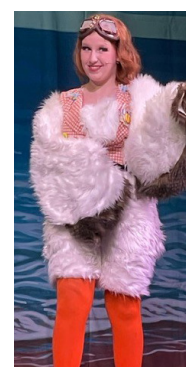
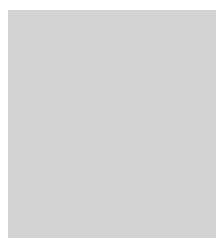
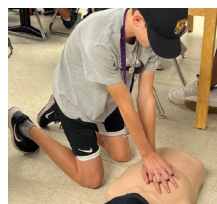
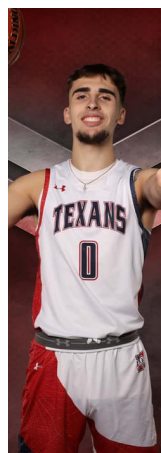
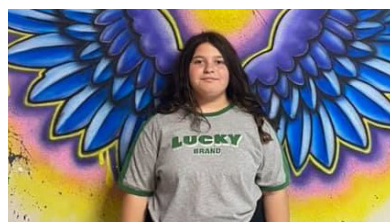
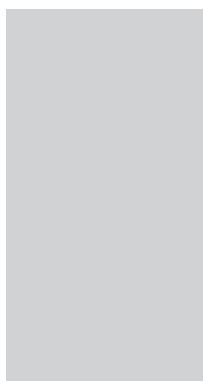
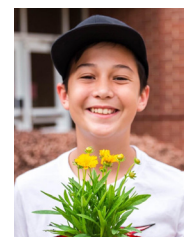
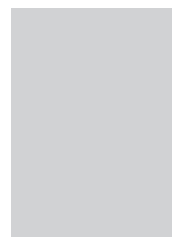
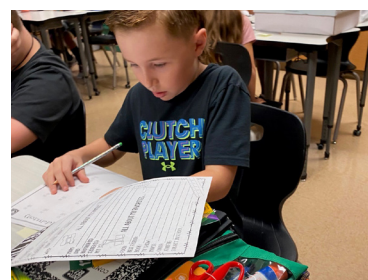
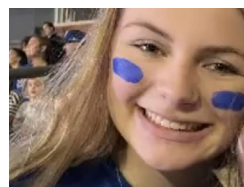
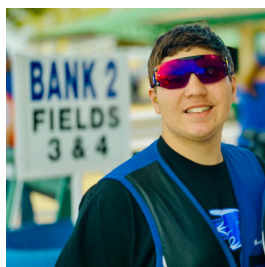


'22

ANNUAL COMPREHENSIVE FINANCIAL REPORT



Fiscal Year Ended June 30, 2022
Northwest Independent School District • Fort Worth • Texas

Northwest Independent School District

Fort Worth, Texas

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2022

Prepared by the Financial Services Department

Brian Carter
Chief Financial Officer

Jonathan Pastusek
Executive Director of Financial Services



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) ☒ approved ☐ disapproved for the fiscal year ended June 30, 2022 at a meeting of the Board of Trustees of such school district on the 14th day of November 2022.


Signature of Board Secretary


Signature of Board President

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

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**NORTHWEST INDEPENDENT SCHOOL DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2022**

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INTRODUCTORY SECTION



November 14, 2022

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, 2022.

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 2022, a copy of the Association of School Business Officials International (ASBO) Certificate of Excellence in Financial Reporting for 2022, 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, 2022. 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 rewards. 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 twenty elementary schools, six middle schools, four high schools, an alternative education program campus, and an outdoor learning center. Enrollment for the 2021-2022 school year was 27,583 students as of the PEIMS snapshot in October 2021, an increase of approximately 8.67 percent over the previous year. A total of 1,799 seniors graduated from Northwest ISD in 2022.

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 2021-2022 school year, the District employed 3,136 employees consisting of 2,386 professionals, 491 educational aides, and 259 auxiliary staff. Professional employees include 1,798 classroom teachers with an average of 11.65 years of experience. 28% of the teaching staff has earned a master's degree and 0.26% 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. A total of 197 waivers were approved for the 2021-2022 school year, 8 of which were obtained for kindergarten since we started in remote learning in the fall of 2021.

Through the Grow Our Home program, Northwest ISD seeks to recruit local talent to serve as teachers or other professionals. This program works with several groups who want to earn their teaching certification, including district guest educators and paraprofessionals, as well as local community members. Additionally, the program works with high school students in our education pathway to potentially recruit them to return to their home district after they graduate college and earn their teaching certification.

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 (DIP) 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 2021-2022 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 18, 2021.

The demographic strengths highlighted by the District Improvement Plan are: positive community and parent support, timely and efficient enrollment projections are maintained, effective planning by staff and the community to meet the physical and programming needs of the district, effective communications with the community of growth needs resulting in successful bond programs to fund facilities, and finally that North Texas has a strong, growing economy.

The challenges facing our demographics emphasized the need to nourish the social-emotional well-being of students along with the need to ensure that students from all demographics and backgrounds have ready access to a variety of college, career, military, and life readiness tools and strategies so that they can graduate empowered to succeed in their chosen path. Another need of the district was that with the rapid growth that NISD has seen, our demographics are quickly changing, and the culture is shifting from primarily rural to mostly suburban. With NISD attracting more people to the area, there is a greater need to ensure all stakeholders feel a part of our district. Additionally, student achievement data demonstrates growing gaps in performance across some groups.

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 in the budget preparation process.

In August of 2021, The Board of Trustees approved a new compensation plan that includes a 1.5% midpoint raise for all current employees as well as a new teacher hiring schedule. Additionally, a retention incentive resolution was approved to support staff. With the new teacher salary schedule, a beginning teacher with no experience will have a starting salary of \$56,500, increasing by varying amounts each year for years of service, up to 30 years. The new schedule retains the \$2,000 general master's degree stipend for a teacher. In addition, trustees voted to approve a one-time retention payment of \$500 for each full-time employee, paid in November 2021. To have received this payment, the employee must have been hired by September 1 in a full-time position, remain employed, and be in good standing on November 1, 2021.

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. On June 28, 2021, the Board of Trustees approved the final amended budget for the year ending June 30, 2021 and approved the adoption of the budget for the year ending June 30, 2022.

Budget Adoption – The Central Appraisal Districts ("CAD") 2021 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 06, 2021. The Board of Trustees held the required public meeting and adopted the budget on June 28, 2021.

Tax Rate Adoption – The tax rate adoption notice was not required per the Northwest ISD CFO Brian Carter as the rate was lower than the proposed tax rate originally published on June 6, 2021. The Board of Trustees held the required public meeting and adopted the tax rate at the Board Meeting on August 23, 2021. Taxpayers in Northwest ISD saw the lowest tax rate for the school district in more than three decades following this unanimous approval by the School Board.

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 – The Board of Trustees adopted the tax rates for the 2021-2022 in August 2021. School district tax rates consist of a Maintenance & Operations (M&O) and Interest and Sinking (I&S) tax rate. The M&O tax rate is the local school district tax rate that raises revenue to be used to operate and maintain the district's schools. The 2019-2020 tax rate was compressed due to the 86th Legislature and was set at \$0.97. House Bill 3, as required by the 2019 Legislature, required districts to lower their M&O rates. The I&S tax rate is a tax levied and money used by school districts to pay for voter approved bonded indebtedness, usually construction of facilities or other capital needs. The 2020-2021 I&S rate was reduced from \$0.45 to \$0.42. With voter approval of the May 1, 2021 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 (\$1.2920), largest geographic area (234 square miles) and greatest potential for growth (25 percent built out). The total rate is \$1.2920 for purposes of the adopted budget.

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 in the northwest corridor of the Dallas-Fort Worth Metroplex, provides premier educational services and opportunities to families. Northwest ISD ranks as the #1 fastest growing school district in North Texas. Families move to Northwest ISD for its renowned education, attractive living environment, and job opportunities. Groundwork is underway on nearly 7,342 lots within 24 subdivisions. Northwest ISD is expected to enroll more than

38,400 students by 2026/27 and more than 49,800 by 2031/32 school year. Northwest ISD continues to add about 2,000 to 2,500 new students to its total enrollment population each year. With such a profound growth rate, NISD ranks among the top in the state for enrollment increases. Northwest encompasses across 234 square miles and is located in the counties of Denton, Tarrant and Wise serving the cities and towns of Aurora, Haslet, Justin, New Fairview, Newark, Northlake, Rhome, and Trophy Club. The District includes portions of Flower Mound, Fort Worth, Keller, Roanoke, Southlake, and Westlake.

Local Economy – The commercial, industrial, and residential growth of the District has kept pace with that of the Dallas/Fort Worth 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 153,957 in 2022.

District Educational Campuses – The District is considered the fastest growing district in North Texas. The District serves 27,583 students in grades pre-kindergarten through twelfth grade. The district operates three comprehensive high schools, an accelerated high school, six middle schools, twenty elementary schools, a special programs center, an Outdoor Learning Center, and a community-based youth residential program. The most recently constructed school, Berkshire Elementary, was completed in July 2021 and opened in August 2021.

Set to open in 2023 are John Daniel Elementary School in the Pecan Square community of Northlake, Molly Livengood Carter Elementary School in the Northstar community in Fort Worth, and C.W. Worthington Middle School in the LeTara community of Haslet. Along with the three new schools, Northwest ISD will open two replacement campuses for Hatfield Elementary School and Seven Hills Elementary School in 2023. The projects all come from the 2021 bond package, approved by voters to make room for the thousands of new students joining Northwest ISD each year. Two additional major projects from that package are also in development, the replacement Pike Middle School and the expansion and major renovation of Northwest High School. The new Pike campus will open in 2024, while the expanded Northwest will open in 2025.

The Northwest ISD Aquatic Center opened in January of 2021. Swimmers representing the district now train in a home facility. The NISD Aquatic Center features an 80 thousand square-foot facility with 1.2 million gallons of water in 50-meter competition pool and 25-meter practice pool. An athletic training center and sports medicine facility are located inside the facility. Competitive swimming and diving are key aspects of the NISD Aquatic Center. Younger students also utilize the Aquatic Center by learning in a water safety program. Second Grade students from all 20 district elementary schools learn proper swimming technique and ways to stay in the water safely. Teaching water safety was a key component in the decision-making process to build an aquatics center as part of the 2017 bond proposal, along with the need for a practice and competition facility. Swimming lessons are offered for ages 3-18 years old. The facility is open to adult swimmers Monday to Saturday.

Northwest ISD Career and Technical Education’s high school academies and programs of study empower students to immerse themselves in their field of interest through hands-on learning, field-based experiences and internships. The following academies are offered within the district: Aviation and Aeronautics Academy at Eaton High School, Biomedical Sciences Academy at Byron Nelson High School, Business Management & Entrepreneurship Academy at Eaton High School, Cosmetology Academy at Steele Accelerated High School, Creative Media Production Academy at Northwest High School, Culinary Arts & Hospitality Academy at Byron Nelson High School, and the STEM Academy at Northwest High School. For students that choose not to be in an academy, they may choose from the following pathways to meet and enhance their high school requirements: Accounting and Financial Services, Advanced Manufacturing and Machinery Mechanics, Animal Science, Applied Agricultural Engineering, Architectural Design, Business Management, Design and Multimedia Arts, Digital Communications, Early Learning, Family and Community Services, Healthcare Diagnostics, Healthcare Therapeutic, Networking Systems, Plant Science, Programming and Software Development, and Teaching and Training.

The RISE Program, or Reaching Independence through Supported Education, is a school-based transition service offered by Northwest ISD and is located at the Legacy Learning Center in Haslet, TX. It is an instructional arrangement for adult students ages 18 to 21, who have completed the academic graduation requirements and are working within the continuum of transition services in order to complete implementation of their individual interests, strengths, and choices. The SunRISE Creations program offers specialized business and industry experiences to students that may present with Autism or similar challenges, including anxiety, social skills, self-awareness and executive functioning. It is student-run and based on Individualized Education Plans with service delivery provided by RISE. Products for purchase include custom vinyl t-shirts, personalized notepads, and clipboards. Rise provides black and white as well as full color printing services for a low fee. Students collate and bind your print jobs free of charge upon request. Other complimentary services include paper shredding, preparing testing room bins prior to STAAR/ACT/SAT, etc., and pencil sharpening.

Impacts of COVID-19 – As we entered the third consecutive year involving the COVID pandemic, we recognized that COVID has significantly impacted the learning environment for our students and teachers over the previous two years. While many of our students historically perform on level (Approaches) on the state assessments, we have seen decreases in student achievement, making it imperative that we accelerate student achievement to pre-pandemic performance levels.

Historically, 80-85% of NISD students read on grade level at the end of each year. With disruptions to learning over the past two years due to the COVID pandemic, we have observed a decrease in our reading achievement data as measured on STAAR Reading by 7% at the Approaches level with 78% now reading on level. Additionally, we have experienced a 7% decrease in performance at the Meets level (now 55%) and a 6% decline at the Masters level (now 25%). Some achievement gaps have grown larger between student groups across the district, requiring focused attention and targeted instruction in order to rapidly close these gaps. Our literacy goals for the 2021-2022 school year are focused on accelerating reading achievement to regain levels of achievement indicative of where we were pre-pandemic. In Mathematics, our district-wide performance declined by 11% at the Approaches level to 78%. Additionally, we have observed a 15% decrease at the Meets level to 49% and a 13% decline at the Masters level to 23%. Achievement gaps have also increased and gaps in achievement between schools and between student groups have grown larger. Ensuring rigorous instruction and equitable access to high levels of teaching and learning is more important than ever. A renewed focus on high quality Tier One Instruction is essential to help ensure equitable access and appropriate support for every student every day so each child reaches their full potential.

Employment Data – Texas and DFW’s unemployment rates peaked in September then began a continuous drop. Northwest ISD counties’ unemployment rate fell below the State of Texas average of 4.2%. The United States unemployment rate is 3.6%. Texas added 82,500 nonfarm jobs in June 2022, the largest numerical increase for the nation. Texas led the nation in June 2022 in job gains.

**Historical Employment Data
2nd Quarter Averages**

	2022	2021	2020	2019	2018	2017
Tarrant County						
Civilian Labor Force	1,127,020	1,089,781	1,039,573	1,073,246	1,057,062	1,029,784
Total Employment	1,086,889	1,024,774	918,992	1,040,188	1,020,442	991,857
Unemployment	40,130	65,007	120,581	33,058	36,620	37,927
Percent Unemployment	3.6%	6.0%	11.70%	3.10%	3.50%	3.70%
Denton County						
Civilian Labor Force	552,252	510,939	478,409	490,251	481,853	468,788
Total Employment	535,616	485,654	427,137	476,573	466,646	453,224
Unemployment	17,864	25,285	51,272	13,678	15,207	15,564
Percent Unemployment	3.0%	5.00%	10.80%	2.80%	3.20%	3.30%
Wise County						
Civilian Labor Force	32,980	32,490	30,084	31,641	31,212	29,466
Total Employment	32,499	30,744	27,084	30,685	30,173	28,080
Unemployment	1,152	1,746	3,000	956	1,039	1,386
Percent Unemployment	3.4%	5.40%	10%	3.00%	3.30%	4.70%
State of Texas						
Civilian Labor Force	14,510,206	14,085,435	13,417,737	13,969,081	13,796,656	13,306,077
Total Employment	13,901,398	13,126,958	11,867,044	13,486,749	13,255,272	12,697,812
Unemployment	608,809	926,279	1,550,693	482,332	541,384	608,265
Percent Unemployment	4.2%	6.6%	11.60%	3.40%	3.90%	4.60%

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

Area Developments

AllianceTexas – Recognized as one of the most successful public-private partnerships in the nation, the 27,000-acre AllianceTexas development has generated approximately \$100.6 billion in economic impact. It has created 63,000 direct jobs and transformed the north Fort Worth and surrounding areas. This development is managed by Hillwood, and is the company's flagship project, being a model for similar ventures across the nation. AllianceTexas envelops the world's first industrial airport, Fort Worth Alliance Airport and includes the Alliance Global Logistics Hub, the nation's largest inland port. Geographically, AllianceTexas encompasses seven municipalities, five independent school districts, and two counties. The development includes south to north from Fort Worth to Denton, and west to east from Haslet to Westlake. This destination, a planned development by Hillwood, continues to drive the local economy in the following areas: industrial sectors, residential housing options, commercial development, aviation, construction, land development, land and cattle, landscape management, foreign trade zone, property management, and water management and development.

Circle T Ranch – In 1982, Ross Perot, Sr. purchased the 2,700 acres that would eventually become Legacy Business Park. Then, in 1993, Ross Perot, Jr. purchased the 2,500-acre Circle T Ranch from the Hunt Family. Circle T Ranch is a 27,000-acre, master-planned mixed-use development in Westlake and part of AllianceTexas. 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. The addition of six new corporate campuses to Circle T Ranch means companies will be able to join companies such as Fidelity Investments, Deloitte, and Charles Schwab. The Campuses at Circle T will be located at the intersection of SH 114 and SH 170; this is currently under construction and set to be completed in 2023. It will have access to employer support resources that are part of Alliance such as a full suite of workforce recruitment, Alliance Workforce Center training and retention resources, Tarrant County College's Corporate Center for Learning and Development, and Hillwood Workforce and Education Strategic Initiatives representatives. 230 acres of parkland join the campuses with a shared gathering space and 10 miles of walking, running, and biking trails. Near shopping and fitness centers with over 60 restaurants located within a 3-mile radius, this is a prime location.

Charles Schwab Corp – As part of AllianceTexas' business park, 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 Westlake location houses up to 7,000 employees.

Deloitte University – Built on about 106.9 acres south of Highway 114 in Westlake, Deloitte University employs 455 full-time employees and 31 part-time employees. A recent purchase of an adjacent 118.6 acres brings the total to about 225.5 acres, which will be used for an expansion. The leadership development and innovation center, Deloitte University, is moving ahead with an estimated \$300 million expansion plan after receiving a 10-year property tax abatement from Tarrant County. This center includes an 800-room corporate hotel and provides training for Deloitte employees and leaders around the world in the public and private sector. New facilities would be completed by January 1, 2029, according to the tax abatement agreement. Construction on the first phase is scheduled to begin in 2023. The expansion project will provide positive impacts to the local economy with increased construction jobs, increased retail revenue from contractors and visitors, and increased local professional jobs supporting the expansion project.

H-E-B – The San Antonio-based retailer, H-E-B, has confirmed that Alliance will be the location of its second store in Tarrant County, with the other store set to open in Mansfield, Texas. The Alliance store will be at 3451 Heritage Trace Parkway, across the street from a Kroger Marketplace, east of Interstate 35. The construction will be a part of a 30,000-sq foot food and entertainment destination in the Alliance Town Center area. Adjacent businesses will include Torchy's Tacos, CAVA, and Black Rifle Coffee Company. The store is set to break ground on November 16, 2022, and the store plans to open in 2024.

Incora – The two legacy companies of Wesco Aircraft and Pattonair, now known as Incora, relocated its new global headquarters from California to Texas, bringing with it a \$6 million capital investment and up to 239 jobs. Incora's new location at 2601 Meacham Boulevard in Fort Worth near I-35W and HWY 114, not only brings more jobs to Fort Worth, but it also positions the company for continued success and future growth. Incora 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, Incora will receive a \$1.8 million grant from the Texas Enterprise Fund. According to Incora CEO David Coleal, "The new headquarters is more than a building; it is the commitment that Incora is making to customers, suppliers, employees and community." The executive leadership team is centered in Fort Worth. The larger office space allows the company to increase efficiency, encourage collaboration, and support future growth.

Meta Fort Worth Data Center – DPR Construction is amid a massive, multi-year new construction project in Fort Worth, Texas, delivering major growth capacity for leading social media company Meta, formerly known as Facebook. With over 2.5 million square feet on a 170-acre site over multiple buildings, construction began in 2015 and is scheduled for completion in 2023. This location will represent an investment of more than \$1.5 billion. There are currently more than 150 people working at the data center. Data centers are part of the infrastructure that bring us WhatsApp, Instagram, Facebook, Meta Quest, Meta Portal, Messenger, Workplace, and more to people around the globe. Following completion of the work, the campus will employ around 200 staff. It is LEED Gold certified and

supported by 100 percent renewable energy. The new \$200 million addition to Meta'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. 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. There will be active lifestyle housing for residents age 55 and older. Other options include single family homes and multifamily apartments. Purchased in 2018, the entirety of the North City site is set to be developed throughout the next decade. The challenge for that is developing a master plan which allows for traffic to flow to this area and among the housing already in this area. Developers have proposed a number of new roads and extensions to existing roadways to alleviate congestion in this area. These proposals include extending Tehama Ridge Parkway across North Tarrant Parkway and extending Bailey Boswell Road from Blue Mound Road to US287.

Medical City Alliance – This hospital opened on North Tarrant Parkway in Fort Worth in 2012 with three floors, with plans to always expand. On April 27, 2021 Medical City Alliance opened the fourth and fifth floor vertical expansion, emergency room expansion, trauma room addition, and laboratory expansion. The expansion is part of a \$51.4 million project. This addition brings the Fort Worth hospital's total bed count from 99 to 159. The expansion adds space to the hospital's emergency room and laboratories. Medical City Alliance now provides 254,557 square-feet of care and treatment areas. This is the latest phase in the expansion plans for the 75-acre hospital campus as it continues to evolve into a regional medical hub. This expansion allows Medical City Alliance to provide expert care to even more patients in the north Fort Worth and Alliance community. These projects are part of Medical City Healthcare's major capital investment plan of more than \$1.1 billion spent or promised over five years across the Medical City Healthcare system.

TuSimple – TuSimple, an autonomous trucking firm opened a 2.5-acre logistics facility in AllianceTexas' innovation zone in June 2022. Hillwood is building a 1 million-sq.-ft facility within the AllianceTexas Mobility Innovation Zone, which allows companies to test, prove, and commercialize their technologies. The upcoming facility will become an origin and destination facility for autonomous trucks. The new facility will be in close proximity to TuSimple's major freight partner facilities but also to a major distribution hub and the largest freight market in the U.S. The self-driving technology company focuses on heavy-duty transportation and will operate out of a Hillwood developed trucking terminal near Alliance Airport.

Continued 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 Meta 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. Fort Worth Alliance Airport is beginning construction on a new fixed-base operator servicing aircraft in 2022. The potential of frequent freight delivery by drones is in the future, and Google's wing drones have already begun package delivery for Walgreens.

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 road 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 several 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. Construction is underway at Hwy 114 and US 377, which will reconstruct the main lanes of Hwy 114, including the grade separation over US 377. Construction continues on the next phase of I-35W from US 81/287 to Eagle Parkway. The public-private project will rebuild 6.7 miles of I-35W and add four TEXpress lanes, auxiliary lanes, and some frontage roads. Anticipated substantial completion is expected in late 2023.

Community Development – Northwest ISD finished at the top of a demographic report by Zonda Education ranking 20 North Texas school districts by the annual number of homes sold or newly occupied within its boundaries. Between April 2021 and March 2022, NISD saw 3,579 new home closings. NISD ranked first during this period among those districts based on the number of homes that started construction, 4,579. Inventory of homes, those still under construction or not yet sold by the end of first quarter of 2022, totaled 2,467. Another 2,982 vacant residential lots within the district are primed for construction. At least 38,594 single-family lots are expected to be built in the coming years in NISD. More homes mean more students at a pace that will continue for decades. Because of the size of NISD, the amount of vacant land, and the location, this puts NISD in a position to be a fast-growth district for at least 20 years, according to demographer Bob Templeton.

State Funding

Demographic predictions indicate that the District's enrollment will reach approximately 30,154 in the fall of 2022. By the 2031-32 school year, the demographer's report projected NISD to have 49,838 students. 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 2021-2022, 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 the district's student population.

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" or the FSP, 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 2020 to November 2020 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 diminish in response to the pandemic. The November 2020 bond election was up against several obstacles. There were voters who were confused by the nature of the ballot language for property tax rates. Compounding the problem, COVID-19 precautions moved the election from May 2020 to November 2020, and the voter education campaign to address that confusion had to compete with the presidential election cycle.

The bond was reduced by \$240 million for the May 2021 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; it passed with 55% in favor. Proposition C included \$5.7 million for middle school recreational facilities; it passed with 50.5% approval. Proposition D included \$19.4 million for technology devices and passed with 56% approval. Proposition B, which included stadium renovations, did not pass with only 47.5% in favor.

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 yearly, 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 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 2012, 2017, and 2021 bonds are utilized and fully depleted.

Enrollment in Northwest ISD grew by 5,539 students between 2016/17 and 2021/22, an increase of 25.1%. Region 10 has seen an overall enrollment increase of 12,307 students from 2020/21, an increase of 1.6%. Region 11 enrollment has increased 1.8% from 2020/21, an increase of 10,005 students.

The ethnicity of the student population is becoming slightly more diverse with 58.78% White, 23.12% Hispanic, 10.52% African American, and 5.47% Asian. The percentage of economically disadvantaged students increased slightly to 21.49%, with the percentage of ESL students slightly increasing to 5.91%. However, LEP is 6.87% from the 2020-2021 October Fall PEIMS Data Collection.

Demographics

<u>Year</u>	<u>Total</u>	<u>Elementary (EC-5th)</u>	<u>Middle (6th-8th)</u>	<u>High School (9th-12th)</u>
Actual:				
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
2021-2022	27,612	13,035	6,420	8,157
Projections:				
2022-2023	30,154	14,587	6,860	8,707
2023-2024	32,299	15,811	7,343	9,145
2024-2025	34,429	16,937	7,856	9,636
2025-2026	36,321	17,911	8,378	10,032

Templeton Demographics 2022 1st 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 21st 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>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>
School FIRST Rating	Superior Achievement	Superior Achievement	Superior Achievement	Superior Achievement	Superior Achievement

State Accountability System

The Texas Assessment of Knowledge and Skills (“TAKS”) used as the state test beginning in 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	TAKS	TAKS	TAKS	TAKS
	Actual	Actual	Actual	Actual	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	TAKS	TAKS	TAKS	TAKS
	Actual	Actual	Actual	Actual	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 2016-17	STAAR 2017-18	STAAR 2018-19	STAAR 2019-20	STAAR 2020-21	STAAR 2021-2022
All Subjects	85%	86%	87%	No Tests due to COVID	79%	82%
Reading	84%	85%	85%	No Tests due to COVID	78%	83%
Mathematics	86%	88%	89%	No Tests due to COVID	78%	79%
Writing	76%	78%	79%	No Tests due to COVID	73%	No longer tested
Science	89%	90%	90%	No Tests due to COVID	85%	84%
Social Studies	88%	89%	89%	No Tests due to COVID	85%	87%
Overall District Rating	Met Standard	A	A	Not Rated: Declared State of Disaster	Not Rated: Declared State of Disaster	B

All Texas school districts and campuses will receive a Not Rated: Declared State of Disaster label for their 2020 and 2021 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 required students 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	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Met Standard	26	27	28	Not Rated	Not Rated	29
Earned one or more Distinctions	7	12	12	Not Rated	Not Rated	10
Total Distinctions Earned	11	22	26	Not Rated	Not Rated	18
Improvement Required	0	0	0	Not Rated	Not Rated	0
Not Rated (TYC Campus)	1	1	1	Not Rated	Not Rated	1

District Rating	Met Standard	A	A	Declared State of Disaster	Declared State of Disaster	Met Standard
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Financial Policies

The Annual Comprehensive Financial Report for the year ended June 30, 2022 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, 2022 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

NISD students obtained \$35.9 million in scholarships, 4,151 certifications such as CPR, OSHA, AutoCAD, Cosmetology License, EMT, etc.), and 16 associate's degrees.

358+ students were selected to band, choir, or orchestra All-Region.

Over 400 students received internships with local industries.

4,976 OnRamps college credits were earned for a savings of \$3.9 million for NISD students.

For the second consecutive year, 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.

Northwest ISD was named a Best Community for Music Education.

District fine-arts programs received more than \$600,000 in grants in 10-year span.

The Class of 2022 was offered more than \$4.5 million in college fine arts scholarships.

Eight art students advanced to the TAEA State VASE event.

Eleven students were selected to the TMEA All-State music ensembles.

Byron Nelson Cheer placed first in the UIL Spirit State Championships.

Byron Nelson, Eaton, and Northwest bands earned Division 1 ratings from all judges at UIL Region 2 Marching Band Contest.

Northwest ISD Middle School Dance Team performed a district-wide showcase.

Multiple nominations at the Broadway Dallas and Betty Buckley Awards.

The Dazzlers, Sapphires, and Sidekicks each performed in a state or national competition, earning top marks including two Grand Championships.

Byron Nelson Symphony Orchestra performed at the Midwest and TMEA music conferences.

18 NISD athletic teams advanced to playoffs; 46 athletes advanced to state competition in individual sports.

During the 2021-2022 school year, 78 student-athletes signed NCAA National Letters of Intent to take part in collegiate athletics as well as academic pursuits in college. Some of the year's athletic postseason highlights include:

Baseball:

BNHS: 6A Bi-District Qualifier

EHS: 6A Area Qualifier

NHS: 5A Bi-District Champions

Boys Basketball:

BNHS: 6A Area Qualifier

EHS: 6A Bi-District Qualifier

Cross Country:

BNHS: 6A Boys and Girls Regional Qualifiers

EHS: 6A Girls State Qualifiers

Football:

BNHS: 6A Regional Quarterfinalist

EHS: 6A Bi-District Qualifier

NHS: 5A Bi-District Qualifier

Golf:

BNHS: 6A Girls State Qualifier

Soccer:

BNHS: 6A Boys Bi-District Qualifier

EHS: 6A Girls Regional Quarterfinalist

NHS: 5A Boys Bi-District Qualifier

Softball:

BNHS: Bi-District Qualifier

NHS: 5A Regional Quarterfinalist

Swim and Dive:

BNHS: 8 6A State Qualifiers

EHS: 6 6A State Qualifiers

NHS: 2 5A State Qualifiers

Tennis:

BNHS: 6A Area Qualifier

NHS: 5A Regional Qualifier

Track:

BNHS: 1 6A State Qualifier

EHS: 1 6A State Qualifier

NHS: 5 5A State Qualifiers

Volleyball:

EHS: 6A Regional Finalist

NHS: 5A Regional Quarterfinalist

Wrestling:

BNHS: 8 6A State Qualifiers

EHS: 3 6A State Qualifiers

NHS: 11 5A State Qualifiers, 4 State Medalists

After competing at the GFW Regional Tournament and the Texas Affiliate Tournament in Spring 2022, three Northwest ISD Destination Imagination teams competed at Global Finals. The global Destination Imagination tournament hosted hundreds of teams from across the world in Kansas City, Kansas from 21-24, 2022. Both NISD high school teams competed in the Engineering Challenge, Roll With It. The Flaming Ice Dragons from Northwest High School placed 3rd out of 20 teams and had the highest Instant Challenge score in their division. Additionally, the Flaming Ice Dragons were awarded the Renaissance Award, which recognizes teams who demonstrate extraordinary amounts of effort and preparation in their solutions, or outstanding skill in engineering, design, or performance. This was the Flaming Ice Dragon's third trip to Global Finals, after competing together since elementary school. A Decent Team from BNHS placed ninth; this team has also worked together since elementary and this marks their 5th trip to Global Finals. Spam Risk from Tidwell Middle School competed in Roll With It and placed in the top 20 finalists; this was their first trip to Globals.

Steele Early College High School Senior, Caleb Aultman, and Byron Nelson High School Seniors, Jake Butler-Jancose and Justin Boyd, were selected among approximately 16,000 semifinalists in the 67th annual National Merit Scholarship Program in October 2021. 18 students in Northwest ISD were recognized as Commended Scholars in the 2022 National Merit Scholarship Program: 11 students from Byron Nelson High School, 4 students from Northwest High School, and 3 students from Eaton High School.

16 Steele Accelerated High School students earned associate's degrees while still in high school. In addition, 5 students earned their stole for 39 dual credit hours.

13 Cosmetology Academy seniors received their state board certification before graduation.

Staff Accomplishments

Northwest ISD honored Teachers of the Year for 2021-2022 on Thursday, April 7, 2022 at the annual Inspire Celebration. Britney Nichols of Schluter Elementary School earned the Elementary Teacher of the Year, while Kristy Butler earned Secondary Teacher of the Year recognition. All 31 Northwest ISD schools recognized their Exemplar Educators of the Year at this celebration after a rigorous evaluation of their leadership, motivation, and effectiveness in the classroom.

Fifth and sixth grade teacher Valerie Valadez-Sims from Clara Love Elementary in Justin, was named the Grand Prize Winner of the 2022 Ernest and Sarah Butler Awards for Excellence in Science Teaching by the Texas Medical Association.

Kristy Butler, Medlin Middle School math teacher, was awarded the Presidential Awards for Excellence in Mathematics and Science Teaching (PAEMST) from President Joe Biden. She was one of just three state finalist nominees by the Texas State Board of Education during the 2020-2021 school year. After a rigorous vetting process, she was recognized with this award in spring of 2022. Mrs. Butler was one of only 102 teachers across the entire nation to be recognized with the PAEMST. She was awarded with \$10,000 and a certificate signed by the President.

District/Campus Accomplishments

Hughes Elementary received the TEPSA Student Leadership award for the 4th year in a row.

Clara Love Elementary School also was awarded \$5,000 for an outdoor learning classroom as the recipient of the 2021 Association for Learning Environments (A4LE) Grant. In Addition, Clara Love Elementary received the Texas Medical Association Grand Prize Winner.

Northwest ISD was named a District of Distinction by the Texas Art Education Association for the second year in a row.

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.

All four Northwest ISD high schools have been named to the U.S. News & World Report of the 2022 Best High Schools list.

Niche.com ranks Northwest ISD among the top 100 school districts in Texas for the 2021-2022 school year. The website gave the district high marks in all categories, particularly academics, college prep, clubs, and activities.

The Northwest ISD Education Foundation provides financial support to enhance education in Northwest ISD. NEF funds programs that make a difference in the lives of students and teachers such as teaching grants, student scholarships, and supporting district initiatives. Over 800 NISD teachers and more than 15,000 students benefited from the NEF Resource Store and library with a total of \$122,000 in resources provided to educators for free. NEF awarded 27 teaching grants to 15 campuses totaling \$61,979. The Class of 2022 received 74 scholarships from NEF totaling \$117,500. NEF funded \$4,300 in monetary awards to the NISD Teachers of the Year Finalists and

Employees of the Year. In partnership with Tarrant Area Food Bank, NEF hosted a monthly food pantry that served 1,773 households. More than 2,000 snack packs and 4,000 books were distributed to K-5 students in summer learning. Finally, NEF partnered with NISD PTA organizations to raise more than \$13,000 for schools across the district.

Northwest ISD received the **Award of Merit for Purchasing Operations** from the Texas Association of School Business Officials (TASBO) for the eleventh consecutive year.

The Northwest ISD adopted budget document was awarded the **Meritorious Budget Award** by ASBO for the 20th 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 Annual Comprehensive Financial Report (ACFR) for the year ending June 30, 2021 for the 20th time.

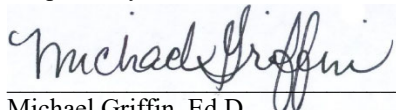
The Association of School Business Officials International (ASBO) awarded a **Certificate of Excellence in Financial Reporting** to Northwest Independent School District for its Comprehensive Annual Financial Report (CAFR) for the year ending June 30, 2021 for the 18th time.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual 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 comprehensive annual 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 comprehensive annual report meets the Certificate of Achievement and Certificate of Excellence programs' requirements and will be submitted for review to determine award eligibility.

Acknowledgements

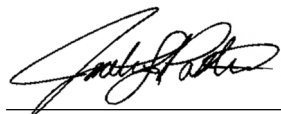
The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated efforts of the entire staff of the Financial Services Department. We would like to express our sincere appreciation to all members of the departments who assisted and contributed to the 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,



Michael Griffin, Ed.D.

Acting Superintendent since September 15, 2022



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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



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

Northwest Independent School District

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2021.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



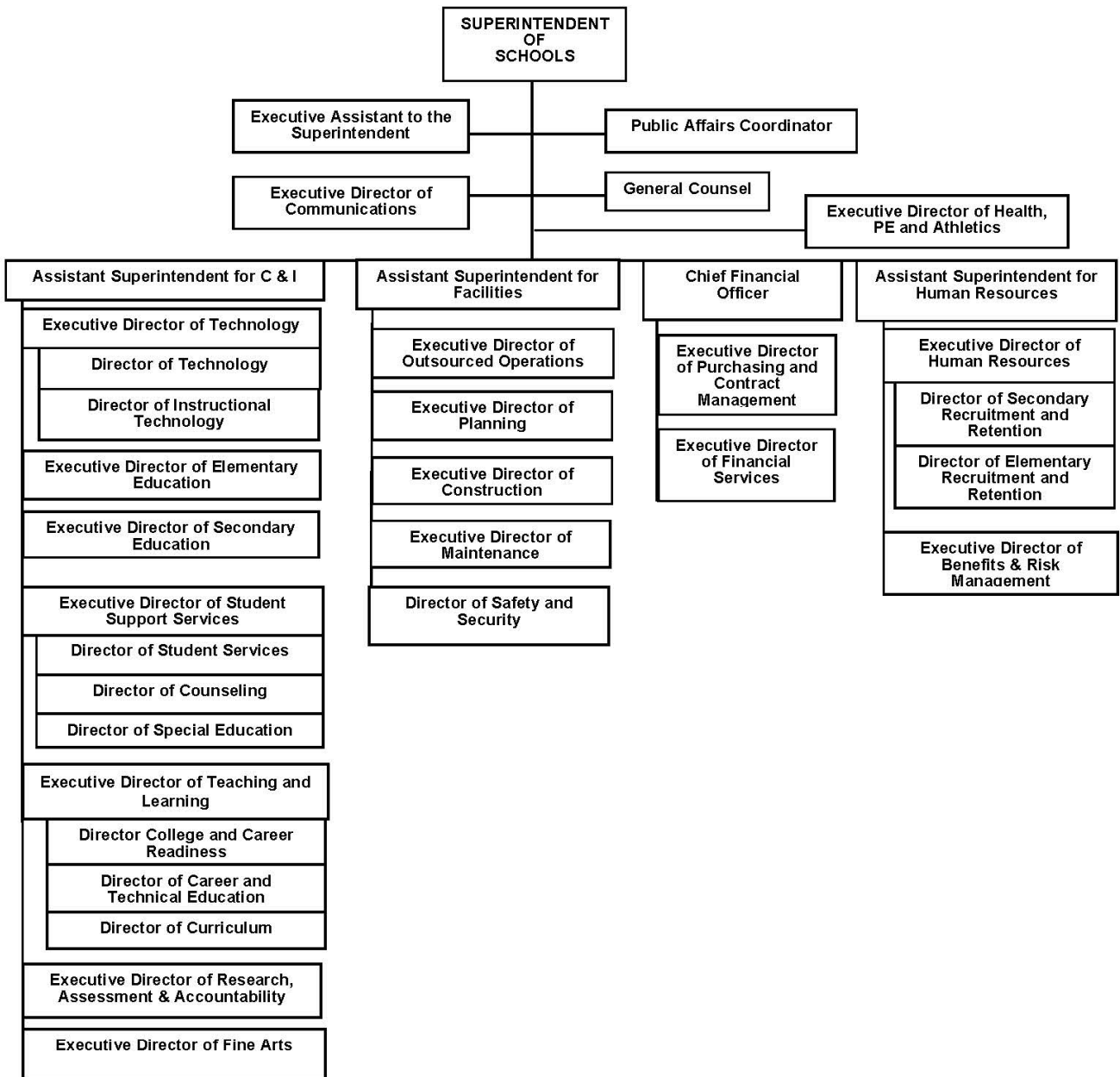
A handwritten signature in black ink, reading 'Will Sutter'.

**William A. Sutter
President**

A handwritten signature in black ink, reading '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 2025



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 2025



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



David Hicks, Ed D.
Superintendent
Appointed by
Board of Trustees 2022

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 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

School Board and Administrators

Board of Trustees

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

Administration

David Hicks, 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
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
Amanda Hughes	Prairie View Elementary School
Lyndsie 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 Lawson	Lance Thompson Elementary School
Justin Vercher	Berkshire Elementary School

NORTHWEST INDEPENDENT SCHOOL DISTRICT

Consultants and Advisors

<u>ARCHITECTS</u>	<u>OFFICIAL DEPOSITORY</u>
Huckabee	Wells Fargo Bank, N.A.
801 Cherry Street, Suite 500	P.O. Box 63020
Fort Worth, Texas 76102	San Francisco, CA 94163
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	



FINANCIAL SECTION

**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

Independent Auditor's Report

Northwest Independent School District
Fort Worth, Texas

Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Northwest Independent School District as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise Northwest Independent School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Northwest Independent School District as of June 30, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financials section of our report. We are required to be independent of Northwest Independent School District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Northwest Independent School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Northwest Independent School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 32 through 40, the budgetary comparison on page 91 and the Teacher Retirement System schedules on pages 92 through 98 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Northwest Independent School District's basic financial statements. The combining and individual nonmajor fund financial statements, the required TEA schedules listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the required TEA schedules, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2022 on our consideration of Northwest Independent School District's internal control over financial reporting and on our tests of the compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Northwest Independent School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Northwest Independent School District's internal control over financial reporting and compliance.

Hankins, Eastup, Deaton, Tonn & Seay

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

November 14, 2022

**NORTHWEST INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022
(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, 2022. Please read this narrative in conjunction with the independent auditors' report on page 30, and the District's Basic Financial Statements that begin on page 41.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of Northwest Independent School District exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$65,721,735.
- The District's total net position increased by \$71,256,860 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 \$555,848,230. Over 17% of this total amount (\$98,428,122) is unassigned and available for use within the District's commitments and policies.
- At the end of the current fiscal period, unassigned and assigned fund balance of the general fund of \$98,435,947 was 40.80% 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 2022 the District paid \$7,975,251 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 41 and 42). 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 57) 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 41. 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, 2022.

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-six 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-three 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, 2022 was a \$65,721,735. 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 \$49,301,782 at June 30, 2022. 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 (\$70,316,214) represents resources that are subject to external restrictions on how they may be used. The unrestricted net position at June 30, 2022 is a deficit of \$53,896,261.

Changes in Net Position. The District's total revenues of its governmental activities were \$406,228,760. A significant portion, approximately 81.3%, of the revenue comes from property taxes. Another 3.3% comes from state aid - formula grants while 2.5% relates to charges for services. This reflects a \$39.3 million increase in revenues from 2020-2021, primarily from increases in property taxes. The total revenues were used to fund the cost of all programs and services in the amount of \$334,971,900, and to pay down the District's debt. This reflects a \$26.9 million decrease in expenses from 2020-2021.

Governmental Activities. The District's total net position of its governmental activities increased \$71,256,860. The total cost of all government activities for the fiscal year ended June 30, 2022 was \$334,971,900. 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 \$61,436,206 (grant revenues, tuition and facility leasing, for example). The remaining cost of governmental activities not directly funded by program revenues was \$273,535,694, which were primarily funded by property taxes in the amount of \$330,095,610 and state revenue of \$13,341,689.

Table I
NET POSITION

	Governmental Activities		
	2021	2022	Change
Current and other assets	\$ 305,430,457	\$ 619,939,097	\$ 314,508,640
Capital and non-current assets	1,031,386,570	1,108,958,166	77,571,596
Total assets	1,336,817,027	1,728,897,263	392,080,236
Deferred outflows of resources	107,271,956	114,842,349	7,570,393
Total assets and deferred outflows of resources	1,444,088,983	1,843,739,612	399,650,629
Long-term liabilities	1,317,219,447	1,618,584,982	301,365,535
Other liabilities	72,135,200	74,967,008	2,831,808
Total liabilities	1,389,354,647	1,693,551,990	304,197,343
Deferred inflows of resources	60,269,461	84,465,887	24,196,426
Total liabilities and deferred inflows of resources	1,449,624,108	1,778,017,877	328,393,769
Net Position (Deficit):			
Net investments in capital assets	(11,400,314)	49,301,782	60,702,096
Restricted	70,371,929	70,316,214	(55,715)
Unrestricted	(64,506,740)	(53,896,261)	10,610,479
Total Net Position (Deficit)	\$ (5,535,125)	\$ 65,721,735	\$ 71,256,860

Table II
CHANGES IN NET POSITION

	Governmental Activities		
	2021	2022	Change
Revenues:			
Program Revenues:			
Charges for services	\$ 7,552,501	\$ 10,227,484	\$ 2,674,983
Operating grants and contributions	37,744,995	51,208,722	13,463,727
General Revenues:			
Maintenance and operations taxes	204,728,927	222,864,060	18,135,133
Debt service taxes	93,125,689	107,231,550	14,105,861
State aid - formula grants	23,316,174	13,341,689	(9,974,485)
Interest earnings	142,604	1,027,394	884,790
Miscellaneous	227,546	327,861	100,315
Total Revenue	<u>366,838,436</u>	<u>406,228,760</u>	<u>39,390,324</u>
Expenses:			
Instruction, curriculum and media services	183,741,791	177,707,181	(6,034,610)
Instructional and school leadership	20,395,470	19,839,369	(556,101)
Student support services	26,479,290	26,241,976	(237,314)
Food services	8,521,261	12,389,074	3,867,813
Extracurricular activities	10,784,586	11,739,998	955,412
General administration	9,189,948	8,459,944	(730,004)
Plant maintenance, security and data process	47,275,272	34,303,950	(12,971,322)
Community services	285,390	203,843	(81,547)
Debt services	37,275,893	31,853,152	(5,422,741)
Intergovernmental charges	17,946,538	12,233,413	(5,713,125)
Total Expenses	<u>361,895,439</u>	<u>334,971,900</u>	<u>(26,923,539)</u>
Increase in Net Position	4,942,997	71,256,860	66,313,863
Net Position - beginning of year	<u>(10,478,122)</u>	<u>(5,535,125)</u>	4,942,997
Net Position - end of year	<u>\$ (5,535,125)</u>	<u>\$ 65,721,735</u>	<u>\$ 71,256,860</u>

The cost of all governmental activities for the current fiscal period was \$334,971,900. However, as shown in the Statement of Activities on page 42, the amount that our taxpayers ultimately financed for these activities through District taxes was only \$330,095,610 because some of the costs were paid by those who directly benefited from the programs (\$10,227,484) or by State equalization funding (\$13,341,689).

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 \$555,848,230 an increase of \$313,590,523. Approximately 18% of this total amount (\$101,940,647) 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 (\$70,316,214), or for capital projects (\$377,831,023), or for Federal grants (\$4,279,531), or already spent on prepaid items (\$1,480,815).

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 \$98,435,947, while the total fund balance was \$99,904,957. 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 40.80% of the total general fund expenditures, while the total fund balance represents 41.40% of that same amount.

The fund balance of the District's general fund increased by \$16,081,405 during the current fiscal year, compared to a \$6,239,158 decrease in the previous year. Key factors related to this change are as follows:

- An \$18,888,697 increase in property tax and other local revenues offset by a \$9,451,608 decrease in foundation, per capita and other state funding contributed to an \$11,894,423 overall increase in total revenues. Expenditures decreased \$10,055,442 or 4.0% with \$6,365,452 of the decrease being in contracted instructional services between schools.

The debt service fund has a total fund balance of \$70,316,214, all of which is reserved for the payment of debt service. The net decrease in fund balance during the period from current year operations was \$55,715, compared to a \$9,201,143 increase in the previous year. Tax revenues were \$14,437,999 higher than the previous year, while debt service expenditures were \$24,916,776 higher due to significantly more bond principal payments.

Other changes in fund balances should also be noted. The fund balance in the capital projects fund increased by \$293,971,586 due primarily to \$400,000,000 proceeds from bond sales offset by \$105,998,343 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, 2021). 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 \$99,904,957 reported on page 44 differs from the General Fund's budgetary fund balance of \$84,465,128 reported in the budgetary comparison schedule on page 90. For the year ended June 30, 2022, actual general fund expenditures on a budgetary basis were \$241,280,401, below the original budget expenditures of \$243,090,419 and the revised final budget of \$257,503,099. The majority of the actual variance of \$16,222,698 consists of savings achieved in payroll costs in several areas. Actual revenue on a budgetary basis was \$258,335,837 compared to the original budget of \$241,075,017 and a revised budget of \$258,144,675. The actual variance was only \$191,162.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2022, the District had \$1,108,958,166 (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 \$77,571,596, or 7.5%, 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.	\$21,194,633
Continuing construction costs on renovations/additions at two high schools, paid for with proceeds of general obligation bonds.	6,489,789
Continuing construction costs on renovations/additions at several schools, paid for with proceeds of general obligation bonds.	3,044,484
Continuing construction costs on a new middle school, paid for with proceeds of general obligation bonds.	36,633,485
Initial construction costs on two new elementary schools, paid for with proceeds of general obligation bonds.	4,553,010
Continuing construction costs on a network operations center, paid for with proceeds of general obligation bonds.	4,441,329
Totaling	<u>\$76,356,730</u>

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 \$1,368,180,077 in bonds outstanding (including accreted interest on bonds) versus \$1,041,982,016 last year—an increase of 31.3%. New debt incurred during the fiscal period consists of two building bond series and one refunding bond series. 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.

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 2023 budget and tax rates, including the economy, student enrollment growth, and funding levels by the State of Texas.

The District has adopted a balanced budget for 2022-2023 for the general fund. Budgeted revenues for the general fund are \$44,794,964 higher than actual 2021-2022 revenues, and budgeted expenditures are \$61,850,400 higher than actual 2021-2022 expenditures.

The District has adopted a \$6,800,455 surplus budget for 2022-2023 for the debt service fund. Budgeted revenues for the debt service fund are \$21,612,729 higher than actual 2021-2022 revenues and budgeted expenditures are \$13,621,540 higher than actual 2021-2022 expenditures.

The 2022 tax rate was set at \$1.2746 per \$100 valuation (\$0.8546 maintenance and operations and \$0.42 debt service). The maintenance and operations rate decreased from \$0.872 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, 2022

EXHIBIT A-1

Data Control Codes	Primary Government Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 18,726,167
1120 Current Investments	580,673,822
1220 Property Taxes - Delinquent	5,589,414
1230 Allowance for Uncollectible Taxes	(419,206)
1240 Due from Other Governments	12,894,715
1250 Accrued Interest	35,808
1290 Other Receivables, Net	957,562
1410 Prepayments	1,480,815
Capital Assets:	
1510 Land	65,391,280
1520 Buildings, Net	717,321,005
1530 Furniture and Equipment, Net	4,439,367
1540 Vehicles, Net	15,430,103
1580 Construction in Progress	306,376,411
1000 Total Assets	<u>1,728,897,263</u>
DEFERRED OUTFLOWS OF RESOURCES	
1701 Deferred Charge for Refunding	72,292,145
1705 Deferred Outflow Related to TRS Pension	22,660,006
1706 Deferred Outflow Related to TRS OPEB	19,890,198
1700 Total Deferred Outflows of Resources	<u>114,842,349</u>
LIABILITIES	
2110 Accounts Payable	20,636,965
2140 Accrued Interest Payable	17,096,355
2150 Payroll Deductions and Withholdings	251,708
2160 Accrued Wages Payable	25,765,645
2180 Due to Other Governments	9,892,228
2200 Accrued Expenses	300,665
2300 Unearned Revenue	1,023,442
Noncurrent Liabilities:	
2501 Due Within One Year: Loans, Note, Leases, etc.	86,510,079
Due in More than One Year:	
2502 Bonds, Notes, Loans, Leases, etc.	1,437,525,185
2540 Net Pension Liability (District's Share)	32,765,212
2545 Net OPEB Liability (District's Share)	61,784,506
2000 Total Liabilities	<u>1,693,551,990</u>
DEFERRED INFLOWS OF RESOURCES	
2605 Deferred Inflow Related to TRS Pension	40,102,833
2606 Deferred Inflow Related to TRS OPEB	44,363,054
2600 Total Deferred Inflows of Resources	<u>84,465,887</u>
NET POSITION	
3200 Net Investment in Capital Assets and Right-to-Use Lease Assets	49,301,782
3850 Restricted for Debt Service	70,316,214
3900 Unrestricted	(53,896,261)
3000 Total Net Position	<u><u>\$ 65,721,735</u></u>

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, 2022

EXHIBIT B-1

Data Control Codes	1	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		3	4	
		Charges for	Operating	Primary Gov.
	Expenses	Services	Grants and Contributions	Governmental Activities
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
11 Instruction	\$ 167,392,895	\$ 376,263	\$ 19,360,642	\$ (147,655,990)
12 Instructional Resources and Media Services	3,332,605	-	163,700	(3,168,905)
13 Curriculum and Instructional Staff Development	6,981,681	-	679,582	(6,302,099)
21 Instructional Leadership	2,810,097	-	148,977	(2,661,120)
23 School Leadership	17,029,272	-	926,178	(16,103,094)
31 Guidance, Counseling, and Evaluation Services	12,100,955	-	4,581,565	(7,519,390)
32 Social Work Services	404,427	-	14,027	(390,400)
33 Health Services	2,772,949	1,996,636	197,031	(579,282)
34 Student (Pupil) Transportation	10,963,645	-	3,792,540	(7,171,105)
35 Food Services	12,389,074	4,079,636	11,140,360	2,830,922
36 Extracurricular Activities	11,739,998	648,096	3,961,961	(7,129,941)
41 General Administration	8,459,944	1,658,722	441,118	(6,360,104)
51 Facilities Maintenance and Operations	26,339,366	1,468,131	3,258,883	(21,612,352)
52 Security and Monitoring Services	2,201,116	-	156,121	(2,044,995)
53 Data Processing Services	5,763,468	-	171,913	(5,591,555)
61 Community Services	203,843	-	44,830	(159,013)
72 Debt Service - Interest on Long-Term Debt	27,865,099	-	2,169,294	(25,695,805)
73 Debt Service - Bond Issuance Cost and Fees	3,988,053	-	-	(3,988,053)
91 Contracted Instructional Services Between Schools	7,975,251	-	-	(7,975,251)
93 Payments Related to Shared Services Arrangements	116,000	-	-	(116,000)
95 Payments to Juvenile Justice Alternative Ed. Prg.	39,924	-	-	(39,924)
97 Payments to Tax Increment Fund	1,926,065	-	-	(1,926,065)
99 Other Intergovernmental Charges	2,176,173	-	-	(2,176,173)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 334,971,900	\$ 10,227,484	\$ 51,208,722	(273,535,694)
Data Control Codes	General Revenues:			
	Taxes:			
MT	Property Taxes, Levied for General Purposes			222,864,060
DT	Property Taxes, Levied for Debt Service			107,231,550
SF	State Aid - Formula Grants			13,341,689
IE	Investment Earnings			1,027,394
MI	Miscellaneous Local and Intermediate Revenue			327,861
TR	Total General Revenues			344,792,554
CN	Change in Net Position			71,256,860
NB	Net Position - Beginning			(5,535,125)
NE	Net Position - Ending			\$ 65,721,735

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, 2022

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
ASSETS			
1110 Cash and Cash Equivalents	\$ 4,219,075	\$ 623,563	\$ 2,969,751
1120 Investments - Current	118,016,064	69,785,224	392,699,988
1220 Property Taxes - Delinquent	3,943,451	1,645,963	-
1230 Allowance for Uncollectible Taxes	(295,759)	(123,447)	-
1240 Due from Other Governments	3,562,996	-	-
1250 Accrued Interest	-	-	35,808
1260 Due from Other Funds	9,491,941	-	1,827
1290 Other Receivables	711,334	-	-
1410 Prepayments	1,469,010	-	-
1000 Total Assets	<u>\$ 141,118,112</u>	<u>\$ 71,931,303</u>	<u>\$ 395,707,374</u>
LIABILITIES			
2110 Accounts Payable	\$ 2,523,899	\$ 72,455	\$ 17,874,435
2150 Payroll Deductions and Withholdings Payable	251,708	-	-
2160 Accrued Wages Payable	24,687,073	-	-
2170 Due to Other Funds	322,405	-	1,916
2180 Due to Other Governments	9,892,259	-	-
2200 Accrued Expenditures	-	-	-
2300 Unearned Revenue	-	73,551	-
2000 Total Liabilities	<u>37,677,344</u>	<u>146,006</u>	<u>17,876,351</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable Revenue - Property Taxes	3,535,811	1,469,083	-
2600 Total Deferred Inflows of Resources	<u>3,535,811</u>	<u>1,469,083</u>	<u>-</u>
FUND BALANCES			
Nonspendable Fund Balance:			
3430 Prepaid Items	1,469,010	-	-
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	377,831,023
3480 Retirement of Long-Term Debt	-	70,316,214	-
Committed Fund Balance:			
3545 Other Committed Fund Balance	-	-	-
3600 Unassigned Fund Balance	98,435,947	-	-
3000 Total Fund Balances	<u>99,904,957</u>	<u>70,316,214</u>	<u>377,831,023</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 141,118,112</u>	<u>\$ 71,931,303</u>	<u>\$ 395,707,374</u>

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

Other Funds		Total Governmental Funds	
\$	9,554,840	\$	17,367,229
	172,546		580,673,822
	-		5,589,414
	-		(419,206)
	9,331,719		12,894,715
	-		35,808
	320,578		9,814,346
	30,604		741,938
	11,805		1,480,815
\$	19,422,092	\$	628,178,881
\$	165,299	\$	20,636,088
	-		251,708
	1,078,432		25,765,505
	9,490,025		9,814,346
	(31)		9,892,228
	660		660
	891,671		965,222
	11,626,056		67,325,757
	-		5,004,894
	-		5,004,894
	11,805		1,480,815
	4,279,531		4,279,531
	-		377,831,023
	-		70,316,214
	3,512,525		3,512,525
	(7,825)		98,428,122
	7,796,036		555,848,230
\$	19,422,092	\$	628,178,881

NORTHWEST INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2022

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$ 555,848,230
1 Assets and liabilities of the internal service funds are not included in the fund financial statements.	1,215,320
2 Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the fund financial statements.	1,384,944,476
3 Accumulated depreciation is not reported in the fund financial statements.	(275,986,310)
4 Bonds payable are not reported in the fund financial statements.	(1,355,220,496)
5 Bond premiums are not recognized in the fund financial statements.	(154,559,056)
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.	(17,096,355)
7 Property tax revenue reported as unavailable revenue in the fund financial statements was recognized as revenue in the government-wide financial statements.	5,004,894
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 \$32,765,212, a Deferred Resource Inflow related to TRS in the amount of \$40,102,833, and a Deferred Resource Outflow related to TRS in the amount of \$22,660,006. This amounted to a decrease in Net Position in the amount of \$50,208,039.	(50,208,039)
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 \$61,784,506, a Deferred Resource Inflow related to TRS OPEB in the amount of \$44,363,054, and a Deferred Resource Outflow related to TRS OPEB in the amount of \$19,890,198. This amounted to a net decrease in Net Position in the amount of \$86,257,362.	(86,257,362)
10 Deferred charge on bond refundings is not recognized in the fund financial statements.	72,292,145
11 Accreted interest on capital appreciation bonds has not been recorded in the fund financial statements.	(12,959,581)
12 Accrued vacation benefits have not been recorded in the fund financial statements.	(1,296,131)
19 Net Position of Governmental Activities	\$ 65,721,735

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, 2022

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 228,410,531	\$ 107,541,958	\$ 609,535
5800 State Program Revenues	25,985,292	599,813	46,776
5900 Federal Program Revenues	3,940,014	-	-
5020 Total Revenues	258,335,837	108,141,771	656,311
EXPENDITURES:			
Current:			
0011 Instruction	136,654,096	-	418,173
0012 Instructional Resources and Media Services	2,842,271	-	130,854
0013 Curriculum and Instructional Staff Development	5,880,348	-	-
0021 Instructional Leadership	2,447,243	-	-
0023 School Leadership	14,747,592	-	9,063
0031 Guidance, Counseling, and Evaluation Services	6,954,689	-	374
0032 Social Work Services	404,002	-	-
0033 Health Services	2,366,741	-	9,787
0034 Student (Pupil) Transportation	10,745,047	-	-
0035 Food Services	-	-	-
0036 Extracurricular Activities	7,615,012	-	111,953
0041 General Administration	7,325,738	-	-
0051 Facilities Maintenance and Operations	23,507,263	-	-
0052 Security and Monitoring Services	1,991,002	-	6,178
0053 Data Processing Services	5,222,441	-	-
0061 Community Services	144,297	-	-
Debt Service:			
0071 Principal on Long-Term Liabilities	-	61,106,147	-
0072 Interest on Long-Term Liabilities	-	47,057,053	-
0073 Bond Issuance Cost and Fees	-	1,169,305	2,818,748
Capital Outlay:			
0081 Facilities Acquisition and Construction	199,206	-	105,998,343
Intergovernmental:			
0091 Contracted Instructional Services Between Schools	7,975,251	-	-
0093 Payments to Fiscal Agent/Member Districts of SSA	116,000	-	-
0095 Payments to Juvenile Justice Alternative Ed. Prg.	39,924	-	-
0097 Payments to Tax Increment Fund	1,926,065	-	-
0099 Other Intergovernmental Charges	2,176,173	-	-
6030 Total Expenditures	241,280,401	109,332,505	109,503,473
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	17,055,436	(1,190,734)	(108,847,162)
OTHER FINANCING SOURCES (USES):			
7911 Capital Related Debt Issued	-	141,264,904	375,405,000
7912 Sale of Real and Personal Property	199	-	-
7915 Transfers In	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	17,458,803	27,413,748
8911 Transfers Out (Use)	(974,230)	-	-
8940 Payment to Bond Refunding Escrow Agent (Use)	-	(157,588,688)	-
7080 Total Other Financing Sources (Uses)	(974,031)	1,135,019	402,818,748
1200 Net Change in Fund Balances	16,081,405	(55,715)	293,971,586
0100 Fund Balance - July 1 (Beginning)	83,823,552	70,371,929	83,859,437
3000 Fund Balance - June 30 (Ending)	\$ 99,904,957	\$ 70,316,214	\$ 377,831,023

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

		Total	
Other		Governmental	
Funds		Funds	
\$	8,134,974	\$	344,696,998
	1,251,016		27,882,897
	27,191,343		31,131,357
	36,577,333		403,711,252
	10,120,405		147,192,674
	36,037		3,009.162
	376,065		6,256,413
	23,037		2,470,280
	226,474		14,983,129
	3,804,472		10,759,535
	2,552		406,554
	63,305		2,439,833
	218,598		10,963.645
	12,389,074		12,389,074
	3,379,696		11,106,661
	195,954		7,521,692
	2,173,039		25,680,302
	143,001		2,140,181
	50,934		5,273.375
	36,530		180,827
	-		61,106,147
	-		47,057,053
	-		3,988,053
	144,900		106,342,449
	-		7,975,251
	-		116.000
	-		39,924
	-		1,926,065
	-		2,176,173
	33,384,073		493,500,452
	3,193,260		(89,789,200)
	-		516,669,904
	-		199
	399,987		399,987
	-		44,872,551
	-		(974,230)
	-		(157,588,688)
	399,987		403,379,723
	3,593,247		313,590,523
	4,202,789		242,257,707
\$	7,796,036	\$	555,848,230

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, 2022

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$ 313,590,523
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.	106,307,762
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.	(28,736,166)
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.	(915,276)
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.	(651,571)
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.	35,952,822
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.	(11,899,304)
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.	(346,874)
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.	61,106,147
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.	(38,354)
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 8/31/2021 caused the ending net position to increase in the amount of \$5,107,410. Contributions made before the measurement date but during the 2022 FY were also de-expended and recorded as a reduction in the net pension liability for the District. This caused an increase in the net position in the amount of \$925,656. These contributions were replaced with the District's pension expense for the year of \$3,140,265, which caused a decrease in net position. The impact of all of these is to increase net position by \$2,892,801.	2,892,801

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, 2022

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 \$1,278,293. These contributions were replaced with the District's OPEB expense for the year, which was \$(616,082) and caused an increase in net position. The impact of both of these is to increase net position by \$1,894,375.	1,894,375
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)
Proceeds from bond sales are recorded as other resources in the fund financial statements but are shown as an increase in long-term debt in the government-wide financial statements.	(516,669,904)
Premium received on bond sales are recorded as other resources in the fund financial statements but are shown as an increase in long-term debt in the government-wide financial statements.	(44,872,551)
Payments to refund bonds payable are shown as other financing uses in the fund financial statements, but are shown as a reduction in long-term debt in the government-wide financial statements.	157,588,688
Change in Net Position of Governmental Activities	<u><u>\$ 71,256,860</u></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, 2022

	Governmental Activities -
	Total Internal Service Funds
<hr/>	
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 1,358,938
Other Receivables	215,624
	<hr/>
Total Assets	1,574,562
	<hr/>
LIABILITIES	
Current Liabilities:	
Accounts Payable	877
Accrued Wages Payable	140
Accrued Expenses	300,005
Unearned Revenues	58,220
	<hr/>
Total Liabilities	359,242
	<hr/>
NET POSITION	
Unrestricted Net Position	1,215,320
	<hr/>
Total Net Position	\$ 1,215,320
	<hr/> <hr/>

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, 2022

	Governmental Activities -
	Total Internal Service Funds
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 5,098,357
Total Operating Revenues	5,098,357
OPERATING EXPENSES:	
Payroll Costs	8,306
Professional and Contracted Services	224,241
Supplies and Materials	323,505
Other Operating Costs	5,463,422
Total Operating Expenses	6,019,474
Income Before Transfers	(921,117)
Transfer In	1,841,478
Transfers Out	(1,267,235)
Change in Net Position	(346,874)
Total Net Position - July 1 (Beginning)	1,562,194
Total Net Position - June 30 (Ending)	\$ 1,215,320

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, 2022

EXHIBIT D-3

	Governmental Activities -
	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>	
Cash Received from User Charges	\$ 4,941,044
Cash Payments to Employees for Services	(10,863)
Cash Payments for Insurance Claims	(7,277,027)
Cash Payments for Other Operating Expenses	(560,880)
Net Cash Used for Operating Activities	(2,907,726)
<u>Cash Flows from Non-Capital Financing Activities:</u>	
Transfer In	1,841,478
Operating Transfer Out	(1,267,235)
Net Cash Provided by Non-Capital Financing Activities	574,243
Net Decrease in Cash and Cash Equivalents	(2,333,483)
Cash and Cash Equivalents at Beginning of Year	3,692,421
Cash and Cash Equivalents at End of Year	\$ 1,358,938
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u>Used for Operating Activities:</u>	
Operating Income (Loss):	\$ (921,117)
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Receivables	(215,533)
Increase (decrease) in Accounts Payable	(13,305)
Increase (decrease) in Accrued Wages Payable	(2,557)
Increase (decrease) in Accrued Expenses	(1,813,434)
Increase (decrease) in Unearned Revenues	58,220
Net Cash Used for Operating Activities	\$ (2,907,726)

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

NORTHWEST INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022

	Custodial Fund
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 217,569
Other Receivables	<u>40</u>
Total Assets	<u>217,609</u>
LIABILITIES	
Accounts Payable	<u>3,690</u>
Total Liabilities	<u>3,690</u>
NET POSITION	
Unrestricted Net Position	<u>213,919</u>
Total Net Position	<u><u>\$ 213,919</u></u>

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

NORTHWEST INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Custodial Fund
ADDITIONS:	
Received from Student Groups	\$ 411,312
Total Additions	<u>411,312</u>
DEDUCTIONS:	
Student Groups	<u>387,148</u>
Total Deductions	<u>387,148</u>
Change in Fiduciary Net Position	24,164
Total Net Position - July 1 (Beginning)	<u>189,755</u>
Total Net Position - June 30 (Ending)	<u><u>\$ 213,919</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, 2022

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 elected by registered voters of the District, 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

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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. **Fiduciary Funds** – The District reports Custodial Funds as Fiduciary Funds. Custodial Funds are custodial in nature and account for activities of student and employee groups. Custodial Funds use the accrual basis of accounting to recognize assets and liabilities. The Custodial Funds exist with the explicit approval of, and are subject to revocation by, the Board.

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.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

- 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
FOR THE YEAR ENDED JUNE 30, 2022

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, 2022 the amount accrued and vested was \$1,296,131 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, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2022</u>
<u>\$1,257,777</u>	<u>\$672,975</u>	<u>\$634,621</u>	<u>\$1,296,131</u>

The District allows employees to carry forward unused sick leave to subsequent years. Unused sick leave 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.

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.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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, 2022 was \$72,292,145.

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 6.3 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, 2022 was \$22,660,006.

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 9.2 years. The amount of deferred outflows reported in the governmental activities for deferred OPEB expense at June 30, 2022 was \$19,890,198.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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, 2022 was \$5,004,894.

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 2022, the District reported deferred inflows of resources for pensions in the governmental activities in the amount of \$40,102,833.

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 (9.2 years for the 2021 measurement year). In fiscal year 2022, the District reported deferred inflows of resources for OPEB in the governmental activities in the amount of \$44,363,054.

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.

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 2022, the district purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
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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. 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, 2022 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 as of June 30, 2022 for future construction needs.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
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- 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 \$98,435,947 at June 30, 2022. Prepaid items of \$1,469,010 are considered nonspendable fund balance.

Other Major Funds

The Debt Service Fund has restricted funds of \$70,316,214 at June 30, 2022 consisting primarily of property tax collections that are restricted for debt service payments on bonded debt. The Capital Projects Fund has restricted funds of \$377,831,023 at June 30, 2022 consisting primarily of unspent bond funds.

Other Funds

The fund balance of \$3,444,683 of the Campus Activity Fund, \$29,318 in the NISD Education Foundation, and \$42,504 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 \$4,279,531 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.

1. **Cash Deposits:**

At June 30, 2022, the carrying amount of the District's deposits checking accounts and interest-bearing savings accounts was \$18,921,284 and the bank balance was \$21,514,979. The District's deposits were under-pledged for twenty-seven days during the current fiscal year but at June 30, 2022 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
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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, 2022, the District’s cash balances totaled \$21,514,979. 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, 2022, 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.

- 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).

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- 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, 2022, 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, 2022, are shown below:

Name	Carrying Amount	Fair Value
TexPool investment pool	<u>\$580,673,822</u>	<u>\$580,673,822</u>
Total	<u>\$580,673,822</u>	<u>\$580,673,822</u>

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.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
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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, 2022, was as follows:

	Balance July 1	Additions/ Completions	Retirement/ Adjustments	Balance June 30
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 61,787,258	\$ 3,604,022	\$ -	\$ 65,391,280
Construction in Progress	217,435,027	101,263,556	(12,322,172)	306,376,411
Total capital assets, not being depreciated	<u>279,222,285</u>	<u>104,867,578</u>	<u>(12,322,172)</u>	<u>371,767,691</u>
Capital assets, being depreciated:				
Buildings and Improvements	956,389,734	12,800,103	-	969,189,837
Furniture and Equipment	18,617,698	265,093	-	18,882,791
Vehicles	24,406,997	697,160	-	25,104,157
Total capital assets, being depreciated	<u>999,414,429</u>	<u>13,762,356</u>	<u>-</u>	<u>1,013,176,785</u>
Less accumulated depreciation for:				
Buildings and Improvements	(226,266,146)	(25,602,686)	-	(251,868,832)
Furniture and Equipment	(13,454,511)	(988,913)	-	(14,443,424)
Vehicles	(7,529,487)	(2,144,567)	-	(9,674,054)
Total accumulated depreciation	<u>(247,250,144)</u>	<u>(28,736,166)</u>	<u>-</u>	<u>(275,986,310)</u>
Total capital assets being depreciated, net	<u>752,164,285</u>	<u>(14,973,810)</u>	<u>-</u>	<u>737,190,475</u>
Governmental activities capital assets, net	<u>\$ 1,031,386,570</u>	<u>\$ 89,893,768</u>	<u>\$ (12,322,172)</u>	<u>\$ 1,108,958,166</u>

Construction in progress includes the following construction contracts in progress as of June 30, 2022:

Project	Estimated Cost to Complete	Expended to Date	Balance to Complete
Elementary School Construction (2)	\$ 80,995,000	\$11,421,904	\$ 69,573,096
Elementary School Construction (2)	73,293,000	6,333,858	66,959,142
Elementary School Construction	26,377,000	25,839,641	537,359
Middle School Construction	69,500,000	34,820,120	34,679,880
Middle School Renovations	9,306,392	349,397	8,956,995
Middle School Renovations	<u>17,277,336</u>	<u>14,097,804</u>	<u>3,179,532</u>
Total	<u>\$276,748,728</u>	<u>\$92,862,724</u>	<u>\$183,886,004</u>

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

Governmental activities:	
Instruction	\$20,406,491
Instructional Resources & Media Services	341,403
Curriculum & Instructional Staff Development	770,967
Instructional Leadership	358,629
School Leadership	2,151,429
Guidance, Counseling & Evaluation Services	1,449,745
Health Services	351,725
Cocurricular/Extracurricular Activities	671,083
General Administration	986,518
Plant Maintenance and Operations	652,818
Data Processing Services	62,726
Security & Monitoring	507,967
Community Services	<u>24,665</u>
Total depreciation expense-Governmental activities	<u>\$28,736,166</u>

Land and construction in progress are not depreciated.

NOTE 5. LONG-TERM DEBT

Long-term debt includes twenty 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.

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, 2022:

<u>Description</u>	<u>Interest Rate Payable</u>	<u>Amount Original Issue</u>	<u>Amounts Outstanding 7/1/2021</u>	<u>Additions</u>	<u>Refunded/ Retired</u>	<u>Amounts Outstanding 6/30/2022</u>	<u>Due Within One Year</u>
Bonded Indebtedness:							
2008 Bldg/Ref CAB	2.43-4.89%	209,661	\$ 16,739	\$ -	\$ 6,147	\$ 10,592	\$ 4,546
2012 Bldg/Refunding	3.00-5.00%	91,585,000	3,985,000	-	3,985,000	-	-
2013A Refunding	3.00-5.00%	44,180,000	8,960,000	-	2,905,000	6,055,000	2,925,000
2014 Building	2.00-5.00%	66,300,000	6,395,000	-	2,390,000	4,005,000	310,000
2015 Refunding	2.00-5.00%	83,565,000	25,075,000	-	2,810,000	22,265,000	3,150,000
2015 Building	1.00-5.00%	67,435,000	59,435,000	-	56,435,000	3,000,000	500,000
2015A Refunding	5.00%	118,740,000	66,845,000	-	9,450,000	57,395,000	10,055,000
2015B Refunding	1.50-5.00%	82,115,000	49,420,000	-	7,635,000	41,785,000	8,235,000
2016 Refunding	1.00-5.00%	49,510,000	41,635,000	-	13,315,000	28,320,000	500,000
2016A Refunding	2.00-5.00%	64,870,000	62,535,000	-	16,540,000	45,995,000	1,280,000
2017 Building	2.25-5.00%	90,520,000	74,845,000	-	56,180,000	18,665,000	100,000
2017 Refunding	2.00-5.00%	29,825,000	29,300,000	-	180,000	29,120,000	1,685,000
2018 Building	3.00-5.00%	94,890,000	87,770,000	-	1,465,000	86,305,000	1,605,000
2019 Building	3.00-5.00%	92,450,000	82,780,000	-	1,500,000	81,280,000	1,530,000
2019 Refunding	2.42-5.00%	96,759,995	93,650,000	-	-	93,650,000	805,000
2020 Bldg/Refunding	4.00-5.00%	181,545,000	175,995,000	-	2,110,000	173,885,000	880,000
2020A Refunding	1.84-5.00%	172,280,000	172,280,000	-	-	172,280,000	-
2021 Building	3.00-5.00%	183,060,000	-	183,060,000	25,465,000	157,595,000	830,000
2022 Refunding	3.293-5.00%	132,280,000	-	132,280,000	-	132,280,000	-
2022 Refunding CAB	1.743-2.013%	8,984,904	-	8,984,904	-	8,984,904	6,320,616
2022 Building	4.00-5.00%	192,345,000	-	192,345,000	-	192,345,000	30,370,000
Total Bonded Indebtedness			<u>1,040,921,739</u>	<u>516,669,904</u>	<u>202,371,147</u>	<u>1,355,220,496</u>	<u>71,085,162</u>
Accreted Interest	4.10-5.20%		1,060,277	12,184,604	285,300	12,959,581	5,109,838
Premiums on Bond Issuance			145,639,327	44,872,551	35,952,822	154,559,056	9,840,079
Accrued Vacation Benefits			<u>1,257,777</u>	<u>672,975</u>	<u>634,621</u>	<u>1,296,131</u>	<u>475,000</u>
Total Other Obligations			<u>147,957,381</u>	<u>57,730,130</u>	<u>36,872,743</u>	<u>168,814,768</u>	<u>15,424,917</u>
Total Obligations of District			<u>\$ 1,188,879,120</u>	<u>\$ 574,400,034</u>	<u>\$ 239,243,890</u>	<u>\$ 1,524,035,264</u>	<u>\$ 86,510,079</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, 2022.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
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NOTE 6. DEBT SERVICE REQUIREMENTS - BONDS

Debt service requirements to maturity are as follows:

Year Ended June 30	Principal	Interest	Total Requirements
2023	\$ 71,085,162	\$ 54,990,923	\$ 126,076,085
2024	40,317,765	57,846,202	98,103,967
2025	40,927,569	48,283,798	89,211,367
2026	43,165,000	45,971,017	89,136,017
2027	48,010,000	43,832,317	91,842,317
2028-2032	256,315,000	183,637,151	439,952,151
2033-2037	263,600,000	134,866,559	398,466,559
2038-2042	309,360,000	87,495,821	396,855,821
2043-2045	<u>282,440,000</u>	<u>27,206,761</u>	<u>309,646,761</u>
Total	<u>\$1,355,220,496</u>	<u>\$684,130,549</u>	<u>\$2,039,351,045</u>

NOTE 7. DEFEASED BONDS OUTSTANDING

On April 1, 2022, the District issued \$132,280,000 (par value) in unlimited tax refunding bonds (current interest bonds) with interest rates ranging from 3.293% to 5.00% and \$8,984,904 (par value) in capital appreciation bonds with interest rates ranging from 1.743% to 2.013% to advance refund \$141,265,000 of unlimited tax school building and tax refunding bonds. The unlimited tax refunding bonds were issued at a net premium of \$17,458,803, and, after paying issuance costs of \$1,135,019 the net proceeds were \$157,588,688. The net proceeds from the issuance of the unlimited tax refunding bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the bond matures. The advance refunding met the requirements of an in-substance debt defeasance and the unlimited tax school building bonds were removed from the District's long-term liabilities.

As a result of the advance refunding, the District decreased its total debt service requirements by \$26,094,184 which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$12,376,728.

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, 2022 \$549,625,000 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 \$2,176,173 in fiscal year 2022 for appraising property.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
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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 2021-22 fiscal year was based was \$25,525,613,080. 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, 2022, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$0.8720 and \$0.42 per \$100 valuation, respectively, for a total of \$1.2920 per \$ 100 valuation.

Current tax collections for the year ended June 30, 2022 were 99.44% 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, 2022, property taxes receivable, net of estimated uncollectible taxes, totaled \$3,535,811 and \$1,469,083 for the General and Debt Service Funds, respectively. The uncollectible allowance has been estimated at 7.5% of outstanding property taxes at June 30, 2022.

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.

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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.

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>2021</u>	<u>2022</u>
Member	7.7%	8.0%
Non-Employer Contributing Entity (State)	7.5%	7.75%
Employers	7.5%	7.75%
Northwest ISD FY2022 Employer Contributions		\$ 6,033,066
Northwest ISD FY2022 Member Contributions		\$13,437,142
Northwest ISD FY2022 NECE On-Behalf Contributions		\$ 8,572,559

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.

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- 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.

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

- All public schools must contribute 1.6 percent of the member's salary beginning in fiscal year 2021, gradually increasing to 2 percent in fiscal year 2025.
- 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, 2021 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2020 rolled forward to August 31, 2021
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	1.95%
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, 2020. For a full description of these assumptions please see the actuarial valuation report dated November 9, 2020.

Discount Rate. A single discount rate of 7.25 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on 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%.

Pension liabilities have typically been liquidated with resources from the General Fund.

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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, 2021 are summarized below:

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%	3.6%	0.94%
Non-U.S. Developed	13%	4.4%	0.83%
Emerging Markets	9%	4.6%	0.74%
Private Equity	14%	6.3%	1.36%
Stable Value			
Government Bonds	16%	-.2%	0.01%
Stable Value Hedge Funds	5%	2.2%	0.12%
Real Return			
Real Estate	15%	4.5%	1.00%
Energy, Natural Resources	6%	4.7%	0.35%
Risk Parity			
Risk Parity	8%	2.8%	0.28%
Leverage			
Cash	2%	-.7%	-0.01%
Asset Allocation Leverage	-6%	-.5%	0.03%
Inflation Expectation	-		2.20%
Volatility Drag ³	-		-0.95%
Total	<u>100%</u>		<u>6.90%</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:	\$71,597,186	\$32,765,212	\$1,260,700

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2022, Northwest Independent School District reported a liability of \$32,765,212 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:

¹ Target allocations are based on the FY21 policy model.

² Capital Market Assumptions come from Aon Hewitt (as of 08/31/2021).

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

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District's Proportionate share of the collective net pension liability	\$32,765,212
State's proportionate share that is associated with the District	<u>51,157,357</u>
Total	<u>\$83,922,569</u>

The net pension liability was measured as of August 31, 2020 and rolled forward to August 31, 2021 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, 2020 thru August 31, 2021.

At June 30, 2022 the employer's proportion of the collective net pension liability was 0.1286602464%, an increase of 2.26% from its proportionate share of 0.1258211738% at August 31, 2021.

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

For the year ended June 30, 2022, Northwest Independent School District recognized pension expense of \$204,521 and revenue of \$204,521 for support provided by the State.

At June 30, 2022, 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	\$ 54,832	\$ 2,306,697
Changes in actuarial assumptions	11,581,862	5,048,699
Difference between projected and actual investment earnings	2,035,138	29,508,342
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	3,880,734	3,239,095
Contributions paid to TRS subsequent to the measurement date	5,107,440	-
Total	\$22,660,006	\$40,102,833

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
2023	\$ (3,423,868)
2024	(3,786,282)
2025	(6,455,369)
2026	(8,652,632)
2027	(233,972)
Thereafter	1,856

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 TRS-Care program was established in 1986 by the Texas Legislature.

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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.

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.

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	<u>Contribution Rates</u>	
	<u>2021</u>	<u>2022</u>
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private Funding remitted by Employers	1.25%	1.25%
Northwest ISD FY22 Employer Contributions		\$1,278,293
Northwest ISD FY22 Member Contributions		\$1,098,542
Northwest ISD FY22 NECE On-behalf Contributions		\$1,676,446

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 \$5,520,343 in fiscal year 2021 for consumer protection against medical and health care billing by certain out-of-network providers.

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

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, 2020 TRS pension actuarial valuation that was rolled forward to August 31, 2021:

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 mortality projection scale MP-2018.

OPEB liabilities have typically been liquidated with resources from the General Fund.

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Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	1.95%
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

Discount Rate. A single discount rate of 1.95% was used to measure the total OPEB liability. There was a decrease of 0.38 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, 2021 using the fixed-income market data/yield curve/data 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 (1.95%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (0.95%)	Current Single Discount Rate (1.95%)	1% Increase in Discount Rate (2.95%)
District’s proportionate share of the Net OPEB Liability:	\$74,526,352	\$61,784,506	\$51,756,257

Healthcare Cost Trend Rates Sensitivity Analysis - The following schedule 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:	\$50,043,407	\$61,784,506	\$77,538,145

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OPEB Liabilities, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At June 30, 2022, the District reported a liability of \$61,784,506 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	\$ 61,784,506
State's proportionate share that is associated with the District	<u>\$ 82,777,469</u>
Total	<u>\$144,561,975</u>

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

At June 30, 2022 the employer's proportion of the collective Net OPEB Liability was 0.1601694280%, a decrease of 0.11% compared to the August 31, 2021 proportionate share of 0.1603415749%.

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 2.33 percent as of August 31, 2020 to 1.95 percent as of August 31, 2021. This change increased 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.

The amount of OPEB expense recognized by the District in the reporting period was \$(3,055,121).

At June 30, 2022, 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	\$ 2,660,116	\$29,908,023
Changes in actuarial assumptions	6,843,359	13,066,279
Difference between projected and actual investment earnings	67,906	828
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	9,247,376	1,387,924
Contributions paid to TRS subsequent to the measurement date	1,071,441	-
Total	\$19,890,198	\$44,363,054

The net amounts of the employer's balances 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:

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Year ended June 30:	OPEB Expense Amount
2023	\$ (5,030,914)
2024	(5,032,427)
2025	(5,032,013)
2026	(3,405,678)
2027	(1,203,905)
Thereafter	(5,839,360)

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, 2022, the contribution made on behalf of the District was \$536,874.

NOTE 12. INTERFUND BALANCES AND TRANSFERS

Interfund balances at June 30, 2022, were as follows:

<u>Fund</u>	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
General Fund:		
Capital Projects Fund	\$ 1,916	\$ 1,827
Special Revenue Funds	9,490,025	320,578
Capital Projects Fund:		
General Fund	1,827	1,916
Special Revenue Funds:		
General Fund	<u>320,578</u>	<u>9,490,025</u>
TOTAL	<u>\$9,814,346</u>	<u>\$9,814,346</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, 2022 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	\$399,987	\$ -
Internal Service Fund	574,243	-
Special Revenue Fund:		
General Fund	-	399,987
Internal Service Fund	-	-
Internal Service Fund:		
General Fund	-	574,243
Special Revenue Fund	<u>-</u>	<u>-</u>
TOTAL	<u>\$974,230</u>	<u>\$974,230</u>

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The purpose of the \$399,987 transfer was to transfer local funds from the general fund to the child nutrition fund to reimburse the fund for excess indirect costs charged in the prior year. The purpose of the \$547,243 transfer from the general fund to the health insurance internal service fund was to help cover the current year operating loss in that fund. In addition, \$1,267,235 was transferred from the workers compensation and unemployment internal service funds to the insurance internal service fund to help cover costs of that fund.

NOTE 13. SELF-INSURANCE

During the period ended June 30, 2022, employees of Northwest Independent School District were covered by the TRS-ActiveCare health insurance plan administered by Teacher Retirement System of Texas (a fully insured plan). The District contributed \$325 per month per employee to the Plan and employees, at their option, authorized payroll withholdings to pay any additional contribution and contributions for dependents.

Prior to July 1, 2021, the District sponsored a self-insurance plan to provide health care benefits to staff members and their dependents. Transactions related to the plan were accounted for in an internal service fund of the District. All employer and employee contributions were retained by the District, and health claim payments were processed by a Third-Party Administrator (TPA) acting on behalf of the District. That plan was terminated on June 30, 2021 with the change to TRS-ActiveCare.

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:

	Fiscal Year Ended <u>June 30, 2021</u>	Fiscal Year Ended <u>June 30, 2022</u>
Unpaid claims, beginning	\$ 471,882	\$ 461,566
Incurred claims (including IBNR's)	195,169	92,136
Claims Payments	<u>(205,485)</u>	<u>(253,697)</u>
Unpaid claims, ending	<u>\$ 461,566</u>	<u>\$ 300,005</u>

Estimates of claims payable and of claims incurred, but not reported at June 30, 2022 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.

**NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 14. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables at June 30, 2022, were as follows:

	Property Taxes	Other Governments	Due From Other Funds	Other	Total Receivables
Governmental Activities:					
General Fund	\$ 3,943,451	\$ 3,562,996	\$ 9,491,941	\$ 711,334	\$ 17,709,722
Debt Service Fund	1,645,963	-	-	-	1,645,963
Capital Projects Fund	-	-	1,827	-	1,827
Special Revenue Fund	-	9,331,719	320,578	30,604	9,682,901
Total - Governmental Activities	<u>\$ 5,589,414</u>	<u>\$ 12,894,715</u>	<u>\$ 9,814,346</u>	<u>\$ 741,938</u>	<u>\$ 29,040,413</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ 419,206</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 419,206</u>

Payables at June 30, 2022, were as follows:

	Accounts	Salaries and Benefits	Due to Other Funds	Due to Other Governments	Total Payables
Governmental Activities:					
General Fund	\$ 2,523,899	\$ 24,938,781	\$ 322,405	\$ 9,892,259	\$ 37,677,344
Debt Service Fund	72,455	-	-	-	72,455
Capital Projects Fund	17,874,435	-	1,916	-	17,876,351
Special Revenue Funds	165,299	1,078,432	9,490,025	(31)	10,733,725
Total - Governmental Activities	<u>\$ 20,636,088</u>	<u>\$ 26,017,213</u>	<u>\$ 9,814,346</u>	<u>\$ 9,892,228</u>	<u>\$ 66,359,875</u>
Amounts not scheduled for payment during the subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2022, are summarized below. All federal grants shown below are passed through the TEA and are reported on the combined financial statements as Due from Other Governments.

Fund	State Grant & Entitlements	Federal Grants	Local Governments	Total
General	\$ 3,562,996	\$ -	\$ -	\$ 3,562,996
Special Revenue	16,222	9,315,497	-	9,331,719
Total	<u>\$ 3,579,218</u>	<u>\$ 9,315,497</u>	<u>\$ -</u>	<u>\$ 12,894,715</u>

**NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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, 2022, 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.

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	\$ 222,056,765	\$ -	\$ 106,988,010	\$ -	\$ 329,044,775
Food sales	-	4,079,636	-	-	4,079,636
Investment income	282,121	6,457	136,278	609,535	1,034,391
Penalties, interest and other					
tax related income	1,284,706	-	417,670	-	1,702,376
Co-curricular student activities	648,096	3,762,934	-	-	4,411,030
TIF funds	1,284,108	-	-	-	1,284,108
Tuition and fees	376,263	-	-	-	376,263
Gifts and bequests	-	285,947	-	-	285,947
Facilities rentals	1,409,996	-	-	-	1,409,996
Erate revenue	682,679	-	-	-	682,679
Insurance proceeds	58,135	-	-	-	58,135
Other	327,662	-	-	-	327,662
Total	<u>\$ 228,410,531</u>	<u>\$ 8,134,974</u>	<u>\$ 107,541,958</u>	<u>\$ 609,535</u>	<u>\$ 344,696,998</u>

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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	\$ -	\$ 691,588	\$ -	\$ 691,588
Medicaid Admin Claim	-	93,956	-	93,956
Summer School LEP	-	13,912	-	13,912
Advanced Placement Incentives	-	60,099	-	60,099
Other Special Revenue Funds	-	32,116	-	32,116
EDA/AHASE Funds	-	-	73,551	73,551
Total	<u>\$ -</u>	<u>\$ 891,671</u>	<u>\$ 73,551</u>	<u>\$ 965,222</u>

NOTE 20. GENERAL FUND FEDERAL SOURCE REVENUES

<u>Program or Source</u>	<u>Total Grant or Entitlement</u>
General Fund:	
Medicaid Reimbursement (SHARS)	\$1,996,636
Impact Aid	285,573
Indirect Costs	<u>1,658,005</u>
Total for General Fund	<u>\$3,940,014</u>

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 no functional categories for the year ended June 30, 2022.

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.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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	\$241,081,195	\$33,239,173	\$ -	\$ 3,505,130	\$277,825,498
Capital Outlay	199,206	144,900	-	105,998,343	106,342,449
Debt Service:					
Principal	-	-	61,106,147	-	61,106,147
Interest and Fiscal Charges	-	-	48,226,358	-	48,226,358
Total Expenditures	<u>\$241,280,401</u>	<u>\$33,384,073</u>	<u>\$109,332,505</u>	<u>\$109,503,473</u>	<u>\$493,500,452</u>

NOTE 24. SUBSEQUENT EVENT

Management has reviewed events subsequent to June 30, 2022 through November 14, 2022, which is the date the financial statements were available to be issued. No subsequent events were identified that were required to be recorded or disclosed in the financial statements.

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, 2020, 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, mitigation and reopening.

On June 3, 2021, TEA issued updated public planning health guidance 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 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.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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.

During the 87th Legislative Session, the Texas Legislature failed to pass legislation that would include virtual learning in ADA calculations. As a result, the 2021-2022 school year began with funding based on in-person attendance. During the second called special session, the Texas Legislature adopted Senate Bill 15, which allows virtual instruction attendance to be used for ADA funding purposes under certain circumstances. The District does not currently expect that all virtual instruction attendance will qualify for ADA funding. A return to funding based on actual attendance during the Pandemic may have a negative impact on revenues available to the District for operations and maintenance if the District does not qualify for the additional hold harmless periods or if students do not take part in the instruction options made available by the District. TEA announced on August 5, 2021 that a school district has the authority to provide remote instruction to a student if the school district meets certain state and federal requirements. Students receiving remote instruction are considered enrolled, but do not meet the requirements for ADA funding. Further, on March 29, 2022, TEA issued guidance on the calculation of the ADA hold harmless for the 2021-2022 school year, providing that each district will receive an adjustment to ADA such that the total percentage attendance rate for the first four six weeks of the 2021-2022 school year that is equal to the attendance rate for the first four six weeks of the 2019-2020 school year.

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.

NOTE 25. TAX ABATEMENTS

In accordance with GASB Statement No. 77, the District did not have any outstanding tax abatements for the year ended June 30, 2022.

NOTE 26. LEASES

In June 2017, GASB issued Statement No. 87 - Leases. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The initial adoption date was postponed to fiscal years beginning after June 15, 2021 (FY2022) by GASB Statement No. 95 - Postponement of the Effective Dates of Certain Authoritative Guidance, which was issued in May of 2020.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

Per review of the agreements identified by the District as potential leases, the leases were determined to either not meet the definition of a lease or were immaterial to the financial statements.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 213,991,004	\$ 226,297,637	\$ 228,410,531	\$ 2,112,894
5800 State Program Revenues	23,495,021	25,122,829	25,985,292	862,463
5900 Federal Program Revenues	3,588,992	6,724,209	3,940,014	(2,784,195)
5020 Total Revenues	241,075,017	258,144,675	258,335,837	191,162
EXPENDITURES:				
Current:				
0011 Instruction	141,568,219	142,451,760	136,654,096	5,797,664
0012 Instructional Resources and Media Services	2,779,589	2,951,788	2,842,271	109,517
0013 Curriculum and Instructional Staff Development	6,645,023	6,882,544	5,880,348	1,002,196
0021 Instructional Leadership	2,377,161	2,808,085	2,447,243	360,842
0023 School Leadership	14,997,252	15,088,959	14,747,592	341,367
0031 Guidance, Counseling, and Evaluation Services	9,024,754	8,775,523	6,954,689	1,820,834
0032 Social Work Services	342,257	449,731	404,002	45,729
0033 Health Services	2,451,761	2,462,188	2,366,741	95,447
0034 Student (Pupil) Transportation	8,520,959	12,575,475	10,745,047	1,830,428
0036 Extracurricular Activities	7,833,260	8,094,082	7,615,012	479,070
0041 General Administration	8,019,728	7,370,958	7,325,738	45,220
0051 Facilities Maintenance and Operations	23,854,027	25,236,372	23,507,263	1,729,109
0052 Security and Monitoring Services	2,228,808	2,233,113	1,991,002	242,111
0053 Data Processing Services	5,390,153	5,535,496	5,222,441	313,055
0061 Community Services	134,847	170,327	144,297	26,030
Capital Outlay:				
0081 Facilities Acquisition and Construction	370,582	231,328	199,206	32,122
Intergovernmental:				
0091 Contracted Instructional Services Between Schools	2,780,895	9,780,895	7,975,251	1,805,644
0093 Payments to Fiscal Agent/Member Districts of SSA	100,000	136,000	116,000	20,000
0095 Payments to Juvenile Justice Alternative Ed. Prg.	10,000	57,331	39,924	17,407
0097 Payments to Tax Increment Fund	1,711,144	1,961,144	1,926,065	35,079
0099 Other Intergovernmental Charges	1,950,000	2,250,000	2,176,173	73,827
6030 Total Expenditures	243,090,419	257,503,099	241,280,401	16,222,698
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,015,402)	641,576	17,055,436	16,413,860
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	199	199
8911 Transfers Out (Use)	-	-	(974,230)	(974,230)
7080 Total Other Financing Sources (Uses)	-	-	(974,031)	(974,031)
1200 Net Change in Fund Balances	(2,015,402)	641,576	16,081,405	15,439,829
0100 Fund Balance - July 1 (Beginning)	83,823,552	83,823,552	83,823,552	-
3000 Fund Balance - June 30 (Ending)	\$ 81,808,150	\$ 84,465,128	\$ 99,904,957	\$ 15,439,829

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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, 2022

	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019
District's Proportion of the Net Pension Liability (Asset)	0.128660246%	0.125821173%	0.136715977%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 32,765,212	\$ 67,387,254	\$ 71,069,239
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	51,157,357	108,111,233	97,809,096
Total	<u>\$ 83,922,569</u>	<u>\$ 175,498,487</u>	<u>\$ 168,878,335</u>
District's Covered Payroll	\$ 166,313,393	\$ 157,134,281	\$ 146,925,846
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	19.70%	42.89%	48.37%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.79%	75.54%	75.24%

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

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

FY 2019 Plan Year 2018		FY 2018 Plan Year 2017		FY 2017 Plan Year 2016		FY 2016 Plan Year 2015		FY 2015 Plan Year 2014	
0.130173473%		0.125247008%		0.11808398%		0.1196401%		0.0821466%	
\$	71,650,639	\$	40,047,246	\$	44,622,180	\$	42,291,183		21,942,493
99,195,944		57,248,134		66,264,758		62,165,127		26,943,583	
\$	170,846,583	\$	97,295,380	\$	110,886,938	\$	104,456,310	\$	48,886,076
\$	134,532,007	\$	126,800,958	\$	117,539,637	\$	109,517,942		103,155,465
53.26%		31.58%		37.96%		38.62%		21.27%	
73.74%		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 2022

	2022	2021	2020
Contractually Required Contribution	\$ 6,033,066	\$ 5,142,060	\$ 5,114,363
Contribution in Relation to the Contractually Required Contribution	(6,033,066)	(5,142,060)	(5,114,363)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 168,992,602	\$ 161,406,461	\$ 156,279,846
Contributions as a Percentage of Covered Payroll	3.57%	3.19%	3.27%

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

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

2019	2018	2017	2016	2015
\$ 4,804,304	\$ 4,317,863	\$ 4,048,709	\$ 3,703,805	\$ 3,291,771
(4,804,304)	(4,317,863)	(4,048,709)	(3,703,805)	(3,291,771)
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 144,894,154	\$ 133,094,908	\$ 125,214,930	\$ 116,272,847	\$ 109,517,942
3.32%	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, 2022

	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.160169428%	0.160341574%	0.162979034%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 61,784,506	\$ 60,953,073	\$ 77,074,785
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	82,777,469	81,906,320	102,415,145
Total	<u>\$ 144,561,975</u>	<u>\$ 142,859,393</u>	<u>\$ 179,489,930</u>
District's Covered Payroll	\$ 166,313,393	\$ 157,134,281	\$ 146,925,846
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	37.15%	38.79%	52.46%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	6.18%	4.99%	2.66%

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

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

FY 2019 Plan Year 2018		FY 2018 Plan Year 2017	
0.151517618%		0.138470178%	
\$	75,654,134	\$	60,215,486
119,591,064		103,611,938	
\$	195,245,198	\$	163,827,424
134,532,007		126,800,958	
56.24%		47.49%	
1.57%		0.91%	

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

	2022	2021	2020
Contractually Required Contribution	\$ 1,278,293	\$ 1,209,494	\$ 1,176,920
Contribution in Relation to the Contractually Required Contribution	(1,278,293)	(1,209,494)	(1,176,920)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 168,992,602	\$ 161,406,461	\$ 156,279,846
Contributions as a Percentage of Covered Payroll	0.76%	0.75%	0.75%

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

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

2019		2018	
\$	1,086,632	\$	954,768
	(1,086,632)		(954,768)
\$	-	\$	-
\$	144,894,154	\$	133,094,908
	0.75%		0.72%

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

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 2.33 percent as of August 31, 2020 to 1.95 percent as of August 31, 2021. This change increased 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.

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.

279 ESSER III TCLAS ARP Act - Funds granted through the Federal American Rescue Plan to provide for emergency relief related to the COVID-19 pandemic.

281 ESSER II CRRSA Act - Funds granted through the Federal CRRSA Act to provide for emergency relief related to the COVID-19 pandemic.

282 ESSER III ARP Act - Funds granted through the Federal American Rescue Plan to provide for emergency relief related to the COVID-19 pandemic.

283 ESSER-Supplemental - Funds granted through the Federal American Rescue Plan to provide for emergency relief related to the COVID-19 pandemic.

284 IDEA-B Formula ARP Act - Funds granted through the Federal American Rescue Plan for educational programs for children with disabilities.

NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS

285 IDEA-B Preschool ARP Act - Funds granted through the Federal American Rescue Plan to support programs for preschool children with disabilities.

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.

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, 2022

Data Control Codes		211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program
ASSETS					
1110	Cash and Cash Equivalents	\$ 23,112	\$ -	\$ -	\$ 5,249,916
1120	Investments - Current	-	-	-	-
1240	Due from Other Governments	109,329	636,434	4,717	7,133
1260	Due from Other Funds	-	306,776	13,602	-
1290	Other Receivables	-	277	-	9,845
1410	Prepayments	-	-	-	-
1000	Total Assets	<u>\$ 132,441</u>	<u>\$ 943,487</u>	<u>\$ 18,319</u>	<u>\$ 5,266,894</u>
LIABILITIES					
2110	Accounts Payable	\$ (100)	\$ -	\$ -	\$ 120,737
2160	Accrued Wages Payable	67,152	330,021	2,986	-
2170	Due to Other Funds	65,389	612,806	15,333	866,657
2180	Due to Other Governments	-	-	-	(31)
2200	Accrued Expenditures	-	660	-	-
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	<u>132,441</u>	<u>943,487</u>	<u>18,319</u>	<u>987,363</u>
FUND BALANCES					
Nonspendable Fund Balance:					
3430	Prepaid Items	-	-	-	-
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	4,279,531
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	-	-
3600	Unassigned Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,279,531</u>
4000	Total Liabilities and Fund Balances	<u>\$ 132,441</u>	<u>\$ 943,487</u>	<u>\$ 18,319</u>	<u>\$ 5,266,894</u>

244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	272 Medicaid Admin. Claim MAC	279 ESSER III TCLAS ARP Act	281 ESSER II CRRSA Act Supplemental	282 ESSER III ARP Act	283 ESSER-SUPP
\$ -	\$ 4,601	\$ -	\$ 93,956	\$ 3,891	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
47,576	11,700	46,760	-	-	1,446,703	918,323	6,056,755
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 47,576</u>	<u>\$ 16,301</u>	<u>\$ 46,760</u>	<u>\$ 93,956</u>	<u>\$ 3,891</u>	<u>\$ 1,446,703</u>	<u>\$ 918,323</u>	<u>\$ 6,056,755</u>
\$ 7,398	\$ (33)	\$ -	\$ -	\$ 2,612	\$ -	\$ -	\$ -
-	-	16,117	-	-	-	361,375	263,286
40,178	16,334	30,643	-	1,279	1,446,703	556,948	5,793,469
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	93,956	-	-	-	-
<u>47,576</u>	<u>16,301</u>	<u>46,760</u>	<u>93,956</u>	<u>3,891</u>	<u>1,446,703</u>	<u>918,323</u>	<u>6,056,755</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 47,576</u>	<u>\$ 16,301</u>	<u>\$ 46,760</u>	<u>\$ 93,956</u>	<u>\$ 3,891</u>	<u>\$ 1,446,703</u>	<u>\$ 918,323</u>	<u>\$ 6,056,755</u>

NORTHWEST INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

Data Control Codes		284 IDEA B Formula ARP Act	285 IDEA B Preschool ARP Act	288 Summer School LEP	289 Other Federal Special Revenue Funds
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ 13,912	\$ 6,094
1120	Investments - Current	-	-	-	-
1240	Due from Other Governments	29,109	958	-	-
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	175	-	-	-
1410	Prepayments	-	-	-	-
1000	Total Assets	<u>\$ 29,284</u>	<u>\$ 958</u>	<u>\$ 13,912</u>	<u>\$ 6,094</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued Wages Payable	19,211	-	-	-
2170	Due to Other Funds	10,073	958	-	6,094
2180	Due to Other Governments	-	-	-	-
2200	Accrued Expenditures	-	-	-	-
2300	Unearned Revenue	-	-	13,912	-
2000	Total Liabilities	<u>29,284</u>	<u>958</u>	<u>13,912</u>	<u>6,094</u>
FUND BALANCES					
Nonspendable Fund Balance:					
3430	Prepaid Items	-	-	-	-
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	-	-
3600	Unassigned Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 29,284</u>	<u>\$ 958</u>	<u>\$ 13,912</u>	<u>\$ 6,094</u>

385 Visually Impaired SSVI	397 Advanced Placement Incentives	410 State Instructional Materials	429 Other State Special Revenue Funds	461 Campus Activity Funds	481 NISD Education Foundation	499 Other Local Special Revenue Funds	Total Nonmajor Governmental Funds
\$ -	\$ 54,674	\$ 691,588	\$ -	\$ 3,320,129	\$ 22,355	\$ 70,612	\$ 9,554,840
-	-	-	-	172,546	-	-	172,546
-	-	-	16,222	-	-	-	9,331,719
-	-	-	-	200	-	-	320,578
11,097	-	-	-	2,247	6,963	-	30,604
-	5,425	-	2,400	-	-	3,980	11,805
<u>\$ 11,097</u>	<u>\$ 60,099</u>	<u>\$ 691,588</u>	<u>\$ 18,622</u>	<u>\$ 3,495,122</u>	<u>\$ 29,318</u>	<u>\$ 74,592</u>	<u>\$ 19,422,092</u>
\$ -	\$ -	\$ -	\$ 2,530	\$ 32,155	\$ -	\$ -	\$ 165,299
-	-	-	-	18,284	-	-	1,078,432
11,097	-	-	16,064	-	-	-	9,490,025
-	-	-	-	-	-	-	(31)
-	-	-	-	-	-	-	660
-	60,099	691,588	28	-	-	32,088	891,671
<u>11,097</u>	<u>60,099</u>	<u>691,588</u>	<u>18,622</u>	<u>50,439</u>	<u>-</u>	<u>32,088</u>	<u>11,626,056</u>
-	5,425	-	2,400	-	-	3,980	11,805
-	-	-	-	-	-	-	4,279,531
-	-	-	-	3,444,683	29,318	38,524	3,512,525
-	(5,425)	-	(2,400)	-	-	-	(7,825)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,444,683</u>	<u>29,318</u>	<u>42,504</u>	<u>7,796,036</u>
<u>\$ 11,097</u>	<u>\$ 60,099</u>	<u>\$ 691,588</u>	<u>\$ 18,622</u>	<u>\$ 3,495,122</u>	<u>\$ 29,318</u>	<u>\$ 74,592</u>	<u>\$ 19,422,092</u>

NORTHWEST INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

Data Control Codes	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ 4,085,755
5800 State Program Revenues	-	-	-	12,714
5900 Federal Program Revenues	524,943	3,744,870	18,034	11,121,527
5020 Total Revenues	524,943	3,744,870	18,034	15,219,996
EXPENDITURES:				
Current:				
0011 Instruction	523,143	881,540	18,034	-
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	2,834,392	-	-
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	12,389,074
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	28,938	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	1,800	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	524,943	3,744,870	18,034	12,389,074
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	2,830,922
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	399,987
1200 Net Change in Fund Balance	-	-	-	3,230,909
0100 Fund Balance - July 1 (Beginning)	-	-	-	1,048,622
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ 4,279,531

244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	272 Medicaid Admin. Claim MAC	279 ESSER III TCLAS ARP Act	281 ESSER II CRRSA Act Supplemental	282 ESSER III ARP Act	283 ESSER-SUPP
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-	-	-	-
131,110	186,123	126,737	28,506	8,074	2,846,516	2,773,067	5,518,057
131,110	186,123	126,737	28,506	8,074	2,846,516	2,773,067	5,518,057
112,862	-	24,353	-	8,074	2,018,395	1,957,326	3,359,206
-	-	-	-	-	29,096	511	790
18,248	186,123	74,547	-	-	51,809	-	13,290
-	-	-	-	-	22,016	1,021	-
-	-	-	-	-	212,896	11,542	-
-	-	-	-	-	107,770	786,567	-
-	-	-	-	-	2,552	-	-
-	-	-	28,506	-	30,222	3,573	902
-	-	-	-	-	186,211	6,775	25,612
-	-	-	-	-	-	-	-
-	-	-	-	-	15,524	-	-
-	-	-	-	-	58,992	1,039	-
-	-	-	-	-	54,782	-	2,118,257
-	-	-	-	-	5,173	-	-
-	-	-	-	-	46,221	4,713	-
-	-	27,837	-	-	4,857	-	-
-	-	-	-	-	-	-	-
131,110	186,123	126,737	28,506	8,074	2,846,516	2,773,067	5,518,057
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-

NORTHWEST INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

Data Control Codes	284 IDEA B Formula ARP Act	285 IDEA B Preschool ARP Act	288 Summer School LEP	289 Other Federal Special Revenue Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	112,624	916	-	50,239
5020 Total Revenues	112,624	916	-	50,239
EXPENDITURES:				
Current:				
0011 Instruction	112,624	916	-	2,483
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	-	2,000
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	-	-	44,989
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	-	-	767
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	112,624	916	-	50,239
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)	\$ -	\$ -	\$ -	\$ -

385 Visually Impaired SSVI	397 Advanced Placement Incentives	410 State Instructional Materials	429 Other State Special Revenue Funds	461 Campus Activity Funds	481 NISD Education Foundation	499 Other Local Special Revenue Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 3,763,272	\$ 125,921	\$ 160,026	\$ 8,134,974
14,138	24,575	1,015,070	184,519	-	-	-	1,251,016
-	-	-	-	-	-	-	27,191,343
14,138	24,575	1,015,070	184,519	3,763,272	125,921	160,026	36,577,333
12,970	-	1,015,070	12,106	-	59,783	1,520	10,120,405
-	-	-	-	-	4,645	995	36,037
1,168	24,575	-	4,305	-	-	-	376,065
-	-	-	-	-	-	-	23,037
-	-	-	-	-	106	1,930	226,474
-	-	-	30,280	-	-	474	3,804,472
-	-	-	-	-	-	-	2,552
-	-	-	-	-	102	-	63,305
-	-	-	-	-	-	-	218,598
-	-	-	-	-	-	-	12,389,074
-	-	-	-	3,362,598	1,574	-	3,379,696
-	-	-	-	59,291	38,768	8,926	195,954
-	-	-	-	-	-	-	2,173,039
-	-	-	137,828	-	-	-	143,001
-	-	-	-	-	-	-	50,934
-	-	-	-	-	-	1,269	36,530
-	-	-	-	-	-	144,900	144,900
14,138	24,575	1,015,070	184,519	3,421,889	104,978	160,014	33,384,073
-	-	-	-	341,383	20,943	12	3,193,260
-	-	-	-	-	-	-	399,987
-	-	-	-	341,383	20,943	12	3,593,247
-	-	-	-	3,103,300	8,375	42,492	4,202,789
\$ -	\$ -	\$ -	\$ -	\$ 3,444,683	\$ 29,318	\$ 42,504	\$ 7,796,036

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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, 2022

	711 Student Devices	712 Marketing & Advertising
<hr/>		
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 811,584	\$ 331,363
Other Receivables	<u>-</u>	<u>-</u>
Total Assets	<u>811,584</u>	<u>331,363</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	-	-
Accrued Wages Payable	140	-
Accrued Expenses	-	-
Unearned Revenues	<u>-</u>	<u>58,220</u>
Total Liabilities	<u>140</u>	<u>58,220</u>
NET POSITION		
Unrestricted Net Position	<u>811,444</u>	<u>273,143</u>
Total Net Position	<u><u>\$ 811,444</u></u>	<u><u>\$ 273,143</u></u>

753	771	772	Total
Insurance	Workers Compensation	Unemployment	Internal Service Funds
\$ (214,747)	\$ 400,537	\$ 30,201	\$ 1,358,938
215,624	-	-	215,624
<u>877</u>	<u>400,537</u>	<u>30,201</u>	<u>1,574,562</u>
877	-	-	877
-	-	-	140
-	300,005	-	300,005
-	-	-	58,220
<u>877</u>	<u>300,005</u>	<u>-</u>	<u>359,242</u>
-	100,532	30,201	1,215,320
<u>\$ -</u>	<u>\$ 100,532</u>	<u>\$ 30,201</u>	<u>\$ 1,215,320</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, 2022

	711 Student Devices	712 Marketing & Advertising
<hr/>		
OPERATING REVENUES:		
Local and Intermediate Sources	\$ 108,863	\$ 7,960
Total Operating Revenues	<u>108,863</u>	<u>7,960</u>
OPERATING EXPENSES:		
Payroll Costs	8,306	-
Professional and Contracted Services	1,412	-
Supplies and Materials	323,505	-
Other Operating Costs	<u>-</u>	<u>1,400</u>
Total Operating Expenses	<u>333,223</u>	<u>1,400</u>
Income (Loss) Before Transfers	(224,360)	6,560
Transfer In	-	-
Transfers Out	<u>-</u>	<u>-</u>
Change in Net Position	(224,360)	6,560
Total Net Position - July 1 (Beginning)	<u>1,035,804</u>	<u>266,583</u>
Total Net Position - June 30 (Ending)	<u><u>\$ 811,444</u></u>	<u><u>\$ 273,143</u></u>

753	771	772	
Insurance	Workers Compensation	Unemployment	Total Internal Service Funds
<u>\$ 3,581,907</u>	<u>\$ 984,271</u>	<u>\$ 415,356</u>	<u>\$ 5,098,357</u>
<u>3,581,907</u>	<u>984,271</u>	<u>415,356</u>	<u>5,098,357</u>
-	-	-	8,306
222,829	-	-	224,241
-	-	-	323,505
<u>5,200,556</u>	<u>201,064</u>	<u>60,402</u>	<u>5,463,422</u>
<u>5,423,385</u>	<u>201,064</u>	<u>60,402</u>	<u>6,019,474</u>
(1,841,478)	783,207	354,954	(921,117)
1,841,478	-	-	1,841,478
<u>-</u>	<u>(868,884)</u>	<u>(398,351)</u>	<u>(1,267,235)</u>
-	(85,677)	(43,397)	(346,874)
<u>-</u>	<u>186,209</u>	<u>73,598</u>	<u>1,562,194</u>
<u>\$ -</u>	<u>\$ 100,532</u>	<u>\$ 30,201</u>	<u>\$ 1,215,320</u>

NORTHWEST INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	711 Student Devices	712 Marketing & Advertising
<u>Cash Flows from Operating Activities:</u>		
Cash Received from User Charges	\$ 108,863	\$ 66,180
Cash Payments to Employees for Services	(10,863)	-
Cash Payments for Insurance Claims	-	-
Cash Payments for Other Operating Expenses	(324,776)	(1,400)
Net Cash Provided by (Used for) Operating Activities	(226,776)	64,780
<u>Cash Flows from Non-Capital Financing Activities:</u>		
Transfer In	-	-
Operating Transfer Out	-	-
Net Cash Provided by (Used for) Non-Capital	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	(226,776)	64,780
Cash and Cash Equivalents at Beginning of Year	1,038,360	266,583
Cash and Cash Equivalents at End of Year	<u>\$ 811,584</u>	<u>\$ 331,363</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>		
<u>Provided By (Used For) Operating Activities:</u>		
Operating Income (Loss):	\$ (224,360)	\$ 6,560
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	(2,557)	-
Increase (decrease) in Accrued Expenses	-	-
Increase (decrease) in Unearned Revenues	-	58,220
Net Cash Provided by (Used for) Operating Activities	<u>\$ (226,776)</u>	<u>\$ 64,780</u>

753	771	772	Total
Insurance	Workers Compensation	Unemployment	Internal Service Funds
\$ 3,366,374	\$ 984,271	\$ 415,356	\$ 4,941,044
-	-	-	(10,863)
(6,852,429)	(364,196)	(60,402)	(7,277,027)
(234,704)	-	-	(560,880)
(3,720,759)	620,075	354,954	(2,907,726)
1,841,478	-	-	1,841,478
-	(868,884)	(398,351)	(1,267,235)
1,841,478	(868,884)	(398,351)	574,243
(1,879,281)	(248,809)	(43,397)	(2,333,483)
1,664,534	649,346	73,598	3,692,421
\$ (214,747)	\$ 400,537	\$ 30,201	\$ 1,358,938
\$ (1,841,478)	\$ 783,207	\$ 354,954	\$ (921,117)
(215,533)	-	-	(215,533)
(11,875)	(1,571)	-	(13,305)
-	-	-	(2,557)
(1,651,873)	(161,561)	-	(1,813,434)
-	-	-	58,220
\$ (3,720,759)	\$ 620,075	\$ 354,954	\$ (2,907,726)

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, 2022

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 9,037,422	\$ 9,037,422	\$ 4,085,755	\$ (4,951,667)
5800 State Program Revenues	30,408	30,408	12,714	(17,694)
5900 Federal Program Revenues	3,264,582	4,264,582	11,121,527	6,856,945
5020 Total Revenues	12,332,412	13,332,412	15,219,996	1,887,584
EXPENDITURES:				
Current:				
0035 Food Services	11,682,408	12,682,408	12,389,074	293,334
6030 Total Expenditures	11,682,408	12,682,408	12,389,074	293,334
1100 Excess of Revenues Over Expenditures	650,004	650,004	2,830,922	2,180,918
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	399,987	399,987
1200 Net Change in Fund Balances	650,004	650,004	3,230,909	2,580,905
0100 Fund Balance - July 1 (Beginning)	1,048,622	1,048,622	1,048,622	-
3000 Fund Balance - June 30 (Ending)	\$ 1,698,626	\$ 1,698,626	\$ 4,279,531	\$ 2,580,905

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, 2022

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 95,000,000	\$ 126,000,000	\$ 107,541,958	\$ (18,458,042)
5800 State Program Revenues	-	-	599,813	599,813
5020 Total Revenues	95,000,000	126,000,000	108,141,771	(17,858,229)
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Liabilities	35,641,147	35,641,147	61,106,147	(25,465,000)
0072 Interest on Long-Term Liabilities	43,443,400	43,443,400	47,057,053	(3,613,653)
0073 Bond Issuance Cost and Fees	85,000	31,085,000	1,169,305	29,915,695
6030 Total Expenditures	79,169,547	110,169,547	109,332,505	837,042
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	15,830,453	15,830,453	(1,190,734)	(17,021,187)
OTHER FINANCING SOURCES (USES):				
7911 Capital Related Debt Issued	-	142,000,000	141,264,904	(735,096)
7916 Premium or Discount on Issuance of Bonds	-	18,000,000	17,458,803	(541,197)
8940 Payment to Bond Refunding Escrow Agent (Use)	-	-	(157,588,688)	(157,588,688)
8949 Other (Uses)	-	(160,000,000)	-	160,000,000
7080 Total Other Financing Sources (Uses)	-	-	1,135,019	1,135,019
1200 Net Change in Fund Balances	15,830,453	15,830,453	(55,715)	(15,886,168)
0100 Fund Balance - July 1 (Beginning)	70,371,929	70,371,929	70,371,929	-
3000 Fund Balance - June 30 (Ending)	\$ 86,202,382	\$ 86,202,382	\$ 70,316,214	\$ (15,886,168)

NORTHWEST INDEPENDENT SCHOOL DISTRICT
 USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAMS
 FOR THE YEAR ENDED JUNE 30, 2022

Section A: Compensatory Education Programs

AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$9,179,007
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year.	\$6,487,751

Section B: Bilingual Education Programs

AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$1,284,812
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25,35)	\$586,232



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, 2022

Last 10 Years		(1)	(2)	(3)
		Tax Rates		Assessed/Appraised Value for School Tax Purposes
		Maintenance	Debt Service	
2013	and prior years	Various	Various	\$ Various
2014		1.040000	0.412500	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		0.916300	0.420000	22,197,028,362
2022	(School year under audit)	0.872000	0.420000	25,525,613,080
1000	TOTALS			

(10) Beginning Balance 7/1/2021	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2022
\$ 1,171,169	\$ -	\$ 6,700	\$ 2,107	\$ (148,051)	\$ 1,014,311
65,122	-	2,775	1,101	(15)	61,231
130,289	-	(12,933)	(5,130)	(28,380)	119,972
297,379	-	(18,538)	(7,353)	(32,274)	290,996
212,833	-	6,381	2,531	(1,332)	202,589
222,395	-	17,905	7,747	(583)	196,160
878,269	-	(335,800)	(145,298)	(596,343)	763,024
799,766	-	296,024	137,330	153,817	520,229
4,302,593	-	1,968,475	902,280	(843,022)	588,816
-	329,790,921	221,346,830	106,612,005	-	1,832,086
<u>\$ 8,079,815</u>	<u>\$ 329,790,921</u>	<u>\$ 223,277,819</u>	<u>\$ 107,507,320</u>	<u>\$ (1,496,183)</u>	<u>\$ 5,589,414</u>

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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:	2022	2021	2020	2019
Governmental activities				
Net investment in capital assets	\$ 49,301,782	\$ (11,400,314)	\$ (5,042,817)	\$ (29,199,186)
Restricted	70,316,214	70,371,929	61,170,787	55,537,296
Unrestricted	(53,896,261)	(64,506,740)	(66,606,092)	(31,435,163)
Total primary government net position (deficit)	<u>\$ 65,721,735</u>	<u>\$ (5,535,125)</u>	<u>\$ (10,478,122)</u>	<u>\$ (5,097,053)</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.

2018	2017	2016	2015	2014	2013
\$ (33,890,083)	\$ (71,696,653)	\$ (23,184,957)	\$ 27,255,585	\$ 32,114,051	\$ 71,686,971
44,712,830	42,627,513	41,478,223	31,406,785	27,791,565	23,917,265
(30,711,856)	69,131,471	35,105,595	3,321,608	50,163,131	9,363,707
\$ (19,889,109)	\$ 40,062,331	\$ 53,398,861	\$ 61,983,978	\$ 110,068,747	\$ 104,967,943

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

SCHEDULE 2

Fiscal Year:	2022	2021	2020	2019
Expenses				
Governmental activities:				
Instruction	\$ 167,392,895	\$ 173,346,518	\$ 171,897,747	\$ 156,297,811
Instruction Resources & Media Services	3,332,605	3,261,056	3,412,594	3,322,911
Curriculum and Staff Development	6,981,681	7,134,217	11,164,411	10,566,697
Instructional Leadership	2,810,097	3,049,467	3,101,335	2,408,137
School Leadership	17,029,272	17,346,003	12,981,905	12,337,732
Guidance, Counseling & Evaluation Services	12,100,955	12,277,043	11,614,848	10,656,773
Social Work Services	404,427	457,647	374,397	265,795
Health Services	2,772,949	2,920,291	2,867,564	2,707,826
Student (Pupil) Transportation	10,963,645	10,824,309	10,040,889	10,748,392
Food Services	12,389,074	8,521,261	8,346,944	9,288,034
Cocurricular/Extracurricular Activities	11,739,998	10,784,586	10,689,926	9,892,666
General Administration	8,459,944	9,189,948	9,795,822	8,609,714
Plant Maintenance and Operations	26,339,366	39,295,140	29,169,662	25,372,009
Security and Monitoring Services	2,201,116	2,584,271	2,077,149	2,544,313
Data Processing Services	5,763,468	5,395,861	6,911,184	6,380,344
Community Services	203,843	285,390	238,664	247,446
Debt Service - Interest on Long-Term Debt	27,865,099	37,211,852	38,369,564	35,757,709
Debt Service - Bond Issuance Cost & Fees	3,988,053	64,041	3,682,397	878,907
Contracted Instructional Services	7,975,251	14,340,703	4,859,626	4,456,091
Payments to Fiscal Agent/Member Districts of SSA	116,000	83,800	91,700	179,000
Payments to Juvenile Justice Alternative Education Program	39,924	4,386	11,646	5,518
Payments to Tax Increment Fund	1,926,065	1,776,627	1,741,202	1,742,623
Other Intergovernmental Charges	2,176,173	1,741,022	1,655,016	1,471,898
Total primary government expenses	334,971,900	361,895,439	345,096,192	316,138,346
Program Revenues				
Governmental activities:				
Charges for services				
Instruction	376,263	184,112	233,062	631,946
Health services	1,996,636	3,059,857	3,274,531	4,588,898
Student transportation	-	-	-	-
Food services	4,079,636	3,134,405	5,448,424	6,537,656
Extracurricular activities	648,096	384,928	434,758	522,319
General administration	1,658,722	622,510	1,166,707	-
Facilities maintenance	1,468,131	166,689	696,913	775,747
Community services	-	-	-	-
Operating grants and contributions	51,208,722	37,744,995	31,158,936	32,662,214
Total primary government program revenues	61,436,206	45,297,496	42,413,331	45,718,780
Net (Expense)Revenue				
Total primary government net expense	\$ (273,535,694)	\$ (316,597,943)	\$ (302,682,861)	\$ (270,419,566)

Source: District's financial records.

	2018	2017	2016	2015	2014	2013
\$	97,411,111	\$ 145,855,827	\$ 122,168,515	\$ 103,989,026	\$ 96,263,169	\$ 88,337,904
	2,061,453	3,061,696	2,681,310	2,394,024	2,427,968	2,430,659
	4,875,078	6,957,502	5,885,439	5,018,657	4,661,666	4,981,051
	1,213,788	1,384,516	1,081,077	946,675	813,526	772,331
	8,444,933	12,420,128	10,145,301	8,492,012	7,623,396	7,083,647
	5,697,928	9,622,661	7,941,408	6,354,112	6,274,031	5,331,059
	221,461	255,926	904,931	6,124,147	5,632,064	4,275,156
	1,539,175	2,346,245	2,009,949	1,860,771	1,837,993	1,744,190
	9,950,650	8,720,929	7,252,742	6,195,171	5,982,137	5,725,520
	8,091,202	8,051,120	9,175,595	7,400,908	7,519,565	6,072,684
	8,323,837	10,042,711	7,718,196	7,591,117	6,933,964	7,403,320
	5,332,880	5,901,273	4,458,804	17,019,764	14,769,632	14,427,412
	16,496,477	18,152,263	17,255,030	17,227,868	15,991,385	14,685,098
	1,692,346	1,611,157	1,248,060	892,184	655,209	725,247
	4,188,626	6,179,105	4,752,113	3,877,489	3,354,317	2,962,845
	109,181	206,999	154,935	199,757	159,556	152,640
	29,514,645	25,024,932	23,170,568	37,578,564	37,115,936	34,900,424
	1,214,331	1,481,200	3,072,446	410,960	123,047	2,568,119
	-	-	-	-	84,867	10,981,987
	12,000	106,000	20,000	65,200	73,400	85,250
	6,764	6,319	-	4,628	-	-
	975,287	917,928	839,876	888,460	904,351	884,261
	1,279,807	1,186,516	848,664	1,093,516	1,074,773	1,191,691
	208,652,960	269,492,953	232,784,959	235,625,010	220,275,953	217,722,495
	261,089	168,908	90,828	134,603	107,923	111,895
	1,236,937	893,439	921,133	1,545,525	1,367,146	1,338,109
	-	-	-	270	-	-
	5,906,944	5,822,270	5,469,920	5,157,545	5,065,661	4,618,097
	530,952	572,504	476,021	3,077,228	2,807,383	2,831,437
	-	-	-	220,789	-	71,366
	503,742	495,257	514,659	553,506	613,751	540,097
	-	-	-	7,455	8,132	9,073
	(7,739,306)	23,962,854	24,157,031	17,152,632	20,615,411	17,516,788
	700,358	31,915,232	31,629,592	27,849,553	30,585,407	27,036,862
\$	(207,952,602)	\$ (237,577,721)	\$ (201,155,367)	\$ (207,775,457)	\$ (189,690,546)	\$ (190,685,633)

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

SCHEDULE 3

Fiscal Year:	2022	2021	2020	2019
Net (Expense)/Revenue				
Total primary government net expense	\$ (273,535,694)	\$ (316,597,943)	\$ (302,682,861)	\$ (270,419,566)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes levied for general purposes	222,864,060	204,728,927	194,521,793	182,823,647
Property taxes levied for capital projects	107,231,550	93,125,689	90,028,391	79,019,328
Unrestricted grants and contributions	-	-	-	-
State aid - formula grants	13,341,689	23,316,174	8,666,078	17,197,629
Miscellaneous	327,861	227,546	502,107	391,804
Investment earnings	1,027,394	142,604	3,583,423	5,779,214
Transfers in (out)	-	-	-	-
Total primary government	344,792,554	321,540,940	297,301,792	285,211,622
Change in Net Position				
Total primary government	\$ 71,256,860	\$ 4,942,997	\$ (5,381,069)	\$ 14,792,056

Source: District's financial records.

2018	2017	2016	2015	2014	2013
\$ (207,952,602)	\$ (237,577,721)	\$ (201,155,367)	\$ (207,775,457)	\$ (189,690,546)	\$ (190,685,633)
156,878,029	138,928,782	131,549,000	120,895,271	110,045,806	110,555,045
67,699,018	55,070,829	51,759,384	47,952,873	43,649,455	34,912,120
-	-	-	-	6,896,560	-
25,361,540	28,336,530	27,014,580	17,140,982	29,415,905	31,601,844
681,617	583,167	556,092	-	4,269,919	30,333,823
3,088,434	1,321,883	1,100,734	645,145	513,705	809,301
-	-	(1,210,442)	-	-	-
253,708,638	224,241,191	210,769,348	186,634,271	194,791,350	208,212,133
\$ 45,756,036	\$ (13,336,530)	\$ 9,613,981	\$ (21,141,186)	\$ 5,100,804	\$ 17,526,500

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

SCHEDULE 4

Fiscal Year:	2022	2021	2020	2019
General Fund				
Nonspendable	\$ 1,469,010	\$ 1,289,856	\$ 1,155,057	\$ 1,297,327
Assigned	-	-	25,166,846	-
Unassigned	98,435,947	82,533,696	63,740,807	97,837,399
Total general fund	<u>\$ 99,904,957</u>	<u>\$ 83,823,552</u>	<u>\$ 90,062,710</u>	<u>\$ 99,134,726</u>
All Other Governmental Funds				
Nonspendable	\$ 11,805	\$ -	\$ -	\$ -
Restricted				
Federal or State Funds Grant Restriction	4,279,531	1,048,622	712,382	940,789
Capital Acquisition and Contractual Obligation	377,831,023	83,859,437	176,947,859	116,709,700
Retirement of Long-Term Debt	70,316,214	70,371,929	61,170,787	55,537,296
Other Restricted	-	-	-	-
Committed				
Other Committed	3,512,525	3,154,167	3,244,442	2,742,981
Assigned				
Construction	-	-	-	-
Unassigned	(7,825)	-	-	-
Total all other governmental funds	<u>\$ 455,943,273</u>	<u>\$ 158,434,155</u>	<u>\$ 242,075,470</u>	<u>\$ 175,930,766</u>

Source: District's financial records.

2018	2017	2016	2015	2014	2013
\$ 1,180,541	\$ 300,110	\$ 293,148	\$ -	\$ -	\$ -
-	61,990,965	39,424,756	29,424,756	29,424,756	29,424,756
94,960,888	50,251,198	37,050,333	43,951,132	42,173,641	31,093,987
\$ 96,141,429	\$ 112,542,273	\$ 76,768,237	\$ 73,375,888	\$ 71,598,397	\$ 60,518,743
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,066,210	1,039,729	1,063,965	2,456,540	2,456,540	2,231,779
120,226,251	107,729,973	76,269,887	43,323,635	44,009,918	56,984,655
42,093,843	39,182,199	39,323,668	25,723,034	22,526,879	19,173,538
-	-	-	1,376,264	1,110,408	894,488
2,618,987	2,294,939	2,154,555	1,948,744	1,697,738	1,617,460
-	-	38,095,832	39,648,697	36,700,973	36,010,011
-	-	-	-	-	-
\$ 166,005,291	\$ 150,246,840	\$ 156,907,907	\$ 114,476,914	\$ 108,502,456	\$ 116,911,931

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

SCHEDULE 5

Fiscal Year:	2022	2021	2020	2019
Local and Intermediate Sources				
Local maintenance and debt service tax	\$ 330,747,101	\$ 297,420,455	\$ 284,327,474	\$ 261,222,889
Food service sales	4,079,636	3,134,016	5,448,424	6,537,656
Other local revenue	9,870,261	7,730,605	10,770,578	10,183,817
Total Local and Intermediate Sources	344,696,998	308,285,076	300,546,476	277,944,362
State Programs Revenues	27,882,897	38,907,820	23,249,785	32,900,331
Federal Sources				
Federal Program Revenues	22,009,830	9,202,063	9,314,806	11,570,709
Food services	11,121,527	5,688,804	2,617,112	2,531,622
Total Federal Sources	33,131,357	14,890,867	11,931,918	14,102,331
Total Revenues	\$ 405,711,252	\$ 362,083,763	\$ 335,728,179	\$ 324,947,024

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.

2018	2017	2016	2015	2014	2013
\$ 224,673,410	\$ 194,478,502	\$ 184,486,074	\$ 168,848,144	\$ 156,652,150	\$ 148,220,114
5,905,520	5,822,270	5,469,920	5,168,771	3,077,273	4,625,703
9,300,393	7,063,662	6,396,427	9,122,029	6,488,164	4,731,123
239,879,323	207,364,434	196,352,421	183,138,944	166,217,587	157,576,940
39,825,326	41,130,734	40,473,309	35,409,112	41,248,007	36,004,504
6,140,018	4,804,615	5,577,704	9,430,583	8,983,639	6,548,919
2,202,242	2,217,746	2,156,429	2,064,862	2,449,650	2,264,884
8,342,260	7,022,361	7,734,133	11,495,445	11,433,289	8,813,803
\$ 288,046,909	\$ 255,517,529	\$ 244,559,863	\$ 230,043,501	\$ 218,898,883	\$ 202,395,247

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

SCHEDULE 6

Fiscal Year:	2022	2021	2020	2019
Expenditures by Function				
Instruction	\$ 147,192,674	\$ 145,649,773	\$ 141,124,853	\$ 132,460,146
Instruction Resources & Media Services	3,009,162	2,829,813	2,894,093	2,919,470
Curriculum and Staff Development	6,256,413	6,144,437	9,217,397	9,101,312
Instructional Leadership	2,470,280	2,596,790	2,538,532	2,068,363
School Leadership	14,983,129	14,695,882	10,596,040	10,565,026
Guidance, Counseling & Evaluation Services	10,759,535	10,272,596	9,270,767	8,898,315
Social Work Services	406,554	444,920	358,677	259,530
Health Services	2,439,833	2,475,374	2,343,383	2,298,873
Student (Pupil) Transportation	10,963,645	10,824,309	10,040,889	16,914,310
Food Services	12,389,074	8,521,261	8,364,251	9,288,034
Cocurricular/Extracurricular Activities	11,106,661	9,933,716	9,768,289	9,067,129
General Administration	7,521,692	8,078,801	6,491,469	6,678,662
Plant Maintenance and Operations	25,680,302	23,204,075	21,129,350	20,140,987
Security and Monitoring Services	2,140,181	2,091,816	1,997,450	2,045,595
Data Processing Services	5,273,375	5,233,906	5,976,033	6,094,699
Community Services	180,827	252,131	191,917	212,573
Debt Service - Principal on Long-Term Debt	61,106,147	28,118,002	36,930,688	24,874,905
Debt Service - Interest on Long-Term Debt	47,057,053	56,233,686	41,709,877	42,306,868
Debt Service - Bond Issuance Cost & Fees	3,988,053	64,041	3,682,397	878,907
Facilities Acquisition and Construction	106,342,449	95,026,661	139,493,256	97,873,485
Contracted Instructional Services	7,975,251	14,340,703	4,859,626	4,456,091
Payments to Fiscal Agent/Member Districts of SSA	116,000	83,800	91,700	179,000
Payments to Juvenile Justice Alternative Education Program	39,924	4,386	11,646	5,518
Payments to Tax Increment Fund	1,926,065	1,776,627	1,741,202	1,742,623
Other Governmental Charges	2,176,173	1,741,022	1,655,016	1,471,898
Total Expenditures	\$ 493,500,452	\$ 450,638,528	\$ 472,478,798	\$ 412,802,319
Debt service as a percentage of noncapital expenditures	27.94%	22.76%	24.72%	21.44%

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.

2018	2017	2016	2015	2014	2013
\$ 122,597,571	\$ 115,295,893	\$ 110,969,993	\$ 99,340,245	\$ 88,845,925	\$ 81,913,913
2,465,800	2,499,301	3,145,350	2,280,870	2,299,588	2,316,797
6,038,773	5,724,325	5,397,640	5,078,147	4,659,861	4,981,051
1,445,781	1,111,723	980,556	959,164	813,526	772,331
10,224,943	9,858,220	9,118,778	8,293,810	7,311,633	6,811,870
8,216,292	7,570,097	7,072,496	6,447,695	6,261,874	5,321,287
250,753	253,047	904,931	6,151,355	5,632,064	4,275,156
1,897,804	1,848,694	1,804,524	1,654,747	1,602,472	1,539,804
24,692,313	8,720,929	7,335,213	6,189,360	5,976,326	5,719,709
8,091,202	8,060,370	9,175,595	7,182,534	7,336,590	5,899,623
9,287,239	9,351,768	9,764,314	7,016,227	6,334,044	6,861,271
5,999,413	5,643,100	4,689,496	4,815,439	4,491,760	4,006,196
17,987,879	17,753,235	17,280,200	16,568,143	15,361,345	14,127,127
1,633,493	1,745,219	1,276,852	889,197	650,935	720,355
5,248,109	5,166,996	4,448,888	3,876,089	3,328,248	2,945,960
140,939	168,780	143,353	203,849	159,556	152,640
27,626,649	20,587,528	16,862,238	7,494,393	3,234,679	4,391,876
38,389,599	35,764,763	38,855,162	37,578,564	37,115,936	34,900,424
1,214,331	1,481,200	1,261,367	410,960	123,047	2,568,119
94,053,651	66,924,947	41,101,137	72,772,494	62,759,061	48,515,352
-	-	-	-	84,867	10,981,987
12,000	106,000	20,000	65,200	73,400	85,250
6,764	6,319	-	4,628	-	-
975,287	917,928	839,876	888,460	904,351	884,261
1,279,807	1,186,516	848,664	1,093,516	1,074,774	1,191,691
\$ 389,776,392	\$ 327,746,898	\$ 293,296,623	\$ 297,255,086	\$ 266,435,862	\$ 251,884,050
23.63%	22.26%	19.41%	18.43%	19.27%	21.29%

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:	2022	2021	2020	2019
Other Financing Sources (Uses)				
General long-term debt issued	516,669,904	-	454,734,955	92,450,000
Sale of capital assets	199	523	43	290
Transfers in	399,987	19,021	14,009,988	2,935,176
Premium or Discount on Issuance of Bonds	44,872,551	-	71,304,230	8,308,085
Other Resources	-	-	-	-
Transfers out	(974,230)	(1,345,252)	(15,750,370)	(2,919,484)
Other (Uses)	(157,588,688)	-	(330,475,539)	-
Total other financing sources (uses)	403,379,723	(1,325,708)	193,823,307	100,774,067
Net change in fund balances	<u>\$ 313,590,523</u>	<u>\$ 89,880,473</u>	<u>\$ 57,072,688</u>	<u>\$ 12,918,772</u>

Source: District's financial records.

2018	2017	2016	2015	2014	2013
125,180,000	155,390,000	320,883,475	149,863,125	47,625,000	44,180,000
99	976	207,455	1,810,385	17,158	18,784
20,355,199	39,098,875	578,569	607,649	605,607	592,997
10,236,901	21,407,287	56,707,584	27,025,012	2,565,000	6,037,411
-	-	20,790	-	-	(2)
(20,355,199)	(39,098,875)	(1,789,011)	(2,966,717)	(605,607)	(592,995)
(34,329,910)	(75,455,925)	(301,443,783)	(101,375,915)	-	(47,761,979)
101,087,090	101,342,338	75,165,079	74,963,539	50,207,158	2,474,216
\$ (642,393)	\$ 29,112,969	\$ 26,428,319	\$ 7,751,954	\$ 2,670,179	\$ (47,014,587)

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
2022	\$23,131,241,063	\$9,175,830,845	\$445,539,899
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

Source: Official Statement April 27, 2022 page 47

Less: Exemptions	Total Taxable Value	Total Direct Rate
\$6,771,775,587	\$25,980,836,220	1.2920
\$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

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
2022	0.87200	0.42000	1.29200
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

Note: Per \$100 of assessed valuation

Source: Official Statement April 27, 2022 page 49

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
0.23300	0.73300	0.22900	0.44500	0.10600	0.30800	0.37500	0.28300
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

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

SCHEDULE 10

2022				
		Total Market Assessed Valuation	Total Taxable Assessed Valuation	Percent of Total Taxable Assessed Valuation
Name of Taxpayer	Nature of Property			
Winner LLC	Technology	\$ 1,958,426,229	\$ 1,958,426,229	7.54%
CS Kinross Lake Parkway LLC	Financial/Banking	458,317,846	458,317,846	1.76%
AT Industrial Owner LP	Commercial Building	386,781,049	386,781,049	1.49%
BKV Barnett LLC	Oil and Gas	230,878,945	230,878,945	
Amazon.com Services LLC	Wholesale Supplier/Distribution	225,507,301	225,507,301	0.87%
Citicorp Technology Inc	Financial	224,033,634	224,033,634	0.86%
AT&T Mobility LLC	Telephone Utility	221,168,571	221,168,571	0.85%
Amerisource Bergen Drug Corp	Wholesale Supplier/Distribution	192,785,651	192,785,651	0.74%
Cellco Partnership	Telephone Utility	169,823,030	169,823,030	
Google LLC	Technology	136,774,501	136,774,501	0.53%
		\$ 4,204,496,757	\$ 4,204,496,757	16.2%
	Total		\$ 25,980,836,220	100.00%
	Total Assessed Taxable Valuation			

Note: County reduced reporting to top ten in year 2016
Source: Official Statement April 27, 2022...page 48

2013				
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	\$ 340,355,812	\$ 340,355,812	3.21%
Citicorp Technology Inc. - 2695	Information Technology	176,506,638	176,506,638	1.66%
Amerisource Bergen Drug Corp	Healthcare	160,687,143	119,030,688	1.12%
Quicksilver Resources Inc	Healthcare	110,252,497	107,448,720	1.01%
Bell Helicopter Textron	Helicopter Manufacturer	164,317,703	102,138,689	0.96%
W W Grainger Inc.	Commercial & Industrial	62,327,885	46,416,148	0.44%
AT Industrial Owner 4 LLC	Commercial & Industrial	44,827,927	44,827,927	0.42%
AT Industrial Owner 2 LLC	Commercial & Industrial	42,587,312	42,587,312	0.40%
Oncor Electric Delivery Co.	Utility	37,854,140	37,854,140	0.36%
IBM Credit LLC	Commercial & Industrial	36,994,692	36,994,692	0.35%
General Electric Company	Commercial & Industrial	36,845,200	36,845,200	0.35%
AT Industrial Owner 7 LLC & AIL Investment	Commercial & Industrial	36,550,003	36,550,003	0.34%
Cardinal Health 411 Inc.	Healthcare	39,892,399	31,370,417	0.30%
Southwestern Gas Pipeline Co.	Oil & Gas	30,828,550	30,828,550	0.29%
Fed Express Corp Prop Tax	Commercial & Industrial	30,213,540	30,213,540	0.28%
JC Penney Co Inc.	Commercial & Industrial	30,176,385	30,176,385	0.28%
Mid-America Apartments, LP	Commercial	28,733,834	28,733,834	0.27%
BNSF Railway Company	Transportation	28,667,880	28,667,880	0.27%
GE Manufacturing Solutions, LLC	Commercial & Industrial	38,039,623	26,505,383	0.25%
HEI Fort Worth LP	Commercial & Industrial	24,003,110	24,003,110	0.23%
	Total	\$ 1,500,662,273	\$ 1,358,055,068	12.80%
	Total Assessed Taxable Valuation		\$ 10,610,201,200	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
2022	\$ 329,790,921	\$ 327,958,835	99.44%	\$ -	\$ 327,958,835	99.44%
2021	296,618,890	292,316,297	98.55%	3,713,777	296,030,074	99.80%
2020	281,732,292	278,998,353	98.93%	2,213,710	281,212,063	99.82%
2019	261,078,097	258,015,957	98.83%	2,299,116	260,315,073	99.71%
2018	222,537,567	220,578,985	99.12%	1,762,422	222,341,407	99.91%
2017	191,989,232	190,344,367	99.14%	1,442,276	191,786,643	99.89%
2016	181,573,474	179,826,814	99.03%	1,455,664	181,282,478	99.84%
2015	168,735,877	167,292,821	99.14%	1,323,084	168,615,905	99.93%
2014	153,222,077	152,202,959	99.33%	957,887	153,160,846	99.96%
2013	145,890,308	145,167,154	99.50%	609,372	145,776,526	99.92%

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		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
Fiscal Year	Bonds Payable					
2022	1,355,220,496	1,380,130,774	15.623%	153,957	\$ 8,803	5.22
2021	1,040,921,739	1,057,334,669	12.632%	149,562	\$ 6,960	4.67
2020	1,180,707,586	1,116,846,583	15.368%	143,662	\$ 8,219	5.93
2019	1,052,647,718	997,110,422	13.904%	139,450	\$ 7,549	6.15
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

Source: Northwest Independent School District OFFICIAL STATEMENT dated April 27, 2022...page 5, 71

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements. The fund balance on C-3 of the audit

NORTHWEST INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF June 22, 2022

SCHEDULE 13

Taxing Jurisdiction	Taxable Assessed Value	Total Tax Supported Debt	Estimated % Applicable	District's Overlapping Tax Supported Debt
Alpha Range WC&ISD	\$ 21,340,844	\$ 4,550,000	100.00%	\$ 4,550,000
Belmont FWSD #1	705,639,335	78,760,000	30.98%	24,399,848
Canyon Falls WC&ID #2	337,563,162	33,445,000	78.09%	26,117,201
Denton County	127,010,590,822	588,465,000	11.43%	67,261,550
Flower Mound, Town of	13,410,685,554	154,130,000	0.71%	1,094,323
Fort Worth, City of	89,124,533,007	857,075,000	12.88%	110,391,260
Grapevine, City of	10,888,839,583	149,285,000	0.21%	313,499
Haslet, City of	1,124,088,074	7,206,000	100.00%	7,206,000
Justin, City of	619,445,862	16,335,000	100.00%	16,335,000
Keller, City of	6,227,886,094	53,090,000	0.37%	196,433
New Fairview, City of	190,109,921	2,815,000	58.71%	1,652,687
Newark, City of	74,189,787	555,000	100.00%	555,000
Northlake Municipal Mgmt Dist	234,547,587	38,735,000	100.00%	38,735,000
Northlake Town of	1,506,097,810	33,855,000	91.37%	30,933,314
Rhome, City of	183,857,461	3,568,000	100.00%	3,568,000
Roanoke, City of	2,762,114,251	40,750,000	100.00%	40,750,000
Southlake, City of	8,967,166,673	61,632,000	3.39%	2,089,325
Tarrant County	232,087,545,175	213,675,000	5.12%	10,940,160
Tarrant County College District	234,225,984,717	255,995,000	5.12%	13,106,944
Tarrant County Hospital District	232,505,993,849	14,495,000	5.12%	742,144
Trophy Club MUD #1	2,010,179,795	6,395,000	78.40%	5,013,680
Trophy Club, Town of	2,406,063,961	21,541,000	98.83%	21,288,970
Westlake, Town of	1,830,178,159	34,652,000	27.67%	9,588,208
Wise County	8,759,760,021	-	13.71%	-
Total Overlapping Debt				<u>\$ 436,828,544</u>
Northwest ISD	\$ 25,980,836,220	\$ 1,355,220,496	100.00%	<u>1,355,220,496</u>
Total Direct Debt				<u>\$ 1,355,220,496</u>
Total Direct and Overlapping Tax Supported Debt				<u>\$ 1,792,049,040</u>
Total Direct and Overlapping Tax Supported Debt to Taxable Assessed Valuation				<u>6.90%</u>
Per Capita Direct and Overlapping Tax Supported Debt				<u>\$ 11,640</u>

Source: Northwest Independent School District OFFICIAL STATEMENT dated April 27, 2022 page 49

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

SCHEDULE 14

Fiscal Year:	2022	2021	2020	2019
Debt Limit	\$ 2,552,561,308	\$ 2,219,702,836	\$ 1,986,119,838	\$ 1,750,305,557
Total net debt applicable to limit	1,284,904,282	970,549,810	1,007,868,954	882,708,178
Legal debt margin	\$ 1,267,657,026	\$ 1,249,153,026	\$ 978,250,884	\$ 867,597,379
Total net debt applicable to the limit as a percentage of debt limit	50.34%	43.72%	50.75%	50.43%

Current Fiscal Year: Legal debt margin calculation

Taxable Assessed Value - October 2021 (100% of Actual)	\$ 25,525,613,080
Debt limit (10% of assessed value)	2,552,561,308
Total bonded debt	\$ 1,355,220,496
Less restricted for retirement of bonded debt	70,316,214
Total amount of debt applicable to debt limit	1,284,904,282
Legal debt margin	\$ 1,267,657,026

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.

2018	2017	2016	2015	2014	2013
\$ 1,492,418,476	\$ 1,242,050,900	\$ 1,170,554,035	\$ 1,161,692,785	\$ 1,054,885,212	\$ 1,061,020,420
828,576,536	764,224,829	697,495,888	695,285,286	649,420,834	608,383,854
\$ 663,841,940	\$ 477,826,071	\$ 473,058,147	\$ 466,407,499	\$ 405,464,378	\$ 452,636,566
55.52%	61.53%	59.59%	59.85%	61.56%	57.34%

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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⁾
2022	153,957	8,674,756,730 *	\$ 56,345 *	3.4%
2021	149,562	8,240,417,514	\$ 55,097	3.9%
2020	143,662	7,682,900,098	\$ 53,479	6.6%
2019	139,450	7,570,601,050	\$ 54,289	2.8%
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%

* Estimate...data not available yet from Denton County 2022 CAFR

(1) Source: Northwest Independent School District OFFICIAL STATEMENT dated April 27, 2022...page 5

(2) Source: Denton County CAFR...

(3) Source: <https://fred.stlouisfed.org/series/TXDENT2URN> as of June 2022 (Denton County)

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

SCHEDULE 16

<u>Employer</u>	2022	
	<u>Employees</u>	<u>Percentage of Average Total Employment</u>
Charles Schwab	5,000 - 7,499	17.35%
Fidelity Investments	5,000 - 7,499	17.06%
Burlington Santa Fe	2,500 - 4,999	14.17%
Sabre Corporate Headquarters	2,500 - 4,999	10.25%
Northwest ISD	2,500 - 4,999	9.07%
Amazon Fullfillment Center	2,500 - 4,999	8.68%
Genco	2,500 - 4,999	8.68%
TD Ameritrade	2,500 - 4,999	8.39%
AT&T Wireless Distribution	1,000 - 2,499	3.47%
Dyncorp International	1,000 - 2,499	2.89%
		100.00%

Source: North Central Texas Council of Governments (map)

<https://data-nctcogis.opendata.arcgis.com/datasets/employers/explore?location=32.943477%2C-97.351333%2C12.00>

<u>Employer</u>	2013	
	<u>Employees</u>	<u>Percentage of Average Total Employment</u>
Fidelity Investments	2,500 - 4,999	16.15%
Flextronics	2,500 - 4,999	16.15%
American Airlines Alliance	1,000 - 2,499	8.07%
GENCO ATC Logistics & Electronics	1,000 - 2,499	8.07%
TD Ameritrade, Inc	1,000 - 2,499	8.07%
Amazon	1,000 - 2,499	8.07%
A T & T	500 - 999	3.22%
Bell Helicopter	500 - 999	3.22%
Burlington Northern & Santa Fe Railway	500 - 999	3.22%
Cinram/Motorola, Inc	500 - 999	3.22%
Deloitte University	500 - 999	3.22%
DynCorp International	500 - 999	3.22%
Federal Express Corp - So Regional	500 - 999	3.22%
LG Electronics Alabama, Inc	500 - 999	3.22%
Mercedes-Benz Financial Services LLC	500 - 999	3.22%
TD Auto Finance	500 - 999	3.22%
Walmart.com	500 - 999	3.22%
		100.00%

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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Supervisory										
Instructional administrators	9	10	11	9	18	18	18	17	20	22
Noninstructional administrators	33	32	37	33	68	67	64	63	56	53
Consultants/supervisors of instruction			-	-	-	-	-	-	-	-
Principals	33	30	31	28	32	32	32	27	26	25
Assistant principals	59	54	50	52	47	47	39	36	27	26
Total Supervisory	134	126	129	122	165	164	153	143	129	126
Instruction										
Elementary teachers	796	754	784	752	784	753	715	683	634	608
Secondary teachers	868	873	875	846	794	763	713	646	604	592
Other teachers (adult)	134	62	18	7	-	-	-	-	-	-
Other professionals (instructional)			-	-	-	-	-	-	-	-
Aides	296	214	236	219	228	224	218	196	172	160
Total Instruction	2,094	1,903	1,913	1,824	1,806	1,740	1,646	1,524	1,410	1,360
Student Services										
Guidance counselors	69	58	55	57	53	52	49	46	45	39
Visiting teachers/social workers			-	-	-	-	-	-	-	-
Psychologists	11	6	5	10	19	19	16	18	17	16
Librarians	29	28	28	27	25	25	25	24	24	23
Other professionals (noninstructional)	286	208	199	186	83	77	72	67	61	58
Technicians	59	49	48	41	27	27	22	20	13	13
Total Student Services	454	349	335	321	207	200	184	175	160	149
Support and Administration										
Clerical/secretarial	195	163	185	193	177	168	157	149	137	135
Service workers	218	10	10	11	9	9	9	8	17	18
Skilled crafts	40	31	34	29	35	31	25	22	20	20
Unskilled laborers	1	1	2	1			-	-	-	-
Total support and administration	454	205	231	234	221	208	191	179	174	173
Total	3,136	2,583	2,608	2,501	2,399	2,312	2,174	2,021	1,872	1,807

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
2022	27,583	272,144,195	9,866	334,971,900	12,144	1664	16.58	23.6%
2021	25,383	268,265,936	10,569	361,895,439	14,257	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%

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	Fiscal Year Ended									
		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Elementary Schools											
Beck	1998										
Square feet		91,953	91,953	91,953	91,953	91,953	87,032	87,032	87,032	87,032	79,603
Capacity		850	850	850	850	850	850	850	850	850	650
Enrollment		773	756	806	841	837	845	816	744	737	701
Cox	2013		2,013								
Square feet		98,866	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	850	-
Enrollment		744	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		770	766	791	787	929	937	922	908	903	869
*Haslet	1992, 2020										
Square feet		100,431	100,431	100,431	78,420	78,420	78,420	78,420	78,420	78,420	78,420
Capacity		850	850	850	650	650	650	650	650	650	650
Enrollment		861	492	492	474	704	626	445	420	404	504
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		553	432	397	393	519	481	456	410	371	452
Hughes	2005										
Square feet		98,028	98,028	98,028	98,028	80,124	80,124	80,124	80,124	80,124	80,124
Capacity		850	850	850	850	650	650	650	650	650	650
Enrollment		700	619	685	701	659	623	585	570	541	571
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		611	613	595	659	593	574	540	522	507	516
Lakeview	1983										
Square feet		85,671	85,671	85,671	85,671	85,671	85,671	85,671	85,671	85,671	85,671
Capacity		650	650	650	650	650	650	650	650	650	650
Enrollment		591	548	610	593	630	586	569	568	566	520
Love	2009										
Square feet		97,924	97,924	97,924	97,924	97,924	97,924	97,924	97,924	97,924	97,924
Capacity		850	850	850	850	850	850	850	850	850	850
Enrollment		677	655	712	744	617	662	717	715	680	576
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		541	612	598	631	603	552	499	481	452	461

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

SCHEDULE 19 (Continued)

Schools	Original Construction	Fiscal Year Ended									
		2021	2020	2019	2018	2017	2016	2015	2014	2013	
Elementary Schools Continued											
Peterson	2008										
Square feet		98,142	98,142	98,142	98,142	98,142	98,142	98,142	98,142	98,142	81,000
Capacity		850	850	850	850	850	850	850	850	850	650
Enrollment		683	740	802	746	781	747	866	807	761	628
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		612	516	482	452	442	443	423	437	450	451
*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		652	615	651	769	755	758	709	752	725	805
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		619	558	532	562	562	599	534	568	553	527
Sendra Ranch	2008										
Square feet		100,447	100,447	100,447	81,000	81,000	81,000	81,000	81,000	81,000	81,000
Capacity		850	850	850	650	650	650	650	650	650	650
Enrollment		588	607	644	657	568	587	590	603	596	560
Schluter	2011										
Square feet		101,834	101,834	101,834	101,834	101,834	101,834	83,099	83,099	83,099	83,099
Capacity		850	850	850	850	850	850	650	650	650	650
Enrollment		699	943	921	824	747	658	635	543	526	425
JC Thompson	2011										
Square feet		104,676	104,676	104,676	83,099	83,099	83,099	83,099	83,099	83,099	83,099
Capacity		850	850	850	650	650	650	650	650	650	650
Enrollment		814	725	734	620	703	622	566	543	532	479
Lizzie Curtis	2018										
Square feet		107,026	107,026	107,026	107,026	-	-	-	-	-	-
Capacity		850	850	850	850	-	-	-	-	-	-
Enrollment		649	707	641	566	-	-	-	-	-	-
Lance Thompson	2019										
Square feet		100,431	100,431	100,431	100,431	-	-	-	-	-	-
Capacity		850	850	850	850	-	-	-	-	-	-
Enrollment		724	501	380	566	-	-	-	-	-	-
Berkshire	2021										
Square feet		101,509	-	-	-	-	-	-	-	-	-
Capacity		850	-	-	-	-	-	-	-	-	-
Enrollment		642	-	-	-	-	-	-	-	-	-

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

SCHEDULE 19 (Continued)

Schools	Original Construction	Fiscal Year Ended									
		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Middle Schools											
Chisholm	1998										
Square feet		176,057	176,057	176,057	171361	171,361	171,361	171,361	171,361	171,361	171,361
Capacity		1200	1,200	1,200	1200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment		614	531	485	474	1,060	1,022	977	896	902	866
Medlin	1998										
Square feet		183,786	183,786	183,786	170889	170,889	170,889	170,889	170,889	170,889	170,889
Capacity		1200	1,200	1,200	1200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment		995	1,036	1,102	1117	1,105	1,143	1,121	1,071	1,081	903
Pike	1993										
Square feet		210,883	210,883	210,883	192414	192,414	192,414	192,414	192,414	192,414	192,414
Capacity		1200	1,200	1,200	1200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment		1151	1,062	1,017	1000	1,060	850	770	759	746	755
Tidwell	2010										
Square feet		181,000	181,000	181,000	181000	181,000	181,000	181,000	181,000	181,000	181,000
Capacity		1200	1,200	1,200	1200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment		1079	1,051	1,033	946	1,215	1,161	1,124	1,048	1,046	921
Wilson	2012										
Square feet		199,500	199,500	199,500	199500	199,500	199,500	199,500	199,500	199,500	199,500
Capacity		1200	1,200	1,200	1200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment		1307	953	958	924	1,034	991	838	855	852	682
Adams	2018										
Square feet		198,818	198,818	198,818	198,818	-	-	-	-	-	-
Capacity		1200	1,200	1,200	1200	-	-	-	-	-	-
Enrollment		1385	1,488	1,372	1196	-	-	-	-	-	-
High Schools											
Byron Nelson	2009										
Square feet		646,201	646,201	623,732	502,234	502,234	502,234	502,234	502,234	502,234	502,234
Capacity		2400	2,400	2,400	2400	2,400	2,400	2,400	2,400	2,400	2,400
Enrollment		2679	2,582	2,456	2463	2,449	2,512	2,524	2,515	2,563	2,077
Northwest	1984										
Square feet		600,697	600,697	600,697	542427	542,427	542,427	542,427	542,427	542,427	542,427
Capacity		3000	3,000	3,000	3000	3,000	3,000	3,000	3,000	3,000	3,000
Enrollment		2098	1,942	1,896	1756	1,709	1,972	2,194	2,753	2,821	2,422
*Steele	1992										
Square feet		55,567	55,567	55,567	55567	55,567	55,567	55,567	55,567	55,567	55,567
Capacity		450	450	450	450	450	450	450	450	450	450
Enrollment		193	225	193	181	133	128	130	109	119	74
VR Eaton	2016										
Square feet		622,018	622,018	590,157	525602	525,602	525,602	525,602	-	-	-
Capacity		2500	2,500	2,500	2500	2,500	2,500	2,500	-	-	-
Enrollment		2940	2,672	2,476	2367	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

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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

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, 2022, 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 14, 2022.

Report on 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on 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 14, 2022

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Northwest Independent School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Northwest Independent School District's major federal programs for the year ended June 30, 2022. Northwest Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Northwest Independent School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Northwest Independent School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Northwest Independent School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Hankins, Eastup, Deaton, Tonn & Seay, PC
Denton, Texas
November 14, 2022

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

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:

84.425D ESSER Relief Fund II
84.425U ESSER Relief Fund III
84.425U ESSER Relief Fund Supplemental
84.425U TCLAS - ESSER III
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

Finding 2022-01 – Lack of Sufficient Insurance Coverage at the Depository Bank

Criteria: The District's depository bank is required to have either pledged securities or letters of credit in place in an amount sufficient to protect the District's funds from loss. The requirement of pledged securities or letters of credit is waived only to the extent of the amount of available FDIC insurance coverage.

Condition: During the fiscal year ended June 30, 2022, there were 27 occasions throughout the year, with at least one occurrence each month, in which pledged securities were inadequate in covering the District's funds.

Cause: The District notifies the bank when a large deposit has occurred, but there are times that the District is unaware of incoming funds until later in the day. The District's depository bank has a cutoff time of 10:30 am Pacific time for such notification, in order to pledge additional securities for that day.

Effect: During those 27 occasions, the District was at risk of loss of funds in the event of a bank failure.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-Continued
FOR THE YEAR ENDED JUNE 30, 2022

Findings Related to the Financial Statements-continued

Recommendation: The District's written agreement with the depository bank states it is the bank's responsibility to provide sufficient pledged securities or letters of credit. If the bank's cutoff time does not allow it to respond timely to the District's need for additional pledged securities, it should consider providing a letter of credit for an additional amount beyond the pledged securities.

III. Other Findings

None

NORTHWEST INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2022

Contact for Corrective Action Plan:

Jonathan Pastusek, Executive Director of Financial Services
817-215-0174

Finding 2022-01 - Lack of Collateral by Bank

The bank is required to have collateral to cover the daily deposit balances for Northwest ISD. The current cutoff time for informing the depository is 12:30 pm. Any transactions after this time could result in Northwest ISD under-collateralized for that day. Since this discovery, Northwest ISD has tried to make sure all large transactions that could effect this are completed prior to that time. However, many times, deposits occur after that time without the knowledge of NISD or any employees. There are also other instances in which NISD must perform a transaction after that time which does not allow for the deadline to be met. NISD has reached out and discussed this issue with its depository bank. The bank is going to look at two options: 1. a letter of credit that extends the amount of collateral above and beyond the current balance or 2: a specific designated amount of collateral that exists at all times so that NISD would also know that dollar figure and make sure it is high enough to ensure all deposits are under the collateral threshold. Both of these options are being explored and NISD along with its depository will come up with a solution to prevent this problem from occurring in the future.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022

None

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal Assistance Listing No.	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
<u>Direct Programs</u>			
Impact Aid - P.L. 81.874 (Note A)	84.041	01-061911	\$ 285,373
Total Direct Programs			285,373
<u>Passed Through Texas Education Agency</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	21610101061911	37,122
ESEA, Title I, Part A - Improving Basic Programs	84.010A	22610101061911	513,853
Total Assistance Listing Number 84.010			550,975
*IDEA - Part B, Formula	84.027	206600010619116600	6,010
*IDEA - Part B, Formula	84.027	216600010619116600	48,071
*IDEA - Part B, Formula	84.027	226600010619116600	3,860,490
*IDEA, Part B, Formula - American Rescue Act (ARP)	84.027X	225350010619115350	117,838
Total Assistance Listing Number 84.027			4,032,409
*IDEA - Part B, Preschool	84.173	216610010619116610	301
*IDEA - Part B, Preschool	84.173	226610010619116610	18,657
*IDEA, Part B, Preschool- American Rescue Act (ARP)	84.173X	225360010619115360	958
Total Assistance Listing Number 84.173			19,916
Total Special Education Cluster (IDEA)			4,052,325
Career and Technical - Basic Grant	84.048	21420006061911	53,901
Career and Technical - Basic Grant	84.048	22420006061911	81,762
Total Assistance Listing Number 84.048			135,663
Title III, Part A - English Language Acquisition	84.365A	21671001061911	1,099
Title III, Part A - English Language Acquisition	84.365A	22671001061911	131,874
Total Assistance Listing Number 84.365			132,973
ESEA, Title II, Part A, Teacher Principal Training	84.367A	21694501061911	59,803
ESEA, Title II, Part A, Teacher Principal Training	84.367A	22694501061911	134,938
Total Assistance Listing Number 84.367			194,741
ESEA, Title IV, Part A	84.424A	21680101061911	8,874
ESEA, Title IV, Part A	84.424A	22680101061911	43,690
Total Assistance Listing Number 84.424			52,564
ESSER Relief Fund II	84.425U	21521001061911	3,297,546
ESSER Relief Fund III	84.425D	21528001061911	3,212,459
ESSER Relief Fund Supplemental	84.425U	21588043061911	6,056,755
Texas COVID Learning Supports - (TCLAS) ESSER III	84.425U	21528042061911	9,353
Total Assistance Listing Number 84.425			12,576,113
Total Passed Through Texas Education Agency			17,695,354
TOTAL U.S. DEPARTMENT OF EDUCATION			17,980,727

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
<u>Passed Through State Department of Education</u>			
Medicaid Administrative Claiming Program - MAC	93.778	01-061911	28,506
Total Passed Through State Department of Education			28,506
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			28,506
 U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the Texas Department of Agriculture</u>			
*School Breakfast Program	10.553	71402201	1,764,568
*National School Lunch Program - Cash Assistance	10.555	71302201	8,882,298
*National School Lunch Prog. - Non-Cash Assistance	10.555	71302201	443,198
*Supply Chain Assistance	10.555	71302201	35,424
Total Assistance Listing Number 10.555			9,360,920
Total Child Nutrition Cluster			11,125,488
Total Passed Through the Texas Department of Agriculture			11,125,488
TOTAL U.S. DEPARTMENT OF AGRICULTURE			11,125,488
 TOTAL EXPENDITURES OF FEDERAL AWARDS			 \$ 29,134,721
*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, 2022

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

With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used 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 \$1,658,005.
- Reconciliation Information:

Amount reported on the Schedule of Expenditures of Federal awards	\$29,134,721
SHARS Revenue reported in the General Fund	1,996,636
Tax Credit Revenue reported in the Debt Service Fund	-
Plus Revenue Received for Coronavirus Relief Fund for FY21 Expenditures	<u>-</u>
Total Federal Program Revenue	<u>\$31,131,357</u>

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