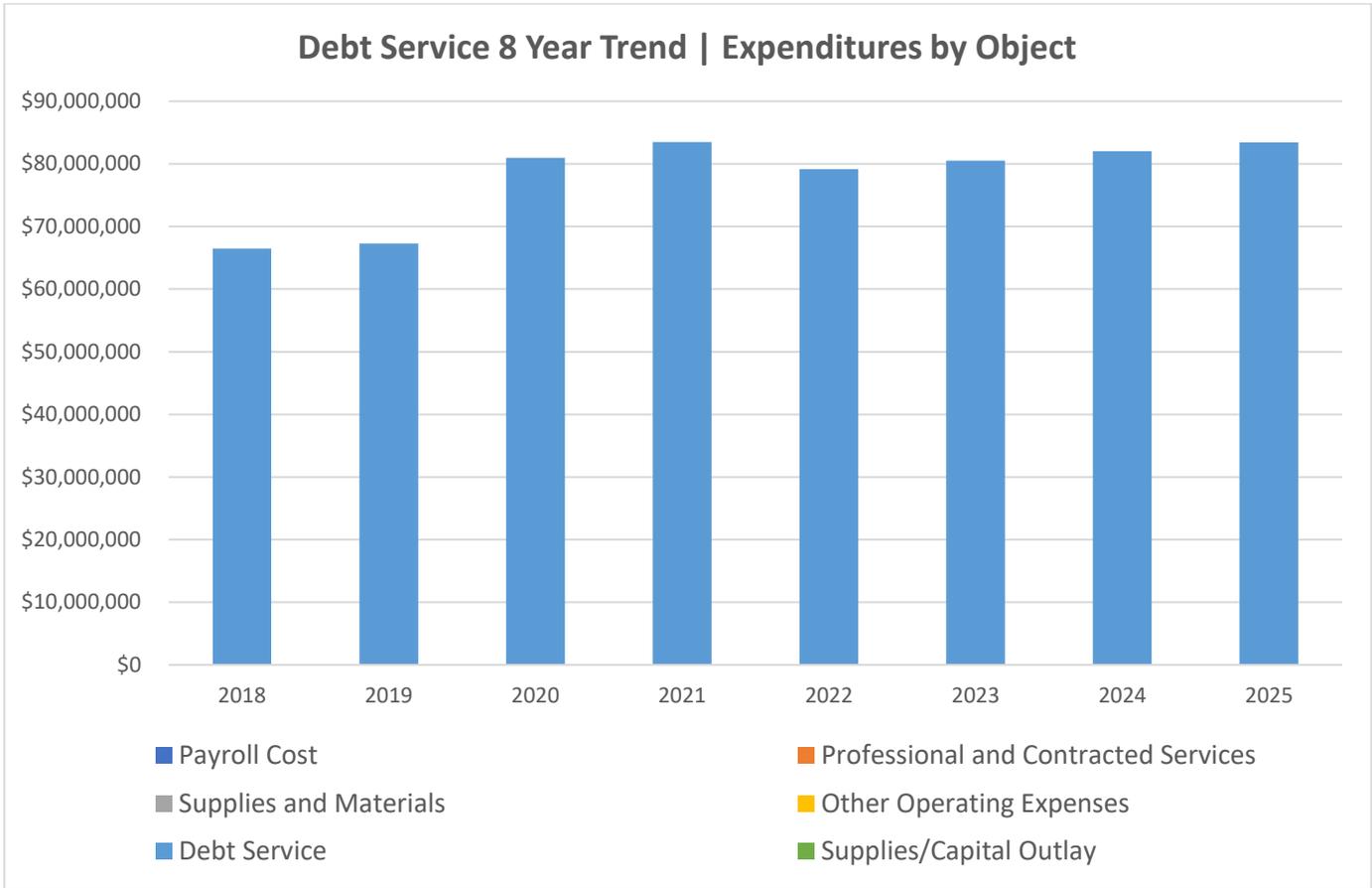
**NORTHWEST INDEPENDENT SCHOOL DISTRICT
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE
DEBT SERVICE
BUDGET FOR THE YEAR ENDING JUNE 30, 2022**

Description	Audited Financial Reports			Adopted Budget		Financial Forecast		
	17 - 18	18 - 19	19-20	20 - 21	21-22	22-23	23-24	24-25
REVENUES:								
Local and Intermediate Sources	68,223,912	79,959,726	90,717,548	86,900,000	95,000,000	109,250,000	125,637,500	144,483,125
State Program Revenues	831,320	786,321	675,259	-	-	-	-	-
Federal Program Revenues	=	=	=	=	=	=	=	=
Total Revenues	69,055,232	80,746,047	91,392,807	86,900,000	95,000,000	109,250,000	125,637,500	144,483,125
EXPENDITURES:								
Payroll Costs	-	-	-	-	-	-	-	-
Contracted Service	-	-	-	-	-	-	-	-
Supplies and Materials	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Debt Service	66,494,379	67,302,595	80,958,745	83,484,994	79,169,547	80,494,934	82,050,634	83,419,159
Capital Outlay	-	-	-	-	-	-	-	-
Total Expenditures	66,494,379	67,302,595	80,958,745	83,484,994	79,169,547	80,494,934	82,050,634	83,419,159
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,560,853	13,443,452	10,434,062	3,415,006	15,830,453	28,755,066	43,586,866	61,063,966
Other Resources	34,680,701	-	325,674,968	-	-	-	-	-
Other (Uses)	34,329,910	-	330,475,539	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Resources								
Over Expenditures and Other Uses	2,911,644	13,443,452	5,633,491	3,415,006	15,830,453	28,755,066	43,586,865	61,063,966
Fund Balance - September 1, (Beginning)	39,182,198	42,093,842	55,537,296	61,170,787	64,585,793	80,416,246	109,171,312	152,758,177
Increase (Decrease) in Fund Balance	2,911,644	13,443,452	5,633,491	3,415,006	15,830,453	28,755,066	43,586,865	61,063,966
Fund Balance - June 30 (Ending)	42,093,842	55,537,294	61,170,787	64,585,793	80,416,246	109,171,312	152,758,177	213,822,143

Assumptions:

- (1) Revenue was projected at a 15% increase.
- (2) Payments and interest are based on the district's payment schedules.

2021 - 2022 Adopted Budget



Source: Forecast 5

Long-Term Debt and Debt Service Requirements

Bonds are secured by ad valorem taxes levied against all taxable property and are serviced by the Debt Service Fund. The principal amount of bond indebtedness cannot exceed 10% of the assessed valuation of taxable property in the District. According to the last completed and approved ad valorem tax rolls of the District, \$70,371,929 was available in the Debt Service Fund to service these bonds.

Northwest Independent School District
Legal Debt Margin Information

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	70,371,929
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.

Northwest Independent School District
OPEB (Other Post-Employment Benefit) Liability

On June 30, 2021, the District reported a liability of \$67,387,254 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	\$ 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 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.

On 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%.

2021 - 2022 Adopted Budget

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

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				\$367,934,161
Northwest ISD	\$ 22,291,509,381	\$1,223,981,739	100.00%	\$1,223,981,739
Total Direct Debt				\$1,223,981,739
Total Direct and Overlapping Tax Supported Debt				\$1,591,915,900
Total Direct and Overlapping Tax Supported Debt to Taxable Assessed Valuation				7.14%
Per Capita Direct and Overlapping Tax Supported Debt				\$10,919

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

2021 - 2022 Adopted Budget

**NORTHWEST INDEPENDENT SCHOOL DISTRICT
ALL OUTSTANDING UNLIMITED TAX DEBT
BUDGET FOR THE YEAR ENDED JUNE 30, 2021**

Year Ending	Series 2021 Unlimited Tax School Building Bonds	Series 2020 Unlimited Tax School Building & Refunding Bonds	Series 2019 Unlimited Tax School Building & Refunding Bonds	Series 2018 Unlimited Tax Building Bonds	Series 2017 Unlimited Tax School Building Bonds	Series 2016 Unlimited Tax Refunding Bonds
12/31/22	25,465,000	2,110,000	1,500,000	1,465,000	1,905,000	1,000,000
12/31/23	830,000	880,000	2,335,000	1,605,000	1,785,000	1,780,000
12/30/24	875,000	1,640,000	2,855,000	1,235,000	1,990,000	1,830,000
12/30/25	920,000	6,640,000	2,210,000	1,245,000	2,115,000	1,905,000
12/30/26	1,575,000	5,075,000	2,465,000	1,255,000	2,345,000	2,105,000
12/30/27	1,810,000	10,625,000	2,885,000	1,265,000	2,700,000	3,330,000
12/29/28	2,260,000	29,140,000	3,050,000	1,275,000	2,880,000	6,675,000
12/29/29	2,830,000	23,735,000	6,870,000	1,290,000	3,245,000	10,395,000
12/29/30	2,360,000	21,850,000	7,320,000	1,300,000	1,265,000	11,935,000
12/29/31	2,965,000	25,545,000	3,725,000	1,415,000	1,355,000	13,555,000
12/28/32	3,405,000	23,790,000	4,475,000	1,335,000	1,890,000	13,245,000
12/28/33	4,480,000	11,400,000	9,840,000	1,890,000	3,100,000	15,430,000
12/28/34	4,445,000	13,035,000	10,310,000	1,365,000	3,515,000	14,100,000
12/28/35	7,350,000	13,825,000	12,085,000	1,395,000	4,870,000	6,885,000
12/27/36	8,050,000	12,725,000	13,550,000	3,015,000	8,630,000	-
12/27/37	8,095,000	15,240,000	17,060,000	4,460,000	1,500,000	-
12/27/38	8,470,000	19,655,000	13,790,000	2,100,000	4,600,000	-
12/27/39	8,830,000	29,375,000	1,270,000	2,390,000	6,965,000	-
12/26/40	8,920,000	8,475,000	2,135,000	12,320,000	15,015,000	-
12/26/41	9,285,000	8,945,000	2,300,000	12,955,000	15,815,000	-
12/26/42	9,670,000	9,435,000	2,505,000	13,585,000	16,660,000	-
12/26/43	10,070,000	9,945,000	16,805,000	17,610,000	-	-
12/25/44	10,470,000	11,455,000	35,090,000	-	-	-
12/25/45	14,935,000	33,735,000	-	-	-	-
12/25/46	24,695,000	-	-	-	-	-
12/25/47	-	-	-	-	-	-
12/24/48	-	-	-	-	-	-
12/24/49	-	-	-	-	-	-
TOTAL	183,060,000	348,275,000	176,430,000	87,770,000	104,145,000	104,170,000

*Source: Analysis of Outstanding Debt as of July 1, 2021

2021 - 2022 Adopted Budget

**NORTHWEST INDEPENDENT SCHOOL DISTRICT
ALL OUTSTANDING UNLIMITED TAX DEBT
BUDGET FOR THE YEAR ENDED JUNE 30, 2021**

Series 2015 Unlimited Tax Refunding Bonds	Series 2014 Unlimited Tax School Building Bonds	Series 2013A Unlimited Tax School Building & Refunding Bonds	Series 2012 Unlimited Tax School Building & Refunding Bonds	Series 2008 Unlimited Tax School Building Bonds	Total Principal
20,395,000	370,000	2,905,000.00	3,985,000	6,000,000	67,100,000
21,940,000	310,000	2,925,000.00	-	5,000,000	39,390,000
23,720,000	375,000	3,130,000.00	-	3,000,000	40,650,000
25,350,000	540,000	-	-	3,000,000	43,925,000
25,880,000	2,020,000	-	-	-	42,720,000
23,810,000	1,080,000	-	-	-	47,505,000
3,745,000	150,000	-	-	-	49,175,000
500,000	240,000	-	-	-	49,105,000
500,000	600,000	-	-	-	47,130,000
500,000	710,000	-	-	-	49,770,000
500,000	-	-	-	-	48,640,000
500,000	-	-	-	-	46,640,000
500,000	-	-	-	-	47,270,000
500,000	-	-	-	-	46,910,000
500,000	-	-	-	-	46,470,000
500,000	-	-	-	-	46,855,000
500,000	-	-	-	-	49,115,000
2,620,000	-	-	-	-	51,450,000
6,565,000	-	-	-	-	53,430,000
7,120,000	-	-	-	-	56,420,000
7,700,000	-	-	-	-	59,555,000
8,315,000	-	-	-	-	62,745,000
8,965,000	-	-	-	-	65,980,000
9,650,000	-	-	-	-	58,320,000
-	-	-	-	-	24,695,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
200,775,000	6,395,000	8,960,000	3,985,000	17,000,000	1,240,965,000

*Source: Analysis of Outstanding Debt as of July 1, 2021

2021 - 2022 Adopted Budget

**NORTHWEST INDEPENDENT SCHOOL DISTRICT
AGGREGATE DEBT SERVICE
BUDGET FOR THE YEAR ENDED JUNE 30, 2021**

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
12/31/21	-	21,574,773	21,574,773
12/31/22	61,106,147	48,796,247	109,902,394
12/31/23	34,394,546	46,100,388	80,494,934
12/31/24	37,653,477	44,397,157	82,050,634
12/31/25	40,927,569	42,491,590	83,419,159
12/31/26	42,720,000	40,130,759	82,850,759
12/31/27	47,505,000	37,905,034	85,410,034
12/31/28	49,175,000	35,519,034	84,694,034
12/31/29	49,105,000	33,088,159	82,193,159
12/31/30	47,130,000	30,806,417	77,936,417
12/31/31	49,770,000	28,940,192	78,710,192
12/31/32	48,640,000	27,406,767	76,046,767
12/31/33	46,640,000	25,809,980	72,449,980
12/31/34	47,270,000	24,137,823	71,407,823
12/31/35	46,910,000	22,542,998	69,452,998
12/31/36	46,470,000	20,981,367	67,451,367
12/31/37	46,855,000	19,424,613	66,279,613
12/31/38	49,115,000	17,856,010	66,971,010
12/31/39	51,450,000	16,194,409	67,644,409
12/31/40	53,430,000	14,191,500	67,621,500
12/31/41	56,420,000	11,862,950	68,282,950
12/31/42	59,555,000	9,401,750	68,956,750
12/31/43	62,745,000	6,891,075	69,636,075
12/31/44	65,980,000	4,332,875	70,312,875
12/31/45	58,320,000	1,880,825	60,200,825
12/31/46	<u>24,695,000</u>	<u>370,425</u>	<u>25,065,425</u>
Total	<u>\$1,223,981,739</u>	<u>\$633,035,118</u>	<u>\$1,857,016,857</u>
Par Amounts of Selected Issues			
Series 2021	Unlimited Tax School Building Bonds		183,060,000
Series 2020	Unlimited Tax School Building Bonds		348,275,000
Series 2019	Unlimited Tax School Building Bonds		176,430,000
Series 2018	Unlimited Tax School Building Bonds		87,770,000
Series 2017	Unlimited Tax School Building and Refunding Bonds		104,145,000
Series 2016	Unlimited Tax Refunding Bonds		104,170,000
Series 2015	Unlimited Tax School Building and Refunding Bonds		200,775,000
Series 2014	Unlimited Tax School Building Bonds		6,395,000
Series 2013	Unlimited Tax School Building and Refunding Bonds		8,960,000
Series 2012	Unlimited Tax School Building Bonds		3,985,000
Series 2008	Unlimited Tax School Building Bonds		<u>17,000,000</u>
	Total		<u>\$1,240,965,000</u>

Capital Projects Funds

Capital Projects Funds

This governmental fund is established to account for proceeds, on the modified accrual basis, from the sale of bonds and other resources to be used for Board authorized acquisition, construction, or renovation, as well as, furnishing and equipping of major capital facilities.

Capital Projects History

The Northwest Independent School District lies within one of the fastest growing areas in Texas. The District serves 23,163 students in grades pre-kindergarten through twelfth, a projected increase of 1,068 students. The district operates three comprehensive high schools, an accelerated high school, five middle schools, 17 elementary schools, a special programs center and a community-based youth residential program.

In 2001 District voters approved a \$182.2 million dollar bond issue to accommodate the 3,000 additional students expected to enroll in the district over the next five years. This bond provided for renovations at every school, classroom additions, campus improvements, and a new stadium. However, differing from the previous bond issue, the focus was on renovating and expanding existing campuses.

In 2005, the District voters passed a \$224.5 million bond election. Ninety-six percent of this bond addressed student enrolment growth. The bond package contained: \$209.4 million providing 7,000 seats for student growth, \$10 million for technology improvements & replacement, and \$5.1 million for roof and HVAC replacement projects.

In 2008, District voters passed a \$260 million bond election. Ninety-two percent of this bond addressed student enrolment growth. The bond package contained: \$216.0 million providing one middle school and seven elementary schools, \$17.0 million for technology for new schools, replacement, and initiatives, \$9.9 million for classroom additions and roof and HVAC system replacements, \$9.5 million for one middle school and eight elementary school sites, and \$7.6 million for orchestra classrooms and Career Pathways/Academies

In 2012, District voters passed a \$255 million bond election. Eighty-three percent of this bond addresses student enrolment growth. The bond package contained: \$212 million providing (4,000 seats) one high school, one middle school, Career Academies and Pathways, and classrooms for Science, Math, & Environmental Studies, \$25 million for technology for new schools, replacement, and initiatives, \$18.6 million for classroom additions, safety & security equipment updates, roof, flooring, and HVAC system replacements.

Recent Bond Authorization

On May 6, 2017, District voters passed a \$399 million bond election. Enrollment is expected to increase by an additional 6,200 students during the next five years. Combined with current school district projects, the bond will provide for an additional 7,000 student seats. This bond authorization includes funds for:

- Student Population Growth
- Aging Conditions of Existing Facilities
- Safety & Security of our Students & Staff
- Technology Infrastructure & Devices
- Advancing Student Programs

Operating Costs

With the opening of any new school, the General Fund is increased to address the additional costs of school operations. These additional operating costs are funded through property taxes and state funding. The 2017-2018 school year was unusual in that no new campus opened.

2021 - 2022 Adopted Budget

**NORTHWEST INDEPENDENT SCHOOL DISTRICT
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
CAPITAL PROJECTS
BUDGET FOR THE YEAR ENDING JUNE 30, 2022**

Description	Audited Financial Reports			Adopted Budget		Financial Forecast		
	17 - 18	18 - 19	19-20	20 - 21	21-22	22-23	23-24	24-25
REVENUES:								
Local and Intermediate Sources	873,601	1,886,158	1,424,843	1,893,812	806,743	887,417	976,159	1,073,774
State Program Revenues	-	-	36,061	27,054	-	-	-	-
Federal Program Revenues	-	-	-	-	-	-	-	-
Total Revenues	873,601	1,886,158	1,460,904	1,920,866	806,743	887,417	976,159	1,073,774
EXPENDITURES:								
Payroll Costs	468,685	488,072	714,914	1,154,046	245,649	1,540,517	1,571,327	1,602,753
Contracted Service	-	-	-	-	-	-	-	-
Supplies and Materials	4,282,503	16,234,883	12,109,634	38,613,216	19,695,566	19,601,002	19,601,002	19,601,002
Miscellaneous	17,065	13,373	2,807	25,000	-	-	-	-
Debt Service	736,200	758,085	1,364,218	-	-	-	-	-
Capital Outlay	103,950,929	89,815,397	127,395,390	139,076,463	68,671,330	51,804,083	283,403,083	362,393,083
Total Expenditures	109,455,382	107,309,810	141,586,964	178,868,725	88,612,544	72,945,602	304,575,412	383,596,838
Excess (Deficiency) of Revenues Over (Under) Expenditures	(108,581,781)	(105,423,652)	(140,126,060)	(176,947,859)	(87,805,801)	(72,058,185)	(303,599,253)	(382,523,064)
Other Resources	121,078,055	103,664,225	214,290,856	-	201,378,285	200,000,000	200,000,000	244,608,020
Other (Uses)	-	1,757,122	13,926,638	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Resources Over Expenditures and Other Uses	12,496,274	(3,516,551)	60,238,158	(176,947,859)	113,572,484	127,941,815	(103,599,254)	(137,915,044)
Fund Balance - September 1, (Beginning)	107,729,973	120,226,251	116,709,700	176,947,859	0	113,572,484	241,514,299	137,915,044
Increase (Decrease) in Fund Balance	12,496,274	(3,516,551)	60,238,158	(176,947,859)	113,572,484	127,941,815	(103,599,254)	(137,915,044)
Fund Balance - June 30 (Ending)	120,226,251	116,709,700	176,947,858	0	113,572,484	241,514,299	137,915,044	(0)

Assumptions:

- (1) Local revenue was projected to increase by 8% with the increase we expect in facilities rental.
- (2) Payments will remain high as we just passed a bond and are building multiple sites.

2021 - 2022 Adopted Budget

**NORTHWEST INDEPENDENT SCHOOL DISTRICT
CAPITAL PROJECTS FUNDS - MASTER PROJECT LIST
2021 BOND AUTHORIZATION
BUDGET FOR THE YEAR ENDING JUNE 30, 2022**

	Project	Project	Original	Project Schedule			
				21	22	23	24
				22	23	24	25
<u>Type</u>	<u>Number</u>	<u>Budget</u>					
PROPOSITION A							
Growth: New Facilities, Additions and Land							
New Elementary #22	New	21A-125	\$42,450,000.00			X	
New Elementary #23	New	21A-126	\$45,800,000.00				X
Middle School #7	New	21A-048	\$81,370,000.00			X	
Replacement Hatfield	New	21A-110	\$40,345,000.00			X	
Replacement Seven Hills	New	21A-108	\$40,280,000.00			X	
Additional Pre-K Classrooms (11 ES)	Addition	21A-PREK	\$13,435,000.00				X
Pike Replacement Middle School	Addition	21A-043	\$94,620,000.00				X
Northwest HS Additions & Renovations	Addition	21A-001	\$160,335,000.00				X
Land Acquisition	Site Purchases	21A-S99	\$16,850,000.00		X	X	X
Capital Improvements and Renovations							
Fire Alarms	Improvement	21A-FIRE	\$845,000.00		X	X	X
Kitchen Floor - Prairie View	Improvement	21A-111	\$76,000.00		X		
Gymnasium Upgrades (flooring, sound system, etc.)	Improvement	21A-GYMS	\$1,950,000.00		X		
Roof Lifecycle Replacements (4 campuses)	Improvement	21A-ROOF	\$9,100,000.00			X	X
Hard Floor Lifecycle Replacements (3 campuses)	Improvement	21A-FLR	\$915,000.00	X			
Carpet Lifecycle Replacements (10 campuses)	Improvement	21A-CARP	\$6,270,000.00		X		
HVAC Lifecycle Replacements (6 campuses)	Improvement	21A-HVAC	\$8,610,000.00				X
Hatfield to Admin Space	Renovation	21A-ADM1	\$18,400,000.00			X	
Central Administration	Renovation	21A-ADM2	\$15,750,000.00			X	
West Operations Facility	Renovation	21S-952	\$5,200,000.00	X			
Equity/Evolving Needs							
Special Education Upgrades - Middle School	Improvement	21A-SPED	\$610,000.00			X	
Buses for Growth (21)	New	21A-BUS	\$2,190,000.00				
PLTW Labs	Improvement	21A-PLTW	\$335,000.00			X	
Skills for Living CTMS and Medlin	Improvement	21A-SKIL	\$870,000.00			X	
Elementary Playground Additions	Addition	21A-PLY1	\$2,525,000.00		X		
Elementary Playground Expansion	Improvement	21A-PLY2	\$3,830,000.00		X		
Elementary Playground Surfacing	Improvement	21A-SURF	\$2,060,000.00		X		

*site purchases are land purchased for future schools.

2021 - 2022 Adopted Budget

Technology								
Technology Infrastructure	Improvement	21A-INFR	\$76,995,000.00	X	X	X	X	
Safety and Security - Technology PA, Access Control	Improvement	21A-S&S	\$13,515,000.00	X	X	X	X	
Cell Phone Boosters & Monitors	Improvement	21A-CELL	\$5,400,000.00	X	X	X	X	
Radio Upgrades and Repeaters	Improvement	21A-RAD	\$219,000.00	X	X	X	X	
Bond Salaries								
Bond Salaries	Salaries	21A-SAL	1,250,000.00	X	X	X	X	
PROPOSITION C								
Middle School No. 7 - Tennis and Football Field	New	21C-048	\$3,400,000.00				X	
Middle School Tennis Court Resurfacing	Improvement	21C-TENN	\$1,300,000.00	X				
Medlin MS Tennis Courts	Improvement	21C-042	\$1,000,000.00	X				
PROPOSITION D								
New Devices for Students Replacements & Growth	New	21D-SDV	\$6,450,000.00	X	X	X	X	
New Devices for Teachers Replacements & Growth	New	21D-TDV	\$12,950,000.00	X	X	X	X	
TOTAL			\$737,500,000.00					

Supporting Financial Schedules and Crosswalks

Combined Statement of Expenditures by Function and Object Code

The Combined Statement of Expenditures by Function and Object Code expands upon the expenditures portion of the Combined Statement of Revenues, Expenditures and Changes in Fund Balance. Expenditures for all funds are broken down to the Function Code and major Object Code level.

The **Function Code** is a mandatory 2 digit code applied to expenditures/ expenses that identifies the purpose of the transaction. The first digit identifies the major class and the second digit refers to the specific function within the area. Example: The function "Health Service" is coded 33. The first 3 specifies Support Services - Student (Pupil) and the second 3 is Health Services.

The **Object Code** is a mandatory 4 digit code identifying the nature and object of an account, a transaction or a source. The first of the four digits identifies the type of account or transaction, the second digit identifies the major area, and the third and fourth digits provide further sub-classifications. Example: Money received for current year taxes is classified in account 5711. The 5 denotes revenue, the 7 shows Local and Intermediate Sources, the 1 denotes local real and personal property taxes revenue and the final 1 specifies current year levy.

Object Title

5000 **Revenue Control Accounts:** District revenues are classified by fund and object or source. There are three major sources: local, state and federal. Local sources include tax collections and investment earnings. Texas state sources rely on a formula of local property taxes and student enrollment for state aid and are based on legislated funding formulas. Federal funds are primarily reimbursements received from the School Heal Related Service (SHARS) program.

Other Local Sources: Other local sources include interest earnings, reform from district facilities, gifts and donations, insurance recovery, revenue from activity accounts, lunch sales, athletic gate fees, concessions sales and advertising.

5700 **Revenues from Local and Intermediate Sources**

- Local Real and Personal Property Taxes
- Service Rendered to Other School Districts
- Tuition and Fees
- Other Revenues from Local Sources
- Cocurricular, Enterprising Services or Activities
- Revenues from Intermediate Sources

5800 **State Program Revenues**

- Per Capita and Foundation School Program
- State program Revenues distributed by TEA
- State Revenues Other than TEA
- Shared Services Arrangements

5900 **Federal Program Revenue**

- Other than State or Federal Agencies
- Federal Revenues Distributed by TEA
- Federal Revenues Distributed other than TEA
- Directly from the Federal Government

2021 - 2022 Adopted Budget

Budgeted Expenditures by Fund, Function and Object

The Budgeted Expenditures by Fund, Function and Object expands upon the expenditures portion of the Combined Statement of Revenues, Expenditures and Changes in Fund Balance for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds. Expenditures for all funds are broken down to the Function Code and major Object Code level. The Function Code and Object Code are explained in the preceding paragraphs above.

The current year adopted budget is organized by major fund. Also, a financial crosswalk is included which summarizes the information by major object code.

6000 **Expenditure/Expense Control Accounts:** Expenditure budgets are legally adopted at the fund and function level; however, within this document we have talked about segregate expenditures by major objects.

6100 **Payroll Costs**

6200 **Professional and Contracted Services**

Legal Services, Tax Appraisal & Collections, Utilities, Rentals, Consulting Services and Miscellaneous Contract Services.

6300 **Supplies and Materials**

Gasoline and Other Fuels, Textbooks, Reading Materials, Testing Materials, Items for Sale and General Supplies.

6400 **Other Operating Costs**

Employee Travel, Student Travel, Insurance and Bonding Costs, Election Costs, Membership Dues, Miscellaneous Operating Costs, Reclassified Transportation Expenses.

6500 **Debt Service**

6600 **Capital Outlay**

Building Purchase, Construction or Improvement, Furniture and Equipment, Vehicles, Software >\$5000

Sub-Object Code

A 2-digit code for optional use to provide special accountability at the local level.

2021 - 2022 Adopted Budget

**NORTHWEST INDEPENDENT SCHOOL DISTRICT
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE
ALL FUNDS
BUDGET FOR THE YEAR ENDING JUNE 30, 2022**

	General	Debt	Capital	Food	Special	
	Service	Project	Service	Revenue	Total	
Description	Fund	Funds	Funds	Funds	Funds	Funds
REVENUES:						
Local and Intermediate Sources	213,991,004	95,000,000	806,743	9,037,422	9,081,900	318,879,647
State Program Revenues	23,495,021	-	-	30,408	271,358	23,766,379
Federal Program Revenues	3,588,992	-	-	3,264,582	12,946,857	16,535,849
Total Revenues	241,075,017	95,000,000	806,743	12,332,412	22,300,115	359,181,875
EXPENDITURES:						
Payroll Costs	196,280,927	-	245,649	-	8,534,478	205,061,054
Contracted Service	28,162,576	-	-	11,172,956	11,286,302	39,448,878
Supplies and Materials	10,893,153	-	19,695,566	509,452	868,559	31,457,278
Miscellaneous	7,144,673	-	-	-	1,854,169	8,998,842
Debt Service	-	79,169,547	-	-	-	79,169,547
Capital Outlay	609,091	-	68,671,330	-	54,350	69,334,771
						-
Total Expenditures	243,090,420	79,169,544	88,612,544	11,682,409	22,597,858	433,470,370
Excess (Deficiency) of Revenues Over (Under)						
Expenditures	(2,015,404)	15,830,456	(87,805,801)	650,003	(297,743)	(74,288,495)
Other Resources	-	-	201,378,285	-	-	201,378,285
Other (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Resources Over Expenditures and Other Uses	(2,015,404)	15,830,456	113,572,484	650,003	(297,743)	127,089,793
Fund Balance - September 1, (Beginning)	64,895,864	64,585,793	176,947,859	802,898	712,961	307,142,477
Increase (Decrease) in Fund Balance	(2,015,404)	15,830,456	113,572,484	650,003	(297,743)	127,089,793
Fund Balance - June 30 (Ending)	62,880,461	80,416,249	290,520,343	1,452,901	415,218	434,232,271

2021 - 2022 Adopted Budget

**NORTHWEST INDEPENDENT SCHOOL DISTRICT
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ALL FUNDS
BUDGET FOR THE YEAR ENDING JUNE 30, 2022**

Description	Audited Financial Reports			Adopted Budget		Financial Forecast		
	17 - 18	18 - 19	19-20	20 - 21	21-22	22-23	23-24	24-25
REVENUES:								
Local and Intermediate Sources	239,879,322	277,944,361	300,546,476	298,428,777	318,879,647	351,055,541	\$ 386,805,233	426,563,800
State Program Revenues	39,825,326	32,900,331	23,249,785	25,641,009	23,766,379	25,667,689	27,721,104	29,938,793
Federal Program Revenues	8,342,260	14,102,332	11,931,918	11,212,151	16,535,849	17,858,717	19,287,414	20,830,407
Total Revenues	288,046,908	324,947,024	335,728,179	335,281,937	359,181,875	394,581,947	433,813,751	477,333,000
EXPENDITURES:								
Payroll Costs	159,168,176	173,827,496	185,368,615	199,227,021	205,061,054	220,266,277	235,172,630	251,112,184
Contracted Service	36,075,016	45,035,284	44,735,468	53,005,430	39,448,878	42,650,450	45,762,406	48,727,989
Supplies and Materials	16,926,024	29,812,391	23,817,576	49,483,320	31,457,278	32,210,008	33,025,906	33,898,916
Miscellaneous	5,206,520	5,108,154	7,742,720	9,962,530	8,998,842	9,198,969	10,484,105	12,251,380
Debt Service	67,230,579	68,060,680	82,322,963	83,484,994	79,169,547	80,494,934	82,050,634	83,419,159
Capital Outlay	105,170,082	90,958,311	128,491,462	140,062,204	69,334,771	52,510,160	284,154,781	363,193,596
Total Expenditures	389,776,396	412,802,316	472,478,803	535,225,499	433,470,370	437,330,798	690,650,462	792,603,224
Excess (Deficiency) of Revenues Over (Under) Expenditures	(101,729,488)	(87,855,292)	(136,750,624)	(199,943,562)	(74,288,495)	(42,748,851)	(256,836,711)	(315,270,224)
Other Resources	155,772,199	103,693,552	540,049,217	-	201,378,285	200,000,000	200,000,000	244,608,020
Other (Uses)	54,685,109	2,919,485	346,137,017	2,000,000	=	=	=	=
Excess (Deficiency) of Revenues and Other Resources Over Expenditures and Other Uses	(642,398)	12,918,776	57,072,688	(201,943,562)	127,089,790	157,251,149	(56,836,711)	(70,662,204)
Fund Balance - September 1, (Beginning)	262,789,113	262,146,720	275,065,492	332,138,180	130,194,618	257,284,408	414,535,556	300,862,134
Increase (Decrease) in Fund Balance	(642,398)	12,918,776	57,072,688	(201,943,562)	127,089,790	157,251,149	(56,836,711)	(70,662,204)
Fund Balance - June 30 (Ending)	262,146,720	275,065,492	332,138,180	130,194,618	257,284,408	414,535,556	300,862,134	159,537,726

Fund Balance

**Northwest Independent School District
Financial Statements Notes
FYE June 30, 2021**

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.
- **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 assigned fund balance of the General Fund as of June 30, 2021 as detailed below.
- **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.

2021 - 2022 Adopted Budget

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 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 (a special revenue fund) is shown as committed due to Board policy committing those funds to campus activities. The fund balance of \$1,048,622 in the Child Nutrition Fund is shown as restricted for the food service program.

Local District Requirements

The Northwest Independent School District Board Policy Manual is available through the Texas Association of School Boards *Policy On Line* at: <http://pol.tasb.org/Policy/Section/391?filter=C>